

# Public Document Pack

**Argyll and Bute Council**  
Comhairle Earra-Ghàidheal Agus Bhòid

Executive Director: Douglas Hendry



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20 June 2024

## NOTICE OF MEETING

A meeting of **ARGYLL AND BUTE COUNCIL** will be held **ON A HYBRID BASIS IN THE COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD AND BY MICROSOFT TEAMS** on **THURSDAY, 27 JUNE 2024 at 10:30 AM**, which you are requested to attend.

Douglas Hendry  
Executive Director

## BUSINESS

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST (IF ANY)**
3. **MINUTES** (Pages 3 - 28)  
Argyll and Bute Council held on 25 April 2024

4. **MINUTES OF COMMITTEES**

- \* (a) Policy and Resources Committee held on 9 May 2024 (Pages 29 - 34)
- (b) Community Services Committee held on 6 June 2024 (Pages 35 - 40)
- \* (c) Environment, Development and Infrastructure Committee held on 20 June 2024 - to follow

The above minutes are submitted to the Council for approval of any recommendations on the items which the Committee does not have delegated powers. These items are marked with an \*.

5. **LEADER'S REPORT** (Pages 41 - 46)  
Report by Leader of the Council
6. **POLITICAL MANAGEMENT ARRANGEMENTS** (Pages 47 - 52)  
Report by Executive Director with responsibility for Legal and Regulatory Support

## **7. YEAR END REPORTING PACK**

Reports by Section 95 Officer

- (a) 2023/24 Unaudited Annual Accounts (Pages 53 - 206)
- (b) Revenue Budget Monitoring for the Year 2023/24 (Pages 207 - 216)
- (c) Earmarked Reserves - 2023/24 Year End (Pages 217 - 252)
- (d) Capital Budget Monitoring Report - 31 March 2024 (Pages 253 - 294)
- (e) Annual Treasury Report 2023/24 (Pages 295 - 308)
- (f) Strategic Housing Fund Annual Report 2023/24 (Pages 309 - 318)

## **8. BUDGET APPROACH (Pages 319 - 326)**

Report by Section 95 Officer

## **9. DRAFT ARGYLL AND BUTE LOCAL DEVELOPMENT PLAN 2: ACTION PROGRAMME (Pages 327 - 644)**

Report by Executive Director with responsibility for Development and Economic Growth

## **10. ACHA STOCK RESTRUCTURE PROPOSALS (Pages 645 - 652)**

Report by Executive Director with responsibility for Development and Economic Growth

## **E1 11. ROTHESAY PAVILION UPDATE REPORT (Pages 653 - 662)**

Report by Executive Director with responsibility for Commercial Services and Executive Director with responsibility for Development and Economic Growth and Financial Services; and the Council's Section 95 Officer

The Council will be asked to pass a resolution in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for items of business with an "E" on the grounds that it is likely to involve the disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 7a to the Local Government (Scotland) Act 1973.

The appropriate paragraph is:-

- E1 Paragraph 6** Information relating to the financial or business affairs of any particular person (other than the authority).

## **Argyll and Bute Council**

Contact: Hazel MacInnes Tel:01546 604269

**MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held ON A HYBRID BASIS IN THE COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD AND BY MICROSOFT TEAMS on THURSDAY, 25 APRIL 2024**

**Present:**

Councillor Dougie Philand (Chair)

|                                   |                                 |
|-----------------------------------|---------------------------------|
| Councillor John Armour            | Councillor Reeni Kennedy-Boyle  |
| Councillor Gordon Blair           | Councillor Jim Lynch            |
| Councillor Jan Brown              | Councillor Luna Martin          |
| Councillor Math Campbell-Sturgess | Councillor Tommy MacPherson     |
| Councillor Garret Corner          | Councillor Ian James MacQuire   |
| Councillor Maurice Corry          | Councillor Liz McCabe           |
| Councillor Robin Currie           | Councillor Dougie McFadzean     |
| Councillor Audrey Forrest         | Councillor Julie McKenzie       |
| Councillor Kieron Green           | Councillor Yvonne McNeilly      |
| Councillor Amanda Hampsey         | Councillor Ross Moreland        |
| Councillor Daniel Hampsey         | Councillor Gary Mulvaney        |
| Councillor Graham Hardie          | Councillor Iain Shonny Paterson |
| Councillor Fiona Howard           | Councillor Gemma Penfold        |
| Councillor Willie Hume            | Councillor Alastair Redman      |
| Councillor Mark Irvine            | Councillor William Sinclair     |
| Councillor Andrew Kain            | Councillor Andrew Vennard       |
| Councillor Jennifer Kelly         | Councillor Peter Wallace        |
| Councillor Paul Donald Kennedy    |                                 |

**Attending:**

Pippa Milne, Chief Executive  
 Douglas Hendry, Executive Director  
 Kirsty Flanagan, Executive Director  
 Evan Beswick, Interim Chief Officer, Argyll and Bute HSCP  
 David Logan, Head of Legal and Regulatory Support  
 Ross McLaughlin, Head of Commercial Services  
 Jim Smith, Head of Roads and Infrastructure Services  
 Matt Mulderrig, Development Policy and Housing Manager  
 Shona Barton, Governance Manager  
 Tim Allison, Director of Public Health and Policy

**1. APOLOGIES FOR ABSENCE**

There were no apologies for absence intimated.

**NOTICE OF MOTION UNDER STANDING ORDER 14**

The Head of Legal and Regulatory Support advised that the following Notice of Motion Under Standing Order 14 had been received as a matter of urgency to allow it to coincide with the launch of a campaign at the weekend led by Councillor Fiona Howard and involving Helensburgh Business Group and Helensburgh Community Council.

Argyll and Bute Council deplores the announced closure of the Helensburgh branch of the Royal Bank of Scotland which will leave Helensburgh and Lomond with only one high street bank to serve the whole population and will have a seriously detrimental effect on the area's many small businesses and retail outlets.

and

a) Agrees that the Leader of the Council should express the Council's concerns to the bank Chief Executive -

and

b) Also ask bank owner NatWest to reconsider their decision while at the same time engaging with Cash Access UK and other banking providers to establish a banking hub in its Helensburgh premises as has been done in a number of other Scottish towns.

Moved by Councillor Fiona Howard, seconded by Councillor Math Campbell-Sturgess.

The Executive Director advised that he had received notification from the mover of the Motion that she wished to make an amendment to the Motion in its current form. He advised that as the Motion had now been circulated; assuming the amendment was non-material and the Council agreed to consider the Motion, that this amendment could be picked up at the appropriate point when the Motion was considered.

The Provost ruled and the Council agreed to consider the Motion after item 20 of the agenda.

## **2. DECLARATIONS OF INTEREST**

Councillor Maurice Corry declared a non-financial interest in item 12 of the agenda (UK Shared Prosperity Fund – Vibrant and Living Spaces Grant Fund – Allocation of Funding) due to his role as Chair of one of the organisations recommended to receive funding within the submitted report. He advised that he would leave the room and take no part in the consideration of this item of business.

Councillor Audrey Forrest noted that in relation to item 12 of the agenda (UK Shared Prosperity Fund – Vibrant and Living Spaces Grant Fund – Allocation of Funding) that she had been a Council appointed Director of the Dunoon Community Development Trust and as this had been a Council appointment which had now ceased, she would remain in the room during the consideration of this item of business.

## **3. APPOINT DEPUTE PROVOST**

The Provost invited nominations for the position of Depute Provost.

### **Decision**

The Council agreed to appoint Councillor Jan Brown to the position of Depute Provost of the Council.

## **4. APPOINT DEPUTE LEADER**

The Provost invited nominations for the position of Depute Leader.

### **Decision**

The Council agreed to appoint Councillor Audrey Forrest and Councillor Robin Currie to the positions of Depute Leaders of the Council.

**5. MINUTES**

**(a) Argyll and Bute Council held on 22 February 2024**

The Minutes of the meeting of Argyll and Bute Council held on 22 February 2024 were approved as a correct record.

**(b) Special Argyll and Bute Council held on 25 March 2024**

The Minutes of the Special meeting of Argyll and Bute Council held on 25 March 2024 were approved as a correct record.

**(c) Special Argyll and Bute Council held on 4 April 2024**

The Minutes of the Special meeting of Argyll and Bute Council held on 4 April 2024 were approved as a correct record.

**(d) Special Argyll and Bute Council held on 15 April 2024**

The Minutes of the Special meeting of Argyll and Bute Council held on 15 April 2024 were approved as a correct record.

**6. MINUTES OF COMMITTEES**

**(a) Community Services Committee held on 7 March 2024**

The Minutes of the meeting of the Community Services Committee held on 7 March 2024 were noted.

**(b) Environment, Development and Infrastructure Committee held on 21 March 2024**

The Minutes of the meeting of the Environment, Development and Infrastructure Committee held on 21 March 2024 were noted.

**7. POLITICAL MANAGEMENT ARRANGEMENTS**

The Council gave consideration to a report inviting appointments to vacant positions as a result of the decision taken at the Special meeting of the Council held on 4 April 2024.

**Motion**

The Motion moved by the Administration is attached at Appendix 1 to this Minute.

Moved by Councillor Jim Lynch, seconded by Councillor Audrey Forrest.

**Amendment**

To accept the Motion by Councillor Jim Lynch, seconded by Councillor Audrey Forrest subject to amending 7(c) and 7(k) as follows -

In relation to 7(c) Area Committee Chairs and Vice Chairs -

| <b>Table 7C</b>                     |                      |                      |
|-------------------------------------|----------------------|----------------------|
| <b>Area Committee</b>               | <b>Chair</b>         | <b>Vice-Chair</b>    |
| Bute and Cowal                      | Cllr Liz McCabe      | Cllr Yvonne McNeilly |
| Helensburgh and Lomond              | Cllr Gemma Penfold   | Cllr Maurice Corry   |
| Mid Argyll, Kintyre and the Islands | Cllr Alastair Redman | Cllr Garret Corner   |
| Oban, Lorn and the Isles            | Cllr Amanda Hampsey  | Cllr Andrew Vennard  |

In relation to 7(k) to nominate Councillor Maurice Corry as Armed Forces Champion.

Moved by Councillor Gary Mulvaney, seconded by Councillor Yvonne McNeilly.

The Leader of the largest Opposition Group advised that their nominations for Members to sit on Council Committees and other bodies would be confirmed to the Leader of the Council and to the Executive Director with responsibility for Legal and Regulatory Support.

As the meeting was being held on a hybrid basis, the vote required to be taken by calling the Roll and Members voted as follows –

| <b>Motion</b>          | <b>Amendment</b> | <b>No Vote</b>  |
|------------------------|------------------|-----------------|
| Cllr Armour            | Cllr Corner      | Cllr MacPherson |
| Cllr Blair             | Cllr Corry       |                 |
| Cllr Brown             | Cllr A Hampsey   |                 |
| Cllr Campbell-Sturgess | Cllr D Hampsey   |                 |
| Cllr Currie            | Cllr McCabe      |                 |
| Cllr Forrest           | Cllr McNeilly    |                 |
| Cllr Green             | Cllr Mulvaney    |                 |
| Cllr Hardie            | Cllr Penfold     |                 |
| Cllr Howard            | Cllr Redman      |                 |
| Cllr Hume              | Cllr Vennard     |                 |
| Cllr Irvine            | Cllr Wallace     |                 |
| Cllr Kain              |                  |                 |
| Cllr Kelly             |                  |                 |
| Cllr Kennedy           |                  |                 |
| Cllr Kennedy-Boyle     |                  |                 |
| Cllr Lynch             |                  |                 |
| Cllr Martin            |                  |                 |
| Cllr MacQuire          |                  |                 |
| Cllr McFadzean         |                  |                 |
| Cllr McKenzie          |                  |                 |
| Cllr Moreland          |                  |                 |
| Cllr Paterson          |                  |                 |
| Cllr Philand           |                  |                 |
| Cllr Sinclair          |                  |                 |

### **Decision**

The Motion was carried by 24 votes to 11 votes, with one no vote, and the Council resolved accordingly. Full detail of all appointments are noted below (Opposition nominations are in *italics*) –

**7(a) - Policy Leads and Depute Policy Leads**

| <b>Portfolio</b>   | <b>Policy Lead</b>          | <b>Depute Policy Lead</b> |
|--|-----------------------------|---------------------------|
| Economic Development, Islands and Rural Communities, Housing | Cllr Robin Currie           | Cllr Jim Lynch            |
| Finance and Commercial Services                              | Cllr Ross Moreland          | Cllr Jim Lynch            |
| Planning and Regulatory Services                             | Cllr Kieron Green           | Cllr Gordon Blair         |
| Care Services  | Cllr Dougie McFadzean       | Cllr Kieron Green         |
| Roads, Transport and Amenity Services                        | Cllr John Armour            | Cllr Willie Hume          |
| Climate Change, Renewables and Net Zero                      | Cllr Luna Martin            | Cllr Reeni Kennedy-Boyle  |
| Education  | Cllr Audrey Forrest         | Cllr Fiona Howard         |
| Business Development   | Cllr Math Campbell-Sturgess | Cllr Jan Brown            |
| Community Planning and Corporate Services                    | Cllr Mark Irvine            | Cllr Iain Shonny Paterson |

**7(b) - Appointments to Committees**

| <b>Policy and Resources Committee</b> | <b>Community Services Committee</b> | <b>Environment, Development and Infrastructure Committee</b> | <b>Planning, Protective Services and Licensing Committee</b> |
|---------------------------------------|-------------------------------------|--|--|
| Cllr John Armour                      | Cllr Gordon Blair                   | Cllr John Armour (Chair)                                     | Cllr John Armour   |
| Cllr Gordon Blair                     | Cllr Jan Brown                      | Cllr Robin Currie (Vice Chair)                               | Cllr Gordon Blair (Vice Chair)                               |
| Cllr Robin Currie                     | Cllr Fiona Howard                   | Cllr Graham Hardie   | Cllr Jan Brown   |
| Cllr Audrey Forrest (Vice Chair)      | Cllr Audrey Forrest (Chair)         | Cllr Willie Hume   | Cllr Audrey Forrest  |
| Cllr Kieron Green                     | Cllr Graham Hardie                  | Cllr Jim Lynch   | Cllr Kieron Green (Chair)                                    |
| Cllr Math Campbell-Sturgess           | Cllr Paul Donald Kennedy            | Cllr Ian MacQuire  | Cllr Fiona Howard  |
| Cllr Mark Irvine                      | Cllr Dougie McFadzean (Vice Chair)  | Cllr Luna Martin   | Cllr Graham Hardie   |
| Cllr Reeni Kennedy-Boyle              | Cllr Julie McKenzie                 | Cllr Ross Moreland   | Cllr Mark Irvine   |

|  |  |  |                                |
|--|--|--|--------------------------------|
| Cllr Jim Lynch<br>(Chair)                      | Cllr Iain Shonny<br>Paterson             | Cllr William<br>Sinclair                 | Cllr Andrew Kain               |
| Cllr Ross<br>Moreland                          | Cllr Dougie<br>Philand                   | Cllr Andrew Kain                         | Cllr Paul Donald<br>Kennedy    |
| Cllr Dougie<br>McFadzean                       | Cllr Jennifer Kelly                      | Cllr Tommy<br>Macpherson                 | Cllr Dougie<br>Philand         |
| Cllr Dougie<br>Philand                         | <i>Cllr Yvonne<br/>McNeilly</i>          | <i>Cllr Gary<br/>Mulvaney</i>            | <i>Cllr Liz McCabe</i>         |
| <i>Cllr Gary<br/>Mulvaney</i>                  | <i>Cllr Amanda<br/>Hampsey</i>           | <i>Cllr Alastair<br/>Redman</i>          | <i>Cllr Peter<br/>Wallace</i>  |
| <i>Cllr Yvonne<br/>McNeilly</i>                | <i>Cllr Gemma<br/>Penfold</i>            | <i>Cllr Liz McCabe</i>                   | <i>Cllr Amanda<br/>Hampsey</i> |
| <i>Cllr Amanda<br/>Hampsey</i>                 | <i>Cllr Maurice<br/>Corry</i>            | <i>Cllr Peter Wallace</i>                | <i>Cllr Daniel<br/>Hampsey</i> |
| <i>Cllr Liz McCabe</i>                         | <i>Cllr Daniel<br/>Hampsey</i>           | <i>Cllr Andrew<br/>Vennard</i>           |                                |
| <b>Audit and<br/>Scrutiny<br/>Committee</b>    | <b>Argyll and Bute<br/>Harbour Board</b> | <b>Argyll Islands<br/>Sounding Board</b> |                                |
| Cllr Graham<br>Hardie                          | Cllr Fiona<br>Howard                     | Cllr Robin Currie<br>(Vice Chair)        |                                |
| Cllr Reeni<br>Kennedy Boyle                    | Cllr John Armour<br>(Vice Chair)         | Cllr Kieron Green                        |                                |
| Cllr Fiona<br>Howard                           | Cllr Ross<br>Moreland (Chair)            | Cllr Reeni<br>Kennedy Boyle              |                                |
| <i>Cllr Gary<br/>Mulvaney (Vice<br/>Chair)</i> | Cllr Gordon Blair                        | Cllr Jim Lynch<br>(Chair)                |                                |
| <i>Cllr Andrew<br/>Vennard</i>                 | Cllr Dougie<br>McFadzean                 | Cllr Dougie<br>McFadzean                 |                                |
| <i>Cllr Daniel<br/>Hampsey</i>                 | <i>Cllr Liz McCabe</i>                   | Cllr Julie<br>McKenzie                   |                                |
|  | <i>Cllr Maurice<br/>Corry</i>            | Cllr Willie Hume                         |                                |
|  | <i>Cllr Andrew<br/>Vennard</i>           | <i>Cllr Liz McCabe</i>                   |                                |
|  |  | <i>Cllr Peter Wallace</i>                |                                |
|  |  | <i>Cllr Alastair<br/>Redman</i>          |                                |



**7 (c) – Appointment of Area Committee Chairs and Vice Chairs**

| Area Committee                      | Chair               | Vice-Chair               |
|-------------------------------------|---------------------|--------------------------|
| Bute and Cowal                      | Cllr Gordon Blair   | Cllr Reeni Kennedy Boyle |
| Helensburgh and Lomond              | Cllr Mark Irvine    | Cllr Fiona Howard        |
| Mid Argyll, Kintyre and the Islands | Cllr John Armour    | Cllr Dougie McFadzean    |
| Oban, Lorn and the Isles            | Cllr Julie McKenzie | Cllr Andrew Kain         |

**7(d) - Appointments to Statutory Boards and Joint Committees**

| Organisation  | Representative   | Substitute (where appropriate)   |
|---|--|--|
| Scotland Excel  | Cllr Reeni Kennedy Boyle   | Cllr William Sinclair  |
| Dunbartonshire and Argyll and Bute Valuation Joint Board                            | Cllr Mark Irvine<br>Cllr Ian MacQuire<br>Cllr Dougie McFadzean<br>Cllr Gordon Blair<br><i>Cllr Peter Wallace</i> | Cllr Math Campbell-Sturgess<br><i>Cllr Andrew Vennard</i><br>3 Vacancies |
| HITRANS (Highlands and Islands Transport Partnership)                               | Cllr John Armour   | Cllr Gordon Blair  |
| Strathclyde Concessionary Travel Scheme Joint Committee                             | Cllr Iain Shonny Paterson  | <i>Cllr Maurice Corry</i>  |
| Strathclyde Partnership for Transport and Strathclyde Passenger Transport Authority | Cllr Gordon Blair  | Cllr Iain Shonny Paterson  |
| West of Scotland European Forum   | Cllr Gordon Blair  | Cllr Mark Irvine   |
| Argyll and Bute Health and Social Care Integration Joint Board                      | Cllr Kieron Green<br>Cllr Dougie McFadzean<br>Cllr Ross Moreland<br><i>Cllr Gary Mulvaney</i>                    |  |

**7(e) - Appointments of the Licensing Board**

| Argyll and Bute Licensing Board |                          |
|---------------------------------|--------------------------|
| Cllr Jan Brown                  | Cllr Audrey Forrest      |
| Cllr Kieron Green               | Cllr Graham Hardie       |
| Cllr Mark Irvine                | Cllr Paul Donald Kennedy |
| Cllr Dougie Philand             | <i>Cllr Liz McCabe</i>   |
| <i>Cllr Amanda Hampsey</i>      | 1 Vacancy                |

**7(f) – Appointments to COSLA**

COSLA Convention  
Cllr Jim Lynch  
Cllr Fiona Howard  
*Cllr Daniel Hampsey*

COSLA Leaders

Cllr Jim Lynch

COSLA's Policy Boards:

- a) Environment and Economy Board – Cllr Kieron Green
- b) Health and Social Care Board – Cllr Dougie McFadzean
- c) Community Wellbeing Board – Cllr Robin Currie
- d) Children and Young People Board – Cllr Audrey Forrest

COSLA Scottish Joint Council for Local Government Employees

Cllr Robin Currie

**7(g) - Appointments to Outside Bodies**

| <b>Organisation</b>   | <b>Representative/s</b>                   | <b>Substitute/s as appropriate</b> |
|---|---|------------------------------------|
| Age Scotland Older People's Champion                                    | Cllr Fiona Howard                         |                                    |
| Trustee to the Blindcraft Trust Fund                                    | Cllr Graham Hardie                        |                                    |
| University of the Highlands and Islands Foundation Committee            | Cllr Audrey Forrest                       |                                    |
| SOILLSE – National Network for Gaelic Research Consultative Committee   | Cllr Robin Currie                         |                                    |
| Ionad Chaluum Chille Ile (Islay Gaelic Centre)                          | Cllr Robin Currie                         |                                    |
| PA23BID   | 1 Vacancy                                 |                                    |
| Isle of Bute BID Board  | Cllr Reeni Kennedy Boyle                  |                                    |
| Nadair Trust (Scottish Natural Heritage)                                | Cllr Kieron Green                         |                                    |
| Argyll and Bute Local Biodiversity Partnership                          | Cllr Fiona Howard                         |                                    |
| Argyll, Lomond and the Isles Energy Agency (ALIEnergy) Management Board | Cllr Mark Irvine<br>Cllr Dougie McFadzean |                                    |
| Argyll and Bute Renewables Alliance (ABRA)                              | Cllr Robin Currie                         |                                    |
| Argyll and the Isles Coast and Countryside Trust                        | Cllr Luna Martin                          | Cllr Iain Shonny Paterson          |
| KIMO (Kommuners International Kiljorganisation)                         | Cllr Luna Martin                          |                                    |
| Scottish Councils Committee on Radioactive Substances                   | Cllr Math Campbell<br>Sturgess            |                                    |
| West of Scotland Archaeology Service Joint                              | Cllr Jan Brown                            |                                    |

|  |   |  |
|--|---|--|
| Committee  |   |  |
| Clyde Marine Planning Partnership                              | Cllr Kieron Green   |  |
| Clyde and Lomond Local Plan Flood District                     | Cllr Reeni Kennedy Boyle  |  |
| Highland and Argyll Local Plan Flood District                  | Cllr Jim Lynch  |  |
| Argyll and Bute Care and Repair Agency                         | Cllr Dougie McFadzean<br>Cllr Graham Hardie   |  |
| Fyne Homes Management Committee                                | <i>Cllr Peter Wallace</i>   |  |
| Argyll Community Housing Association                           | Cllr William Sinclair<br>Cllr Jan Brown   |  |
| Argyll and Bute Area Support Team                              | Cllr Julie McKenzie   |  |
| Argyll and Bute Culture and Heritage Assembly (CHARTS)         | Cllr Luna Martin  |  |
| Live Argyll Board  | Cllr William Sinclair<br>Cllr Fiona Howard<br><i>Cllr Maurice Corry</i>                                     |  |
| Convention of the Highlands and Islands                        | Cllr Jim Lynch  |  |
| Scottish Islands Federation                                    | Cllr Dougie McFadzean   |  |
| Islands Strategic Group  | Cllr Jim Lynch  |  |
| Scottish Government Forum Against Poverty                      | Cllr Graham Hardie  |  |
| Association for Public Service Excellence (APSE)               | Cllr Gordon Blair   |  |
| A83 Taskforce  | Cllr John Armour<br>Cllr Robin Currie<br>Cllr Jim Lynch<br>Cllr Jennifer Kelly<br><i>Cllr Maurice Corry</i> |  |
| Clyde, Kintyre and the Islands Ferry Stakeholder Group         | Cllr John Armour<br>Cllr Dougie McFadzean<br>Cllr Robin Currie<br><i>Cllr Liz McCabe</i>                    |  |
| Argyll, Lochaber, Skye and Small Isles Ferry Stakeholder Group | Cllr Willie Hume<br>Cllr Julie McKenzie<br>1 Vacancy  |  |
| Northern Roads Collaboration                                   | Cllr John Armour<br>Cllr Willie Hume  |  |
| Trustee to the Scottish National War Memorial                  | Cllr Tommy Macpherson   |  |

### 7(h) – Appointments to Area Committee Outside Bodies

| Organisation                           | Representative/s  |
|--|-------------------|
| Bute and Cowal Area Community Planning | Cllr Gordon Blair |

|  |  |
|--|--|
| Group  | Cllr Ross Moreland<br><i>Cllr Peter Wallace</i>                        |
| Helensburgh and Lomond Area<br>Community Planning Group              | Cllr Mark Irvine<br>Cllr Fiona Howard<br><i>Cllr Gemma Penfold</i>     |
| Mid Argyll, Kintyre and the Islands Area<br>Community Planning Group | Cllr John Armour<br>Cllr Dougie McFadzean<br><i>Cllr Garret Corner</i> |
| Oban, Lorn and the Isles Area Community<br>Planning Group            | Cllr Julie McKenzie<br>Cllr Kieron Green<br><i>Cllr A Hampsey</i>      |

\* All other Area Committee Outside Bodies appointments deferred to the next appropriate meeting of each Area Committee

### **7(i) – Appointments to Employee Joint Consultative Committee**

- Leader of the Council – Cllr Jim Lynch
- 8 Policy Lead Councillors – Cllrs Armour, Currie, Forrest, Green, Irvine, McFadzean, Martin and Moreland
- Leader of Opposition Group – *Cllr Gary Mulvaney*

### **7(j) – Appointments to Local Negotiating Committee for Teachers**

- Policy Lead for Education – Cllr Audrey Forrest
- Depute Policy Lead for Education – Cllr Fiona Howard
- Policy Lead with responsibility for HR – Cllr Mark Irvine

### **7(k) – Appointments to other positions**

- i) Armed Forces Champion – Cllr William Sinclair
- ii) Bute and Cowal Children’s Champion – Cllr Audrey Forrest
- iii) Helensburgh and Lomond Children’s Champion – Cllr Graham Hardie
- iv) Mid Argyll, Kintyre and the Islands Children’s Champion – Cllr Dougie McFadzean
- v) Oban, Lorn and the Isles Children’s Champion – 1 Vacancy
- vi) Representatives on the Community Planning Partnership Management Committee – Cllr Jim Lynch, Leader of the Council and Cllr Mark Irvine, Policy Lead for Community Planning
- vii) Representatives on Oban Common Good Fund – Cllr Jim Lynch, Cllr Julie McKenzie, Cllr Kieron Green, *Cllr Amanda Hampsey*

### **7(l) – Councillors Remuneration**

- i) Noted that remuneration for the Provost and Leader, as set out by the Local Government (Scotland) Act 2004 (Remuneration) Amendment Regulations 2024, would be
  - Provost/Civic Head - £32,024
  - Leader of the Council - £42,698
- ii) Agreed that the annual remuneration for a Policy Lead Councillor and Area Committee Chair be set at £32,023 and £25,547 respectively in line with the

approach taken in previous Council terms, and noted that, in the event that the same member holds more than one of these positions, that member would receive the higher amount only in respect of the relevant position;

- iii) Agreed that any future annual percentage increase in Policy Lead Councillor or Area Committee Chair remuneration shall be the same as that determined by regulations for the basic allowances;
- iv) Proposed that a salary of £25,547 be provided to the Leader of the largest Opposition Group.

(Reference: Report by Executive Director with responsibility for Legal and Regulatory Support dated 9 April 2024, submitted and Motion by Councillor Jim Lynch, seconded by Councillor Audrey Forrest, tabled)

The Head of Legal and Regulatory Support advised that Dr Tim Allison, Director of Public Health and Policy, who had been invited to present the Director of Public Health Annual Report 2023 contained at item 8 of the Agenda, had given advance notice that he was to attend an urgent meeting. It was noted that he was not in attendance at this point but would join remotely as soon as he was available. The Provost ruled, and the Council agreed, to reorder the Business as appropriate until Dr Allison was in attendance to present his Director of Public Health Annual Report to the Council.

## **8. LEARNING ESTATE INVESTMENT PROGRAMME (LEIP): MULL CAMPUS UPDATE**

The Council gave consideration to a report providing an update on the Council's Learning Estate Investment Programme (LEIP) to deliver a new Campus on Mull. The report followed on from previous updates to the Policy and Resources Committee on 15 February 2024 and the Council on 22 February 2024.

### **Decision**

The Council –

1. noted the capital and revenue implications of the LEIP / Mull Campus project which were of a strategic financial nature;
2. considered the project to be affordable at this time, and agreed that up to £5m from the previously earmarked LEIP funding be used to commence the Business Case, undertake engagement exercises, commence the site selection process and establish governance arrangements; with updates being brought back to Members at appropriate gateway points;
3. noted the information provided in regard to the Economic, Community & Educational implications relative to the proposed Mull Campus as outlined in the bid and previous reports and that these would be considered further once the project proceeded to a full business case; and
4. noted that capital and revenue budget provision would require to be built into future budget estimates and approved as part of budget setting process.

(Reference: Report by Executive Director with responsibility for Commercial Services and Education; and Executive Director with responsibility for Finance / Section 95 Officer dated 16 April 2024, submitted)

**9. NHS HIGHLAND DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT 2023**

The Director of Public Health and Policy presented the Council with the Annual Report of the Director of Public Health for 2023. The theme of the report was medication and public health.

**Decision**

The Council-

1. noted the Director of Public Health Annual Report; and
2. supported the recommendations as laid out within the submitted report.

(Reference: Report by Director of Public Health and Policy dated 25 April 2024 and Director of Public Health Annual Report for 2023, submitted)

Councillor Maurice Corry left the meeting at this point.

**10. LEVELLING UP PARTNERSHIP PROCESS**

The Council gave consideration to a report advising that since the announcement by the UK Government in relation to The Levelling Up Partnership, relatively little information had been provided on the process of the fund or how the fund would operate. The report advised that there was up to £20M capital funding that would be available in 2025/26.

**Decision**

The Council –

1. noted the Levelling Up Partnership process as it was currently understood; and
2. noted the ongoing work and engagement with UK Government officials, and agreed to refer consideration of the prioritisation of the projects as identified within Table 1 within the submitted report to the Policy and Resources Committee at their next meeting.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated March 2024, submitted)

The Provost ruled, and the Council agreed to adjourn the meeting for lunch at this point.

The meeting reconvened at 1.30pm with all those present as per the sederunt with the exception of Councillor Garret Corner.

**11. SCOTTISH GOVERNMENT ADDRESSING DEPOPULATION ACTION PLAN**

The Council gave consideration to a report providing a high level overview of the content of the Scottish Government's Addressing Depopulation Action Plan.

**Decision**

The Council –

1. noted the publication of the Scottish Government's Depopulation Action Plan and its content; and
2. approved that the Council continue to engage with the Scottish Government to focus on delivering further investment in communities facing depopulation with an increased focus on the key issues of affordable housing, digital and transport connectivity together with employment opportunity.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated February 2024, submitted)

Councillor Maurice Corry, having declared an interest in the following item of business, left the room and took no part in the consideration of this item.

## **12. UK SHARED PROSPERITY FUND - VIBRANT & LIVING SPACES GRANT FUND - ALLOCATION OF FUNDING**

The Council gave consideration to a report that sought approval of the projects recommended for funding from the Vibrant and Living Spaces Grant Fund.

### **Decision**

The Council agreed that –

1. the recommended projects in paragraph 4.2 of the submitted report were taken forward to be offered a grant at the level of funding set out;
2. the remaining small surplus should be held to address any shortfalls in project budgets as they progress; and
3. delegated authority be given to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Leader and Depute Leaders in regard to any necessary future changes required between specific allocations subject to not exceeding the budget available.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 25 March 2024, submitted)

Councillor Maurice Corry rejoined the meeting at this point.

## **13. PROPOSED LOCAL DEVELOPMENT PLAN 3: DEVELOPMENT PLAN SCHEME**

The Council gave consideration to a report which sought approval of the Development Plan Scheme (DPS) in relation to proposed Local Development Plan 3, including the associated Participation Statement and governance arrangements; and which sought authority to publish the approved Development Plan Scheme and submit it to Scottish Ministers.

### **Decision**

The Council –

1. noted the content of the submitted report;

2. approved the proposed governance arrangements; and
3. approved the Development Plan Scheme attached at Appendix A to the submitted report for publication and submission to Scottish Ministers.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 25 April 2024, submitted)

**14. HOUSING EMERGENCY - STRATEGIC HOUSING FUND APPLICATION: ISLAND OF ULVA**

The Council gave consideration to a report providing an update on progress in relation to housing on the island of Ulva since the community buy out of the island by the North West Community Woodland Company in 2018. The report requested a Strategic Housing Fund grant to upgrade the water and sewerage infrastructure to enable the capacity to deliver more affordable homes on the island.

**Decision**

The Council –

1. approved a grant of up to £80,000 from the Strategic Housing Fund to upgrade the water and sewerage infrastructure on the island of Ulva by constructing a new water treatment shed to facilitate the development of additional affordable houses; and
2. delegated to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Executive Director with responsibility for Legal and Regulatory Support, the terms and conditions to be attached to any grant required as a consequence of the submitted report.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 25 April 2024, submitted)

Councillor Iain Shonny Paterson left the meeting at this point.

**15. HOUSING EMERGENCY - COLONSAY AFFORDABLE HOUSING UPDATE**

The Council gave consideration to a report providing an update on the housing project being delivered by Colonsay Community Development Company at Scalasaig, Colonsay. The report confirmed the continuing high level of housing need and demand on Colonsay and the requirement for a multi-tenure approach to address the need and demand on the island.

**Decision**

The Council –

1. authorised a grant to Colonsay Community Development Company of £100,000 to enable the successful delivery of the multi-tenure housing development at Scalasaig, Colonsay subject to match funding approval from Highland and Islands Enterprise and Scottish Government; and
2. delegated to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Executive Director with responsibility for Legal and



Regulatory Support, the terms and conditions to be attached to any grant as a consequence of the submitted report.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated April 2024, submitted)

**16. CAPITAL CONTRACT INCREASES FUND - REQUEST FOR SPEND**

The Council gave consideration to a report setting out two instances where the Council had allocated budget for capital works, and had experienced a price increase to the works. The report sought funding to be approved from the Capital Contract Increases Fund in relation to road works as a result of a landslip at Auchmeanach Farm, Claonaig and a Road Marking Machine.

**Decision**

The Council agreed –

1. to fund £706k from the Capital Contract Increases Fund to contribute to the landslip works at Claonaig;
2. to fund £28k from the Capital Contract Increases Fund to contribute towards the purchase of the Road Marking Machine; and
3. that delegated authority be granted for the use of the Capital Contract Increases Fund to the Council's Chief Executive and two Executive Directors in consultation with the Leader, Depute Leaders and Leader of the largest Opposition Group.

(Reference: Report by Executive Director with responsibility for Roads and Infrastructure Services dated April 2024, submitted)

**17. PUBLIC CONSULTATION FOR ISLANDS CONNECTIVITY PLAN**

The Council gave consideration to a draft response to the Scottish Government's consultation titled 'Public Consultation for Island Connectivity plan'.

**Decision**

The Council approved the consultation response to be returned to Transport Scotland subject to –

1. amending the response to question 12 to read yes instead of no; and
2. strengthening the response around capacity and demand to note the difficulty around residents ability to book ferries at short notice due to block bookings for freight.

(Reference: Report by Executive Director with responsibility for Roads and Infrastructure Services dated March 2024, submitted)

**18. OCTOBER 2023 WEATHER EVENT - UPDATE**

The Council gave consideration to a report summarising the rain event that caused significant travel disruption and damage during the weekend of 7 October 2023. The

report also summarised the extent of works that had been carried out to repair the damage and considered what the next steps should be.

### **Decision**

The Council noted the content of the submitted report.

(Reference: Report by Executive Director with responsibility for Roads and Infrastructure Services dated April 2024, submitted)

## **19. CONSUMPTION OF ALCOHOL IN DESIGNATED PLACES BYELAWS**

The Council gave consideration to a recommendation from the Planning, Protective Services and Licensing Committee in relation to a review of the Byelaw prohibiting the consumption of alcohol in designated places in Argyll and Bute, which was due in 2024.

### **Decision**

The Council agreed that no change to the Byelaw was required at this time in the knowledge that should there be any changes in circumstances, that a formal review could take place at any point before the next period of review, subject to adherence to the Scottish Government Guidelines and their consequent approval and confirmation.

(Reference: Extract of Minute of Planning, Protective Services and Licensing Committee held on 18 October 2023, and report by Executive Director with responsibility for Legal and Regulatory Support dated 18 October 2023, submitted)

Councillor Tommy MacPherson left the meeting at this point.

## **20. NOTICE OF MOTION UNDER STANDING ORDER 13**

The following Notice of Motion Under Standing Order 13 was before the Council for consideration:

Argyll and Bute Council recognises the huge contribution made by our farmers, crofters, growers and fishermen to our local economy, environment and wider rural communities. Consequently, Argyll and Bute Council commits to maintaining and where possible enhancing our working relationships with local arable, livestock, crofting, dairy farmers and fishermen by:

- (a) where possible, ensuring that food and drinks provided at Council organised events includes items sourced from local suppliers; to always include where possible meat, dairy and fish produce, alongside arable produce;
- (b) as part of tackling the environmental priorities for Argyll and Bute Council; The Council will consider ways to encourage residents, where possible, to shop locally taking advantage of our Love Local marketing work, and taking advantage of home-grown, affordable and nutritious produce, including meat, dairy, fish and arable options. Thus reducing food miles to our tables and boosting the local economy.
- (c) to continue to advocate to the Scottish and UK Governments the importance of supporting Argyll and Bute's Food and Drink sector to our economy and way of life.

Moved by Councillor Alastair Redman, seconded by Councillor Liz McCabe.

## Amendment

Argyll and Bute Council recognises the huge contribution made by our farmers, crofters, growers and fishers to our local economy, environment and wider rural communities. Consequently, Argyll and Bute Council commits to maintaining and where possible enhancing our working relationships with our local growers, fishers, delis, independent shopkeepers and traders by-

- a) Where possible, ensuring that food and drinks provided at Council organised events includes items sourced from local suppliers.
- b) As part of tackling the environmental priorities for Argyll and Bute Council; The Council will consider ways to encourage residents, where possible, to shop locally taking advantage of our Love Local marketing work, farmers markets and craft fairs, taking advantage of home-grown, affordable and nutritious produce, and encourage where possible the retention of cash to help support our more remote and rural traders.
- c) To continue to advocate to the Scottish and UK Governments the importance of supporting Argyll and Bute's Food and Drink sector to our economy and way of life.

Moved by Councillor Mark Irvine, seconded by Councillor Dougie McFadzean.

As the meeting was being held on a hybrid basis, the vote required to be taken by calling the Roll and Members voted as follows –

### Motion

Councillor Corry  
Councillor A Hampsey  
Councillor D Hampsey  
Councillor McCabe  
Councillor McNeilly  
Councillor Mulvaney  
Councillor Penfold  
Councillor Redman  
Councillor Sinclair  
Councillor Vennard  
Councillor Wallace

### Amendment

Councillor Armour  
Councillor Blair  
Councillor Brown  
Councillor Campbell-Sturgess  
Councillor Currie  
Councillor Forrest  
Councillor Green  
Councillor Hardie  
Councillor Howard  
Councillor Hume  
Councillor Irvine  
Councillor Kain  
Councillor Kelly  
Councillor Kennedy  
Councillor Kennedy-Boyle  
Councillor Lynch  
Councillor Martin  
Councillor MacQuire  
Councillor McFadzean  
Councillor McKenzie  
Councillor Moreland  
Councillor Philand

**Decision**

The Amendment was carried by 22 votes to 11 votes and the Council resolved accordingly.

(Reference: Notice of Motion Under Standing Order 13 by Councillor Alastair Redman, seconded by Councillor Liz McCabe, submitted; and Amendment by Councillor Mark Irvine, seconded by Councillor Dougie McFadzean, tabled)

**21. NOTICE OF MOTION UNDER STANDING ORDER 14**

Taking into account the amendment to the Motion referred to by the Executive Director at the start of the meeting, the following Notice of Motion Under Standing Order 14 was before the Council as a matter of urgency –

Argyll and Bute Council deplores the announced closure of the Helensburgh branch of the Royal Bank of Scotland which will leave Helensburgh and Lomond with only one high street bank to serve the whole population and will have a seriously detrimental effect on the area's many small businesses and retail outlets.

and

a) Agrees that the Leader of the Council should express the Council's concerns to the bank Chief Executive -

and

b) Also ask bank owner NatWest to reconsider their decision while at the same time engaging with Cash Access UK and other banking providers to explore the possibility of establishing a banking hub in its Helensburgh premises as has been done in a number of other Scottish towns.

Moved by Councillor Fiona Howard, seconded by Councillor Math Campbell-Sturgess.

**Decision**

The Council agreed the terms of the Motion and resolved accordingly.

(Reference: Notice of Motion by Councillor Fiona Howard, seconded by Councillor Math Campbell-Sturgess, tabled)

**Administration Motions – Council 25<sup>th</sup> April 2023****Agenda Item 7 – Political Management Arrangements**7A – Appointment of Policy Leads:

On the nomination of the Leader, the Council appoints the following Policy Lead and Depute Policy Lead roles as set out in Table 7A below:

| <b>Table 7A – Policy Lead Appointments</b>                   |                             |                           |
|--|-----------------------------|---------------------------|
| <b>Portfolio</b>   | <b>Policy Lead</b>          | <b>Depute Policy Lead</b> |
| Economic Development, Islands and Rural Communities, Housing | Cllr Robin Currie           | Cllr Jim Lynch            |
| Finance and Commercial Services                              | Cllr Ross Moreland          | Cllr Jim Lynch            |
| Planning and Regulatory Services                             | Cllr Kieron Green           | Cllr Gordon Blair         |
| Care Services  | Cllr Dougie McFadzean       | Cllr Kieron Green         |
| Roads, Transport and Amenity Services                        | Cllr John Armour            | Cllr Willie Hume          |
| Climate Change, Renewables and Net Zero                      | Cllr Luna Martin            | Cllr Reeni Kennedy-Boyle  |
| Education  | Cllr Audrey Forrest         | Cllr Fiona Howard         |
| Business Development   | Cllr Math Campbell-Sturgess | Cllr Jan Brown            |
| Community Planning and Corporate Services                    | Cllr Mark Irvine            | Cllr Iain Shonny Paterson |

7B – Appointments to Committees

i) Appoints the Administration members, Chairs and Vice Chairs of the following committees, as set out in table 7B below:

- Audit and Scrutiny – 3 Administration places
- Community Services – 11 Administration places
- Environment, Development and Infrastructure – 11 Administration places
- Policy and Resources – 12 Administration places
- Planning, Protective Services and Licensing – 11 Administration members nominated to Regulatory Cohort of 15
- Argyll and Bute Harbour Board – 5 Administration spaces
- Argyll Islands Sounding Board – 7 Administration spaces

ii) Invites the Leader of the Opposition Group to nominate members to sit on the following committees:

- Audit and Scrutiny – 3 spaces in total, and invites nominations for the role of Vice-Chair to be notified to the Executive Director with responsibility for Legal and Regulatory Support
- Community Services – 5 spaces in total
- Environment, Development and Infrastructure – 5 spaces in total
- Policy and Resources – 4 spaces in total

- Planning, Protective Services and Licensing – 4 spaces in total, appointed to the Regulatory Cohort of 15
- Argyll and Bute Harbour Board – 3 spaces in total
- Argyll Islands Sounding Board – 3 spaces in total

| <b>Table 7B – Committee Appointments</b> |                                      |  |  |
|--|--------------------------------------|--|--|
| <b>Policy and Resources Committee</b>    | <b>Community Services Committee</b>  | <b>Environment, Development and Infrastructure Committee</b> | <b>Planning, Protective Services and Licensing Committee</b> |
| Cllr John Armour                         | Cllr Gordon Blair                    | Cllr John Armour (Chair)                                     | Cllr John Armour   |
| Cllr Gordon Blair                        | Cllr Jan Brown                       | Cllr Robin Currie (Vice Chair)                               | Cllr Gordon Blair (Vice Chair)                               |
| Cllr Robin Currie                        | Cllr Fiona Howard                    | Cllr Graham Hardie   | Cllr Jan Brown   |
| Cllr Audrey Forrest (Vice Chair)         | Cllr Audrey Forrest (Chair)          | Cllr Willie Hume   | Cllr Audrey Forrest  |
| Cllr Kieron Green                        | Cllr Graham Hardie                   | Cllr Jim Lynch   | Cllr Kieron Green (Chair)                                    |
| Cllr Math Campbell-Sturgess              | Cllr Paul Donald Kennedy             | Cllr Ian MacQuire  | Cllr Fiona Howard  |
| Cllr Mark Irvine                         | Cllr Dougie McFadzean (Vice Chair)   | Cllr Luna Martin   | Cllr Graham Hardie   |
| Cllr Reeni Kennedy-Boyle                 | Cllr Julie McKenzie                  | Cllr Ross Moreland   | Cllr Mark Irvine   |
| Cllr Jim Lynch (Chair)                   | Cllr Iain Shonny Paterson            | Cllr William Sinclair  | Cllr Andrew Kain   |
| Cllr Ross Moreland                       | Cllr Dougie Philand                  | Cllr Andrew Kain   | Cllr Paul Donald Kennedy                                     |
| Cllr Dougie McFadzean                    | Cllr Jennifer Kelly                  | Cllr Tommy Macpherson  | Cllr Dougie Philand  |
| Cllr Dougie Philand                      |                                      |  |  |
| <b>Audit and Scrutiny Committee</b>      | <b>Argyll and Bute Harbour Board</b> | <b>Argyll Islands Sounding Board</b>                         |  |
| Cllr Graham Hardie                       | Cllr Fiona Howard                    | Cllr Robin Currie (Vice Chair)                               |  |
| Cllr Reeni Kennedy Boyle                 | Cllr John Armour (Vice Chair)        | Cllr Kieron Green  |  |
| Cllr Fiona Howard                        | Cllr Ross Moreland (Chair)           | Cllr Reeni Kennedy Boyle                                     |  |
|  | Cllr Gordon Blair                    | Cllr Jim Lynch (Chair)                                       |  |
|  | Cllr Dougie McFadzean                | Cllr Dougie McFadzean  |  |
|  |                                      | Cllr Julie McKenzie  |  |
|  |                                      | Cllr Willie Hume   |  |

#### **7C – Appointment of Area Committee Chairs and Vice Chairs:**

The Council appoints the following members to the roles of Area Committee Chair and Vice-Chair as set out at Table 7C:

**Table 7C**

| Area Committee                      | Chair               | Vice-Chair               |
|-------------------------------------|---------------------|--------------------------|
| Bute and Cowal                      | Cllr Gordon Blair   | Cllr Reeni Kennedy Boyle |
| Helensburgh and Lomond              | Cllr Mark Irvine    | Cllr Fiona Howard        |
| Mid Argyll, Kintyre and the Islands | Cllr John Armour    | Cllr Dougie McFadzean    |
| Oban, Lorn and the Isles            | Cllr Julie McKenzie | Cllr Andrew Kain         |

7D – Appointments to Statutory Boards and Joint Committees:

The Council

- i) Appoints the Council’s representatives to Statutory Boards and Joint Committees as set out in Table 7D:
- ii) Invites the Leader of the Opposition Group to nominate representatives for the following organisations:
  - a) Dunbartonshire and Argyll and Bute Valuation Joint board – 1 representative, 3 substitutes
  - b) Strathclyde Concessionary Travel Scheme Joint Committee – 1 substitute
  - c) Argyll and Bute Health and Social Care Integration Joint Board – 1 representative

| <b>Table 7D</b>   |  |   |
|---|--|---|
| Organisation  | Representative   | Substitute (where appropriate)                          |
| Scotland Excel  | Cllr Reeni Kennedy Boyle   | Cllr William Sinclair                                   |
| Dunbartonshire and Argyll and Bute Valuation Joint Board                            | Cllr Mark Irvine<br>Cllr Ian MacQuire<br>Cllr Dougie McFadzean<br>Cllr Gordon Blair<br>1 Opposition councillor | Cllr Math Campbell-Sturgess<br>3 Opposition councillors |
| HITRANS (Highlands and Islands Transport Partnership)                               | Cllr John Armour   | Cllr Gordon Blair                                       |
| Strathclyde Concessionary Travel Scheme Joint Committee                             | Cllr Iain Shonny Paterson  | 1 Opposition councillor                                 |
| Strathclyde Partnership for Transport and Strathclyde Passenger Transport Authority | Cllr Gordon Blair  | Cllr Iain Shonny Paterson                               |
| West of Scotland European Forum   | Cllr Gordon Blair  | Cllr Mark Irvine  |
| Argyll and Bute Health and Social Care Integration Joint Board                      | Cllr Kieron Green<br>Cllr Dougie McFadzean<br>Cllr Ross Moreland<br>1 Opposition Councillor                    |   |

7E – Appointments to the Licensing Board:

As set out in Table 7E, the Council appoints the following 7 Administration members of the Regulatory Cohort to Argyll and Bute Licensing Board, and invites the Leader of the Opposition Group to nominate 3 members to fill the remaining spaces, noting that any members appointed to the Regulatory Cohort will require to be suitably trained if this has not already been undertaken:

| <b>Table 7E</b>                        |                          |
|--|--------------------------|
| <b>Argyll and Bute Licensing Board</b> |                          |
| Cllr Jan Brown                         | Cllr Audrey Forrest      |
| Cllr Kieron Green                      | Cllr Graham Hardie       |
| Cllr Mark Irvine                       | Cllr Paul Donald Kennedy |
| Cllr Dougie Philand                    |                          |

7F – Appointments to the Convention of Scottish Local Authorities (COSLA):

The Council –

- i) Appoints Cllr Jim Lynch and Cllr Fiona Howard to COSLA Convention.
- ii) Invites the Leader of the Opposition Group to nominate one member in order to fulfil the Council's allocation of three representatives, reflecting political balance in line with COSLA requirements, to COSLA Convention.
- iii) Notes that Cllr Jim Lynch will represent the Council at COSLA Leaders.
- iv) Appoints the following members to COSLA's Policy Boards:
  - e) Environment and Economy Board – Cllr Kieron Green
  - f) Health and Social Care Board – Cllr Dougie McFadzean
  - g) Community Wellbeing Board – Cllr Robin Currie
  - h) Children and Young People Board – Cllr Audrey Forrest
- v) Appoints Cllr Robin Currie to the COSLA Scottish Joint Council for Local Government Employees

7G – Appointments to Outside Bodies:

The Council –

- iii) Appoints the Council's representatives to outside bodies as set out in Table 7G;
- iv) Invites the Leader of the Opposition Group to nominate representatives for the following organisations:
  - a) A83 Taskforce – 1 representative
  - b) Clyde, Kintyre and Islands Ferry Stakeholder Group – 1 representative
  - c) Argyll, Lochaber, Skye and Small Isles Ferry Stakeholder Group – 1 representative
  - d) Fyne Homes Management Committee – 1 representative
  - e) Live Argyll Board – 1 representative

| <b>Table 7G</b>   |                         |                                    |
|---|-------------------------|------------------------------------|
| <b>Organisation</b>   | <b>Representative/s</b> | <b>Substitute/s as appropriate</b> |
| Age Scotland Older People's Champion                                  | Cllr Fiona Howard       |                                    |
| Trustee to the Blindcraft Trust Fund                                  | Cllr Graham Hardie      |                                    |
| University of the Highlands and Islands Foundation Committee          | Cllr Audrey Forrest     |                                    |
| SOILLSE – National Network for Gaelic Research Consultative Committee | Cllr Robin Currie       |                                    |
| Ionad Chaluum Chille Ile  | Cllr Robin Currie       |                                    |



|   |   |                           |
|---|---|---------------------------|
| (Islay Gaelic Centre)   |   |                           |
| PA23BID   | No appointment  |                           |
| Isle of Bute BID Board  | Cllr Reeni Kennedy Boyle  |                           |
| Nadair Trust (Scottish Natural Heritage)                                | Cllr Kieron Green   |                           |
| Argyll and Bute Local Biodiversity Partnership                          | Cllr Fiona Howard   |                           |
| Argyll, Lomond and the Isles Energy Agency (ALIEnergy) Management Board | Cllr Mark Irvine<br>Cllr Dougie McFadzean                             |                           |
| Argyll and Bute Renewables Alliance (ABRA)                              | Cllr Robin Currie   |                           |
| Argyll and the Isles Coast and Countryside Trust                        | Cllr Luna Martin  | Cllr Iain Shonny Paterson |
| KIMO (Kommuners International Kiljorganisation)                         | Cllr Luna Martin  |                           |
| Scottish Councils Committee on Radioactive Substances                   | Cllr Math Campbell Sturgess   |                           |
| West of Scotland Archaeology Service Joint Committee                    | Cllr Jan Brown  |                           |
| Clyde Marine Planning Partnership                                       | Cllr Kieron Green   |                           |
| Clyde and Lomond Local Plan Flood District                              | Cllr Reeni Kennedy Boyle  |                           |
| Highland and Argyll Local Plan Flood District                           | Cllr Jim Lynch  |                           |
| Argyll and Bute Care and Repair Agency                                  | Cllr Dougie McFadzean<br>Cllr Graham Hardie                           |                           |
| Fyne Homes Management Committee   | 1 Opposition councillor   |                           |
| Argyll Community Housing Association                                    | Cllr William Sinclair<br>Cllr Jan Brown                               |                           |
| Argyll and Bute Area Support Team                                       | Cllr Julie McKenzie   |                           |
| Argyll and Bute Culture and Heritage Assembly (CHARTS)                  | Cllr Luna Martin  |                           |
| Live Argyll Board   | Cllr William Sinclair<br>Cllr Fiona Howard<br>1 Opposition councillor |                           |
| Convention of the Highlands and Islands                                 | Cllr Jim Lynch  |                           |
| Scottish Islands Federation   | Cllr Dougie McFadzean   |                           |
| Islands Strategic Group   | Cllr Jim Lynch  |                           |
| Scottish Government Forum Against Poverty                               | Cllr Graham Hardie  |                           |
| Association for Public Service Excellence (APSE)                        | Cllr Gordon Blair   |                           |
| A83 Taskforce   | Cllr John Armour<br>Cllr Robin Currie<br>Cllr Jim Lynch               |                           |

|  |   |  |
|--|---|--|
|  | Cllr Jennifer Kelly<br>1 Opposition councillor  |  |
| Clyde, Kintyre and the Islands Ferry Stakeholder Group         | Cllr John Armour<br>Cllr Dougie McFadzean<br>Cllr Robin Currie<br>1 Opposition councillor |  |
| Argyll, Lochaber, Skye and Small Isles Ferry Stakeholder Group | Cllr Willie Hume<br>Cllr Julie McKenzie<br>1 Opposition councillor                        |  |
| Northern Roads Collaboration                                   | Cllr John Armour<br>Cllr Willie Hume  |  |
| Trustee to the Scottish National War Memorial                  | Cllr Tommy Macpherson   |  |

7H – Appointments to Area Committee Outside Bodies:

The Council:

- i) Appoints representatives to the four Area Community Planning Groups, as set out in Table 7H;
- ii) Invites the Leader of the Opposition Group to nominate representatives for the four Area Community Planning Groups as set out below:
  - a) Bute and Cowal Area Community Planning Group – 1 member from Bute
  - b) Helensburgh and Lomond Area Community Planning Group – 1 member from Helensburgh and Lomond South
  - c) Mid Argyll, Kintyre and the Islands Area Community Planning Group – 1 representative
  - d) Oban, Lorn and the Isles Area Community Planning Group – 1 member
- iii) Agrees to defer all other Area Committee Outside Bodies appointments to the next appropriate meeting of each Area Committee.

| <b>Table 7H</b>   |   |
|---|---|
| <b>Organisation</b>   | <b>Representative/s</b>   |
| Bute and Cowal Area Community Planning Group                      | Cllr Gordon Blair<br>Cllr Ross Moreland<br>1 Opposition councillor from Ward 8, Isle of Bute                |
| Helensburgh and Lomond Area Community Planning Group              | Cllr Mark Irvine<br>Cllr Fiona Howard<br>1 Opposition councillor from Ward 11, Helensburgh and Lomond South |
| Mid Argyll, Kintyre and the Islands Area Community Planning Group | Cllr John Armour<br>Cllr Dougie McFadzean<br>1 Opposition councillor from Ward 3, Mid Argyll                |
| Oban, Lorn and the Isles Area Community Planning Group            | Cllr Julie McKenzie<br>Cllr Kieron Green<br>1 Opposition councillor from Ward 4, Oban South and the Isles   |

7I – Appointments to Employee Joint Consultative Committee (EJCC):

The Council:

- i) Notes the Constitution of the Employee Joint Consultative Committee as set out in Appendix I;
- ii) Confirms that the membership of the EJCC will comprise the following:
  - Leader of the Council
  - 8 Policy Lead Councillors – Cllrs Armour, Currie, Forrest, Green, Irvine, McFadzean, Martin and Moreland
  - Leader of Opposition Group

## 7J – Appointments to the Local Negotiating Committee for Teachers (LNCT):

The Council:

- i) Agrees to appoint the following elected members to the LNCT:
  - Policy Lead for Education – Cllr Audrey Forrest
  - Depute Policy Lead for Education – Cllr Fiona Howard
  - Policy Lead with responsibility for HR – Cllr Mark Irvine

## 7K – Appointments to other positions:

The Council agrees the following appointments and invites the Leader of the Opposition Group to nominate 1 member as the Oban, Lorn and the Isles Children’s Champion, and one Oban, South and the Isles Councillor to the Oban Common Good Fund:

- viii) Armed Forces Champion – Cllr William Sinclair
- ix) Bute and Cowal Children’s Champion – Cllr Audrey Forrest
- x) Helensburgh and Lomond Children’s Champion – Cllr Graham Hardie
- xi) Mid Argyll, Kintyre and the Islands Children’s Champion – Cllr Dougie McFadzean
- xii) Oban, Lorn and the Isles Children’s Champion – 1 Opposition councillor as noted above
- xiii) Representatives on the Community Planning Partnership Management Committee – Cllr Jim Lynch, Leader of the Council and Cllr Mark Irvine, Policy Lead for Community Planning
- xiv) Representatives on Oban Common Good Fund – Cllr Jim Lynch, Cllr Julie McKenzie, Cllr Kieron Green, plus one Opposition councillor from Ward 4, Oban South and the Isles as noted above.

## 7L – Councillors’ Remuneration:

The Council:

- v) Notes that remuneration for the Provost and Leader, as set out by the Local Government (Scotland) Act 2004 (Remuneration) Amendment Regulations 2024, will be
  - Provost/Civic Head - £32,024
  - Leader of the Council - £42,698
- vi) Agrees that the annual remuneration for a Policy Lead Councillor and Area Committee Chair be set at £32,023 and £25,547 respectively in line with the approach taken in previous Council terms, and notes that, in the event that the same member holds more than one of these positions, that member will receive the higher amount only in respect of the relevant position;
- vii) Agrees that any future annual percentage increase in Policy Lead Councillor or Area Committee Chair remuneration shall be the same as that determined by regulations for the basic allowances;
- viii) Proposes that a salary of £25,547 be provided to the Leader of the largest Opposition Group.



**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held ON A HYBRID BASIS IN THE COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD AND BY MICROSOFT TEAMS on THURSDAY, 9 MAY 2024**

**Present:** Councillor Jim Lynch (Chair)

|                                   |                                |
|-----------------------------------|--------------------------------|
| Councillor John Armour            | Councillor Reeni Kennedy-Boyle |
| Councillor Gordon Blair           | Councillor Liz McCabe          |
| Councillor Math Campbell-Sturgess | Councillor Dougie McFadzean    |
| Councillor Audrey Forrest         | Councillor Ross Moreland       |
| Councillor Kieron Green           |                                |

**Also Present:** Councillor Jan Brown Councillor Luna Martin

**Attending:** Pippa Milne, Chief Executive  
Douglas Hendry, Executive Director  
Kirsty Flanagan, Executive Director  
Anne Blue, Head of Financial Services  
Fergus Murray, Head of Development and Economic Growth  
Ross McLaughlin, Head of Commercial Services  
Jane Fowler, Head of Customer and Support Services  
Shona Barton, Governance Manager  
John Gordon, Programme Manager - CHORD

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Robin Currie, Amanda Hampsey, Mark Irvine, Yvonne McNeilly and Dougie Philand.

**2. DECLARATIONS OF INTEREST**

Councillor Jim Lynch advised in relation to item 7 of the agenda (Latest Update on the Clipper Round the World Yacht Race Oban Stopover Actions) that he had been appointed to the Oban BID Board by the Council. Having taken note of the Standards Commission Guidance in relation to declarations (issued on 7 December 2021), with specific reference to section 5.4(c), he did not consider that he had a relevant connection and as such would remain in the meeting.

**3. MINUTES**

The Minutes of the meeting of the Policy and Resources Committee held on 15 February 2024 were approved as a correct record.

\* **4. BUDGET OUTLOOK**

The Committee gave consideration to a report summarising the Budget Outlook covering the period 2025-26 to 2029-30, taking into consideration the budget decisions taken at the Council Budget meetings on 22 February and 15 April 2024.

**Decision**

The Policy and Resources Committee noted –

1. the current estimated budget outlook for the period 2025-26 to 2028-29; and
2. the minor changes to fees and charges and agreed to refer them to Council for endorsement.

(Reference: Report by Section 95 Officer dated 30 April 2024, submitted)

\* **5. CUSTOMER SERVICE STRATEGY 2024-27**

The Committee gave consideration to a report presenting the new corporate Customer Service Strategy 2024-27.

**Decision**

The Policy and Resources Committee –

1. noted the outcomes of the consultations on the draft Customer Service Strategy and the changes made to it using the customer and employee insights gained contained at Appendix 2 to the submitted report; and
2. approved the revised Customer Service Strategy, Charter and Action Plan contained at Appendix 1 to the submitted report, and associated EQSEIA contained at Appendix 3 to the submitted report, to proceed to the next full Council meeting in June 2024.

(Reference: Report by Executive Director with responsibility for Customer Support Services dated 9 May 2024, submitted)

**6. LACER SMALL BUSINESS SUPPORT: DIGITAL REVIEWS**

The Committee gave consideration to a report which sought approval to scale up the provision of digital reviews for small businesses to assist their recovery and growth using the remainder of the funding allocated to business grants via the Local Authority COVID Economic Recovery (LACER) money from the Scottish Government.

**Decision**

The Policy and Resources Committee approved the use of £34,365 earmarked for business grants with existing LACER Schemes to provide additional fully funded digital reviews to assist the growth and recovery of small businesses in the area, particularly in remote rural communities.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 9 April 2024, submitted)

**7. LATEST UPDATE ON THE CLIPPER ROUND THE WORLD YACHT RACE OBAN STOPOVER ACTIONS**

The Committee gave consideration to a report providing an update on the progress of the Clipper 2023-2024 Round the World Yacht Race Oban Stopover Actions Plan.

**Decision**

The Policy and Resources Committee –

1. noted the progress on actions delivered for the Clipper 2023-2024 Round the World Yacht Race Oban Stopover contained at Table 1 within the submitted report;
2. approved up to £50k of funding to deal with additional costs linked to the event from the Council's priority fund; and
3. noted the key Oban Stopover civic events including the Clipper Award Civic Ceremony on 16 July 2024, the Clipper Connect Business Event on 19 July 2024 and VIP Reception on the Clipper Race departure day on 21 July 2024.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 10 April 2024, submitted)

## **8. LEVELLING UP PARTNERSHIP PROCESS**

The Committee gave consideration to a report inviting the prioritisation of a long list of projects in relation to Levelling Up Partnership Funding.

### **Decision**

The Policy and Resources Committee –

1. acknowledged the work done by officers to prepare and develop the list of projects which span Argyll and Bute and which link to a variety of strategic and local priorities;
2. welcomed the ongoing engagement with the UK Government at officer level;
3. noted the process in relation to identifying the projects which would be funded through the Levelling Up Partnership, that final decisions would be made by the UK Government and, as a consequence; and
4. agreed to submit the long list of projects provided in Table 1, without prioritisation, to the UK Government for consideration and decision as part of that process.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated April 2024, submitted; and Motion by Councillor Jim Lynch, seconded by Councillor Audrey Forrest, tabled)

## **9. ROTHESAY PAVILION UPDATE REPORT**

The Committee gave consideration to a report providing an update on Rothesay Pavilion, specifically the Tender Report for the works to complete stages 2 and 3.

### **Decision**

The Policy and Resources Committee -

1. noted the content of the submitted report; and

2. agreed that a more detailed report be brought forward for consideration and decision by the Council at its meeting on 27 June 2024.

(Reference: Report by Executive Director with responsibility for Commercial Services; and Executive Director with responsibility for Development and Economic Growth and Financial Services and the Councils Section 95 Officer, submitted)

The Chair advised that in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, the appendices relating to the following item of business would require the exclusion of the press and public should any Member wish to discuss the content of those appendices, on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraph 6 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

The Committee agreed that they wished to discuss the content of the appendices and therefore resolved to exclude the press and public for the following item of business.

#### **10. LORN ARC TAX INCREMENTAL FINANCE PROGRAMME - OBAN AIRPORT BUSINESS PARK - OUTLINE BUSINESS CASE**

The Committee gave consideration to a report providing an update on the progress of the Oban Airport Business Park Project and its relationship to the wider Lorn Arc Tax Incremental Finance (TIF) Programme.

##### **Decision**

The Policy and Resources Committee –

1. noted that discussions were ongoing with the Scottish Government in relation to varying the TIF agreement to maximise the benefit from the scheme and that progression of this project was subject to the Scottish Government agreeing to amend the date by which works must be completed;
2. approved the submission of the Outline Business Case (OBC) to the TIF Executive seeking funding of £8.05m (including 15% fees and 10% contingency) for the development of roads, infrastructure, servicing and site works at Oban Airport Business Park;
3. subject to approval by the TIF Executive, approved the drawdown of borrowing for a total of £1.6m (20% of total cost) for the development of a Full Business Case and associated fees to progress the Oban Airport Business Park project;
4. noted the additional resources that would be required to deliver this project in the form of the establishment of a Project Management Office (PMO) with Hub North Scotland providing strategic support; and
5. noted that the Full Business Case would be reported to a future Policy and Resources Committee before moving to the implementation stage.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 9 April 2024, submitted)



**11. 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.

(Reference: Policy and Resources Committee Workplan as at 9 May 2024, submitted)

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**MINUTES of MEETING of COMMUNITY SERVICES COMMITTEE held ON A HYBRID BASIS IN  
THE COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD AND BY MICROSCOT TEAMS  
on THURSDAY, 6 JUNE 2024**

**Present:** Councillor Dougie McFadzean (Chair)

|                           |                                 |
|---------------------------|---------------------------------|
| Councillor Gordon Blair   | Councillor Paul Donald Kennedy  |
| Councillor Jan Brown      | Councillor Iain Shonny Paterson |
| Councillor Amanda Hampsey | Councillor Gemma Penfold        |
| Councillor Daniel Hampsey | Councillor Dougie Philand       |
| Councillor Graham Hardie  | Margaret Anderson               |
| Councillor Fiona Howard   | Reverend Dorothy Wallace        |
| Councillor Jennifer Kelly |                                 |

**Attending:** Douglas Hendry, Executive Director  
Jen Crocket, Head of Education: Wellbeing, Inclusion and Achievement  
Wendy Brownlie, Head of Education: Performance and Improvement  
Stuart McLean, Committee Manager  
Morag Brown, Business Improvement Manager  
Simone McAdam, Education Manager  
Rachel Binnie, Education Manager  
Simon Easton, Education Manager  
Scott McKinnon, Education Lead  
Charlotte Craig, Business Improvement Manager, Argyll and Bute HSCP  
Chief Superintendent Gary l'Anson, Police Scotland  
Chief Inspector Simon Shanks, Police Scotland  
Inspector Bart Simonis, Police Scotland  
Senior Local Officer, Joe McKay Scottish Fire and Rescue Service  
Wendy Reid, Community Learning and Development (CLD), Live Argyll  
Thomas Edwards, Port Ellen Primary School  
Evie Wood, Port Ellen Primary School  
Finlay Brown, Oban High School

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were intimated on behalf of Councillor Maurice Corry, Councillor Audrey Forrest, Councillor Julie McKenzie, Councillor Yvonne McNeilly and Daniel Semple.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest intimated.

**3. MINUTE**

The Minute of the Community Services Committee held on 7 March 2024 was approved as a correct record.

**4. APPOINTMENT OF A RELIGIOUS REPRESENTATIVE TO THE COMMUNITY SERVICES COMMITTEE**

The Committee gave consideration to a report which provided an update on the appointment of a new Church of Scotland representative to sit on the Community Services Committee.

**Decision**

The Community Services Committee noted the content of the report and endorsed the appointment of the Rev. Dorothy Wallace as the representative nominated by the Presbyterian of the Highlands and Hebrides as a voting member of the Community Services Committee.

(Reference: Report by Executive Director with responsibility for Education, dated 19 March 2024, submitted)

**5. POLICE SCOTLAND ARGYLL & BUTE PERFORMANCE SUMMARY REPORT - REPORTING PERIOD: Q4 APRIL 2023 - FEBRUARY 2024**

Chief Superintendent Gary l'Anson presented the Argyll and Bute Performance Summary Report of Police Scotland's Policing Priorities for Q4 December 2023 to February 2024 and responded to questions asked.

**Decision**

The Committee reviewed and noted the contents of the report.

(Reference: Report for Quarter 4 2023-2024 by Divisional Commander for Argyll and Bute West Dunbartonshire Division, Police Scotland, submitted)

Margaret Anderson joined the meeting during discussions of agenda item 5 (Police Scotland Argyll & Bute Performance Summary Report – Reporting Period: Q4 April 2023 – February 2024).

**6. SCOTTISH FIRE AND RESCUE SERVICE - ARGYLL & BUTE PERFORMANCE REPORT Q4 - 1 JANUARY - 31 MARCH 2024**

With the aid of power point slides, Local Senior Officer Joe McKay presented a report highlighting Scottish Fire and Rescue Service's review of local performance within Argyll and Bute for Q4 (1 January to 31 March 2024) and responded to a number of questions asked.

**Decision**

The Community Services Committee reviewed and noted the contents of the report.

(Reference: Q4 2023/24 Report by Local Senior Officer, Scottish Fire and Rescue Service, submitted)

**7. ARGYLL & BUTE HSCP - PERFORMANCE REPORT - FQ3 & FQ4 2023/24**

The Committee gave consideration to reports detailing performance for financial quarters 3 and 4 of 2023/24 for the Argyll and Bute Health and Social Care Partnership.

**Decision**

The Community Services Committee considered and noted the quarterly reports for both financial quarters 3 and 4 of 2023/24.

(Reference: Reports by Head of Strategic Planning, Performance and Technology, Argyll and Bute HSCP, dated 6 June 2024, submitted)

## **8. EDUCATION VISION AND STRATEGY - CONSULTATION RESPONSE OVERVIEW AND NEXT STEPS**

Consideration was given to a report which advised on the programme of engagement that officers undertook during the consultation exercise on the Education Vision and Strategy document 'Our Children, Their Future'. The report also outlined the main themes of stakeholder views gathered through engagement and the next steps.

Having noted that Thomas Edwards and Evie Wood both Primary 7 pupils from Port Ellen Primary School and Finlay Brown, Head boy at Oban High School had joined the teams call to participate in discussions, the Chair, Councillor McFadzean took the opportunity to welcome them to the meeting and invited them to provide their perspective on the consultation and what changes they hoped to see as a result.

### **Decision**

The Community Services Committee:-

1. Considered the synopsis of stakeholder responses from the Education Vision and Strategy consultation.
2. Agreed the next steps as set out in paragraph 5.6 of the report.

(Reference: Report by Executive Director with responsibility for Education, dated 29 April 2024, submitted)

## **9. DEVELOPING THE YOUNG WORKFORCE 2023-2024**

Having noted that Developing the Young Workforce (DYW) is dedicated to supporting young people into employment and developing their skills to ensure that they will be successful and flourish in the world of work, the Committee gave consideration to a report which provided a summary of ongoing work and progress across the Council relating to associated initiatives and activities across Argyll and Bute.

### **Decision**

The Community Services Committee:-

1. Considered the scope, variety and impact of DYW initiatives and activities across Argyll and Bute.
2. Acknowledged the importance of the Scottish Government's continued policy commitment to DYW and associated funding for Regional DYW Groups.
3. Noted the contribution of the DYW team and its work towards securing and sustaining Argyll and Bute a position in the leading 10 Scottish Local Authorities with regards to the Annual Participation Measure, in which we place 9<sup>th</sup> out of 32 in the period April 2022 to March 2023.

(Reference: Report by Executive Director with responsibility for Education, dated 10 May 2024, submitted)

**10. LIVE ARGYLL - COMMUNITY LEARNING AND DEVELOPMENT REPORT 2023-24**

Consideration was given to a report which provided an update on the performance of Live Argyll's Community Learning and Development (CLD), specifically the provision of Adult Learning and Youth Services. The report outlined the progress being made by the multi-agency CLD Strategic Partnership in delivering key priorities within the 2021-2024 CLD Partnership Plan.

**Decision**

The Community Services Committee:-

1. Considered the contents of the report.
2. Recognised the significant improvements and strengths achieved by CLD since the transfer of CLD to liveArgyll in 2021, and specifically those outlined by HMIE in its February 2024 report on the January 2024 HMIE Progress Visit.
3. Recognised the positive outcomes for young people in Argyll and Bute as a result of increased partnership between Community Learning and secondary schools.

(Reference: Report by Executive Director with responsibility for Education, dated 6 June 2024, submitted)

**11. THE EMERGENCY RESETTLEMENT OF PEOPLE FROM UKRAINE IN ARGYLL AND BUTE**

Having noted that the Council's Resettlement team had invited researchers from the University of Glasgow to undertake a review of our resettlement support and to hear firsthand experiences of people from Ukraine who have resettled in Argyll and Bute, the Committee gave consideration to a report which presented the main findings of this research.

**Decision**

The Community Services Committee:-

1. Endorsed the terms of the report, which sets out a positive picture in respect of the resettlement of people from Ukraine in Argyll and Bute.
2. Commended the work of the Council's Resettlement team and the wider multi agency partnership, including the NHS and the third sector, in supporting displaced persons from Ukraine living within our communities.

(Reference: Report by Executive Director with responsibility for Refugee Resettlement, dated 9 May 2024, submitted)

**12. EXTERNAL EDUCATION ESTABLISHMENT INSPECTION REPORT**

Consideration was given to a report which provided details of all external education establishment inspection reports received across Argyll and Bute Education Service during the period January to April 2024.

**Decision**

The Community Services Committee:-

1. Noted the contents of the report.
2. Noted that this quarterly report would be presented on an ongoing basis to the Community Services Committee detailing all establishment inspections conducted and published by Education Scotland within that period.
3. Noted that Ward members would receive copies of school inspection reports for schools within their area as published by Education Scotland.

(Reference: Report by Executive Director with responsibility for Education, dated March 2024, submitted)

**13. COMMUNITY SERVICES COMMITTEE WORK PLAN 2024 - 2025**

The Community Services Committee work plan for 2024-2025 was before the Committee for information.

**Decision**

The Community Services Committee noted the contents of the work plan.

(Reference: Community Services Committee Work Plan 2024-2025, submitted)

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**ARGYLL AND BUTE COUNCIL****COUNCIL**

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**27<sup>th</sup> June 2024**

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**LEADER'S REPORT**

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**1. INTRODUCTION**

- 1.1 The Leader of the Council routinely provides a report outlining their strategic activities for consideration at each meeting of Argyll and Bute Council, except for the annual budget meeting in February.
- 1.2 This report provides an update on the activities of the council Leader, Cllr Jim Lynch, for the period 5<sup>th</sup> April to 12<sup>th</sup> June 2024.

**2. RECOMMENDATIONS**

- 2.1 Members are asked to consider the report.
- 2.2 Members are asked to note that any reports, briefings or copy correspondence referred to in the report can be requested as appropriate through the Leadership Support Manager, although it should be noted that some confidential reports provided by external organisations such as COSLA may be restricted.

**3. LEADER ACTIVITY 5<sup>th</sup> APRIL TO 14<sup>TH</sup> JUNE 2024:**

- 3.1 **Tribute to Councillor Robin Currie:** In other circumstances, this first paragraph of my first Leader's Report to Council would have been thanking Robin and other colleagues across the chamber for their support and co-operation since becoming Leader. It is with real sadness that I find myself having to write a different kind of tribute, following the sudden and early passing of Councillor Robin Currie on 9<sup>th</sup> May 2024.

My working relationship with Robin from the start has always been positive, friendly and, I believe, ultimately of benefit to the council and to the communities we represent. There have been many tributes to Robin over the past few weeks and every single one of them has said how much

importance, how much value, he placed on those communities, and on doing the very best that he could, for them first and foremost.

Like so many fellow councillors and indeed council officers, Robin has been present throughout my entire council life so far. With almost 40 years of service, not just to local government but to the people he represented, it is very hard indeed to imagine this council without him.

It is fair to say that there is still a great deal of shock and sadness at the loss of Robin, which happened so very suddenly and unexpectedly. At his funeral service on his beloved Islay on 16<sup>th</sup> May, the high regard in which he was held by the island community was very much in evidence. At countless meetings both locally and nationally, people have made a point of paying their respects to Robin the man and to the work that he did.

With a wealth of experience and knowledge matched only by his passion and dedication to getting the best possible outcomes for local people, Robin leaves very big shoes to fill. We miss him, and we will miss him for some considerable time to come. We are so very grateful for all that he did for Argyll and Bute and for us as colleagues.

**3.2 Senior Leadership Forum, 19<sup>th</sup> April:** The Council brings together leaders and managers from across the organisation two or three times each year to go over key strategic challenges and opportunities, to focus on areas where it's possible to work more closely together and to look at ways of making service delivery as effective as possible. I welcomed the opportunity to join the group on 19<sup>th</sup> April in Kilmory.

Our teams are incredibly focused and dedicated to what they do, despite challenges which are outwith the council's control such as funding and, of course, our geography. I was impressed by the energy, questions and ideas that they bring to discussions, by their willingness to find solutions and by their enthusiasm to be innovative wherever possible.

The session gave me a chance to introduce the Administration Partnership's direction and ambitions – and I was really encouraged by the discussions I had with our teams both during the formal session and informally. I believe it's important to connect like this, where possible, with those who have responsibility for the frontline services which are so important to local people. It is invaluable feedback to have when we are considering the strategic direction and priorities for the council.

We will be doing more work on the priorities for the remainder of the council term and being able to attend this session was very helpful in that context. We will be reporting back to council on priorities at a future meeting.

**3.3 Argyll and Bute Gaelic Gathering, 27<sup>th</sup> April:** I was delighted to be able to join the Provost at the Gaelic Gathering in Oban on Saturday 27<sup>th</sup> April.

This year's Gathering was the fourth event, and the third one held in person. It is yet another tribute to the commitment of Robin Currie who was a very passionate supporter of the Gaelic language and culture and who was instrumental in driving forward our own Gaelic Gathering over the past few years. Alongside that sits the sheer determination of our local Gaelic community to come together, in a show of strength, to confirm that the language remains a very important part of local life, and one that they want to see growing and thriving.



*With Provost Dougie Philand at the Gaelic Gathering, Corran Halls, Oban*

A huge amount of work goes into organising an event like this and it's no surprise that this is another example of the positive partnership working for which Argyll and Bute is known. The event itself took a day – the work had been going on for months beforehand in order to ensure its success and its sustainability. Officers from the council have worked alongside partners at Bord na Gaidhlig, CHARTS, the Scottish Government and of course Argyll and Bute's Gaelic community to make the event happen.

With that in mind, the theme for this year of 'connections' was very fitting indeed and all of the workshop sessions and discussions, formal and informal, were focused on creating and building up those connections. They're a vital part of the drive to keep Gaelic alive and events like the Gathering help to nurture existing links and create new ones.

**3.4 UK Islands Forum, 7<sup>th</sup> and 8<sup>th</sup> May:** I joined local authority leaders and chief executives from island authorities across the UK in Anglesey for the latest meeting of the UK Islands Forum in early May.

The forum brings together councils with representatives from all national governments to focus on the particular challenges experienced by island communities and to ensure that island needs are reflected in policy-making.

The theme for this session was housing, obviously of keen interest for us. The increased attention to this at a national level must be maintained and, crucially, must turn into action. That too will be in sharp focus for us as we develop and drive forward our own priorities, building on the work already done, taking clear action and doing so at the pace demanded of this critical situation.

Argyll and Bute Council was due to host the next meeting of the Forum. With the calling of the UK General Election, the next steps are unconfirmed at this point. We will be seeking clarity following the election and, should the Forum continue, we will be happy to host as scheduled, this being a good practical opportunity to highlight some of the issues our island communities face as well as the contributions they make at a national level.

- 3.5 COSLA Meetings:** I have attended two COSLA Leaders meetings during the period covered in this report. Agenda items are taken in private session, so I can share only the topics themselves, but will do my best to answer questions as far as possible or have a confidential discussion.

A number of key issues are recurring and/or the subject of continuing correspondence amongst Leaders, including the widely publicised public sector pay matter and teacher numbers/funding.

COSLA Leaders 26<sup>th</sup> April:

- Teacher Numbers (continuing)
- Education Assurance Arrangements
- Childrens Services Social Care £12 per hour Uplift 2024/25
- Scottish Government/Local Government Joint Digital Strategy
- Publication of Local Government Workforce Report
- Persistent Organic Pollutants
- Pay Negotiations (continuing)
- Local Government Finance
- Verity House Agreement Dispute Resolution Procedure

COSLA Leaders 31<sup>st</sup> May:

- Historical Child Abuse Redress Scheme
- Verity House Agreement and Dispute Resolution Procedure
- Pay Negotiations (continuing)
- National Care Service
- Teacher Numbers Funding (continuing)
- Asylum Dispersal
- Local Government Finance
- Minimum Service Levels
- Distribution
- Draft Equally Safe Delivery Plan 2024 to 2026

- 3.7 Next Steps:** The initial period since coming into post, and as the Administration Partnership settles in, has been taken up with initial introductory meetings and engagement with a range of council officers and external partners.

There are numerous key issues which are, of course, very familiar to members and which will be in immediate focus moving forward. I have mentioned the housing emergency earlier in this report and, along with colleagues, will be looking closely at this to identify actions we can take now and swiftly in this regard. I am very clear about the crucial need for pace on this – our main challenges like population and economic growth

are inextricably linked to housing and we must and will move forward quickly on this.

I have had the first of a series of meetings with Jenni Minto MSP and will be working with Jenni and any other parliamentarians who can help us get results for Argyll and Bute. We have had offers of other ministerial meetings and will be pursuing others, particularly following the election.

I will be making contact in very early course indeed with the new UK Government to ascertain its intentions and next steps with the £20m Levelling Up Partnership funding confirmed for Argyll and Bute last year. This funding can make a real difference and we will want to ensure that it progresses as planned, as quickly as possible.

We were due to sign the Rural Growth Deal on 7<sup>th</sup> June but, with the calling of the General Election, this will be rescheduled. Officers continue to liaise with civil servants and, again, I look forward to engaging with both governments so that we can press ahead with this crucial Deal, meet this milestone and maintain progress and pace.

I have mentioned in this report a number of times the fact that we will be developing priorities for the rest of this council term. This work has started and is developing; I will be glad to share more detail as soon as practical and to answer any questions. I have also said on a number of occasions that action is critical and that will be a key element of those final priorities. I know that everyone in the chamber is ambitious for Argyll and Bute and we all have a part to play in delivering on those ambitions. We are in a time of real change, not just at council level but nationally too. This inevitably has an impact on some of the actions we would like to take and leaves some matters out of our control – for a while. That too will change and, as it does, we will maintain the momentum, we will work with whatever opportunities should arise, and we will act.

#### **4. CONCLUSION**

- 4.1** This report highlights the activities of the Leader of Argyll and Bute Council for the period 5<sup>th</sup> April to 12<sup>th</sup> June 2024.

**Councillor Jim Lynch**  
**Leader, Argyll and Bute Council**

**12<sup>th</sup> June 2024**

**For further information or to access the Leader's Report Pack please contact Aileen McNicol, Leadership Support and Member Services Manager, telephone 01546 604014 or email [aileen.mcnicol@argyll-bute.gov.uk](mailto:aileen.mcnicol@argyll-bute.gov.uk)**

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**ARGYLL AND BUTE COUNCIL****LEGAL AND REGULATORY SUPPORT****COUNCIL**  
**27<sup>th</sup> June 2024**

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**POLITICAL MANAGEMENT ARRANGEMENTS**

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**1. INTRODUCTION**

- 1.1 Councillor Robin Currie, who represented Ward 2, Kintyre and the Islands, very sadly passed away on Thursday 9<sup>th</sup> May 2024. His passing results in a number of vacant positions within the Council, on its committees, and on various external organisations to which Councillor Currie was appointed by the Council.
- 1.2 Separately, there is currently a vacancy for one Council representative on the board of West Highland Housing Association and Council is invited to consider making an appointment in this regard.
- 1.3 Councillor Ross Moreland has confirmed to the Executive Director with responsibility for Legal and Regulatory Support that he has been elected as Leader of the Council's Liberal Democrat Group. This is reflected in the updated Political Composition of the Council attached at Appendix 1.
- 1.4 The Council is asked to give consideration to the vacancies arising in these circumstances and which are set out in the report below, and to note the updated Political Composition of the Council.

**2. RECOMMENDATIONS**

- 2.1 The Council is invited to consider what action it wishes to take in light of the vacancies on Council committees and external organisations arising from the sad passing of Councillor Robin Currie. A full list of these appointments is set out at paragraphs 3.1 to 3.3.
- 2.2 The Council is invited to appoint a representative to the West Highland Housing Association Board.
- 2.3 The Council is asked to note the updated Political Composition of the Council attached at Appendix 1.

### 3. DETAIL

#### 3.1 Council Roles:

Councillor Robin Currie was appointed to the following Council roles when the Council met on 25<sup>th</sup> April 2024:

- a) Depute Leader of the Council
- b) Policy Lead for Economic Development, Islands and Rural Communities, Housing

#### 3.2 Committee Vacancies:

As a result of Councillor Currie's sad passing, there are now vacancies on the Council committees noted below:

- a) Argyll Islands Sounding Board – Vice Chair
- b) Environment, Development and Infrastructure Committee – Vice Chair
- c) Employee Joint Consultative Committee – Member
- d) Policy and Resources Committee –Member

Councillor Currie was also a member of the Mid Argyll, Kintyre and the Islands Area Committee and any councillor subsequently elected would automatically become a member of that committee.

#### 3.3 Appointments to External Organisations:

Councillor Currie had been appointed as a Council representative to the following external organisations:

- a) COSLA Community Wellbeing Board
- b) COSLA Scottish Joint Council for Local Government Employees
- c) A83 Taskforce
- d) Argyll and Bute Renewables Alliance
- e) Clyde, Kintyre and the Islands Ferry Stakeholders Group
- f) Ionad Chaluim Chille Ìle (ICCI) – The Gaelic Centre, Islay
- g) SOILLSE National Network for Gaelic Research Consultative Committee

#### 3.4 West Highland Housing Association Board:

West Highland Housing Association serves communities in the Oban, Lorn and the Isles (OLI) and Mid Argyll, Kintyre and the Islands (MAKI) areas. There is currently a vacancy for one Council representative on the Association's Board. Given the Association's areas of operation, Council is invited to appoint a representative from either the OLI or MAKI areas.

#### 3.5 Political Composition of the Council:

The updated Political Composition of the Council is provided at Appendix 1 and sets out political group membership and leadership.



#### 4. CONCLUSION

- 4.1 This report sets out the vacancies both within the council and with external organisations following the sad passing of Councillor Robin Currie, and invites Council to consider what action it may wish to take in this regard. It also provides the updated Political Composition of the Council.

#### 5. IMPLICATIONS

- 5.1 **Policy** – Appointments to external organisations are in keeping with the Council’s commitment to working in partnership with other agencies to benefit the people and communities of Argyll and Bute.
- 5.2 **Financial** – The Council may incur costs relating to elected members’ participation in some meetings, except where an external organisation may have its own allowances scheme.
- 5.3 **Legal** – None
- 5.4 **HR** – None
- 5.5 **Fairer Scotland Duty** - None
- 5.5.1 **Equalities - protected characteristics** – None
- 5.5.2 **Socio-Economic Duty** - None
- 5.5.3 **Islands** - None
- 5.6 **Climate Change** - None
- 5.7 **Risk** – None
- 5.8 **Customer Service** – None
- 5.9 **The Rights of the Child (UNCRC)** – None

**Douglas Hendry**  
**Executive Director with responsibility for Legal and Regulatory Support**

**22<sup>nd</sup> May 2024**

For further information please contact Shona Barton on 01436 657605 or by email on [shona.barton@argyll-bute.gov.uk](mailto:shona.barton@argyll-bute.gov.uk)

**Appendix 1 - Political Composition of Argyll and Bute Council**

| <b>Argyll and Bute Council - Political Composition</b>  |
|---|
| <b>ARGYLL FIRST (2)</b><br><b>Douglas Philand (Ind) (Leader of Argyll First) *</b><br>Jennifer Kelly  |
| <b>INDEPENDENT (3)</b><br>Mark Irvine *<br>Andrew Kain<br>Kieron Green *  |
| <b>INDEPENDENT CONSERVATIVE AND UNIONIST (1)</b><br>Tommy Macpherson  |
| <b>SCOTTISH GREEN PARTY (1)</b><br>Luna Martin*   |
| <b>SCOTTISH LABOUR PARTY (1)</b><br>Fiona Howard *  |
| <b>SCOTTISH LIBERAL DEMOCRATS (4)</b><br><b>Ross Moreland * (Leader of Scottish Liberal Democrat Group)</b><br>Graham Hardie *<br>Paul Donald Kennedy *<br>William Sinclair * |
| <b>SCOTTISH NATIONAL PARTY (12)</b><br>John Armour *<br>Gordon Blair *<br>Jan Brown *<br>Math Campbell-Sturgess *   |

Audrey E Forrest (Depute Leader, SNP Group) \*

Willie Hume \*

Reeni Kennedy Boyle \*

**Jim Lynch (Leader of the SNP Group) \***

Ian James MacQuire \*

Dougie McFadzean \*

Julie McKenzie\*

Iain Shonny Paterson \*

**\* Member of the Administration Partnership**

**The Argyll, Lomond and the Isles Group (TALIG) (11)**

Garret Corner (Con)

Maurice Corry (Con)

Amanda Hampsey (Con)

Daniel Hampsey (Con)

Liz McCabe (Ind)

Yvonne McNeilly (Con)

**Gary Mulvaney (Con) (Leader, TALIG)**

Gemma Penfold (Con)

Alastair Redman (Ind)

Andrew Vennard (Con)

Peter Wallace (Con)

**1 Vacancy – Ward 2 Kintyre and the Islands**

*Note:*

*Con - Scottish Conservative and Unionist Party*

*Ind - Independent*

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**ARGYLL AND BUTE COUNCIL****COUNCIL****FINANCIAL SERVICES****27 JUNE 2024**

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**2023-24 UNAUDITED ANNUAL ACCOUNTS**

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**1. EXECUTIVE SUMMARY**

- 1.1 This covering report gives an overview of the unaudited annual accounts for 2023-2024 and a summary of the significant movements from 2022-23 and asks members to approve the unaudited annual accounts for 2023-24 for issue.
- 1.2 The Comprehensive Income and Expenditure statement shows a surplus on the provision of services of £9.765m, a surplus on the revaluation of Long Term Assets of £10.097m and an actuarial gain on the pension fund assets/liability of £123.880m giving an accounting surplus of £143.742m.
- 1.3 The Balance Sheet shows that the net worth of the Council has increased by £143.744m from £667.070m as at 31 March 2023 to £810.814m as at 31 March 2024. The main reason for this increase is an increase in the pension scheme asset which increased from £139.014m in 2022-23 to £269.216m in 2023-24. Our pension figures are provided by external actuaries and this increase is due to investment returns which have been greater than expected leading to a positive return on assets.
- 1.4 The balance of unusable reserves has increased by £115.818m from £573.295m as at 31 March 2023 to £689.113m as at 31 March 2024. The main reasons for the increase relates to the increase in the pension fund reserve referenced to above.
- 1.5 The balance of usable reserves has increased by £27.926m from £93.775m as at 31 March 2023 to £121.701m as at 31 March 2024. This is largely due to an increase to the General Fund of £29.385m due to new earmarked reserves as a result of the retrospective Service Concessions adjustment in addition to small increases in the Capital Fund and the Repairs and Renewals Fund.
- 1.6 In respect of the General Fund Balance movement, as mentioned above, there has been an increase of £29.385m from a balance of £86.356m to £115.741m. This was due to the Council applying the Service Concessions flexibility during 2023-24 which gave a one-off saving of £36.038m and an in-year saving of £4.821m. There are substantial sums earmarked within the general fund to deliver on Council priorities amounting to £107.443m which includes the Service Concession gain. The Council has agreed to hold a contingency balance equivalent to 2% of the Council budget and this amounts to £6.039m. The remaining unallocated balance amounts to £2.259m.

- 1.7 The performance against budget for financial year 2023-24 was an overall underspend of £1.728m (0.55%) after accounting for new earmarking. Social Work, managed by the Health and Social Care Partnership were overspent by £0.165m and this amount is covered by their creditor balance, held on the balance sheet as money owing to the HSCP by the Council, which created a nil variance on the revenue monitoring position.
- 1.8 It is recommended that the Council:
- a) Approve the unaudited annual accounts for the year ended 31 March 2024 for issue.

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**ARGYLL AND BUTE COUNCIL****COUNCIL****FINANCIAL SERVICES****27 JUNE 2024**

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**2023-24 UNAUDITED ANNUAL ACCOUNTS**

---

**2. INTRODUCTION**

- 2.1 This covering report gives an overview of the unaudited annual accounts for 2023-24 and a summary of the significant movements from 2022-23 and asks members to approve the unaudited annual accounts for 2023-24 for issue.

**3. RECOMMENDATIONS**

- 3.1 It is recommended that the Council:

- a) Approve the unaudited annual accounts for the year ended 31 March 2024 for issue.

**4. DETAIL****Introduction**

- 4.1 The annual accounts set out the financial statements of the Council and its group for the year ended 31 March 2024. Its main purpose is to demonstrate the stewardship of public funds entrusted to the Council. The requirements governing the format and content of local authorities' annual accounts are contained in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2023-24 accounts have been prepared in accordance with this Code.
- 4.2 There is a statutory requirement to prepare a set of accounts and submit them to the Council and the Controller of Audit. The date set by the Scottish Government for the submission of the unaudited annual accounts is 30 June each year.
- 4.3 It should be noted that the Annual Accounts have still to be audited and therefore figures are subject to change. Once the audit has been completed the Audit and Scrutiny Committee will be advised by the external auditor of any material issues coming to light during the audit and any changes to the Accounts. The timing of this meeting will depend on when the audit is completed. The Audited Accounts, Audit Certificate and Auditors final report will then be submitted to the Council.
- 4.4 Since 2010-11, local authorities have been required to prepare financial statements following International Financial Reporting Standards (IFRS). Under the Local Authority Accounts (Scotland) Regulations 2014 there is a requirement to include a management commentary in the accounts. The contents of the annual accounts are summarised in the paragraphs that follow.

- 4.5 **Management Commentary:** this outlines the key messages regarding the objectives and strategy of the Council and its financial performance for the year. It also looks forward, outlining the future financial plans for the organisation and the challenges and risks which are faced by the Council.
- 4.6 **Statement of Responsibilities for the annual accounts:** this outlines the Council's responsibilities and also the responsibilities of the Council's Section 95 Officer.
- 4.7 **Annual Governance Statement:** this statement states its view on the adequacy of its governance and internal control system. It is the Council's view that the systems for governance and internal control are operating effectively within Argyll and Bute Council during 2023-24 and that there are no significant weaknesses.
- 4.8 **Remuneration Report:** this report provides details of the remuneration policy, remuneration and pension benefits of senior councillors and senior officers in addition to detail on employee exit packages.
- 4.9 **Comprehensive Income and Expenditure Statement (CIES):** This statement shows the accounting cost of providing services rather than the amount to be funded from taxation. The Council is required to make various statutory accounting adjustments to the net cost of services as reported in the budgetary outturn in order to comply with The Code. These accounting adjustments include depreciation, loans fund principal repayment and accrued holiday leave not taken by 31 March 2024.
- 4.10 The Council ended the year with a surplus of £143.742m for 2023-24. This is the accounting surplus based on the IFRS compliant accounts rather than the movement in the General Fund Balance. The total Comprehensive Income and Expenditure comprises of a surplus on the provision of services of £9.765m, increased by a surplus on the revaluation of Long Term Assets of £10.097m and an actuarial gain on the pension fund assets/liability of £123.880m.
- 4.11 In 2023-24 the Council adopted the financial flexibility introduced by the Scottish Government relating to two service concession contracts for NPDO and DBFM schools which allowed the debt element of the service concession arrangements to be accounted for over the life of the asset as opposed to the life of the contract. This resulted in a one-off retrospective gain of £36.038m and gain in 2023-24 of £4.831m.
- 4.12 The surplus on the provision of services of £9.765m compares to a deficit of £6.047m for 2022-23. The main factors contributing to this change is a decrease in the Net Cost of Services of £1.936m, an increase in other operating income and expenditure of £0.202m, a decrease in total financing and investment income and expenditure of £5.027m and an increase in the overall funding of £9.051m.



- 4.13 A reconciliation of the Surplus on the Provision of Services of £9.765m as noted in the CIES to the revenue budget outturn of £1.728m underspend is shown below.

|   | £000     | £000          |
|---|----------|---------------|
| <b>Surplus/(Deficit) on Provision of Services</b>                         |          | <b>9,765</b>  |
| <i>Remove statutory adjustments that don't feature in budget outturn:</i> |          |               |
| Depreciation  | 25,732   |               |
| Impairment of Assets charged to services                                  | (2,576)  |               |
| Capital Funding   | (23,550) |               |
| CFCR  | (1,616)  |               |
| Pension Adjustment  | (6,322)  |               |
| Statutory Repayment of Debt   | (7,696)  |               |
| Repayment of Finance Leases   | (5,280)  |               |
| Transfers to/from Other Statutory Reserves                                | (77)     |               |
| Service Concessions   | 40,869   |               |
| Other Adjustments   | 136      |               |
|   |          | 19,620        |
| <b>Movement In General Fund Balance</b>                                   |          | <b>29,385</b> |
| <i>Adjust for earmarkings:</i>  |          |               |
| Released sums earmarked to service budgets 2023-24                        | 27,286   |               |
| Supplementary estimates agreed during 2023-24                             | 9        |               |
| Revenue Budget 23-24 - transferred to general fund                        | (19)     |               |
| Contributions to earmarked reserves 2023-24                               | (54,933) |               |
|   |          | (27,657)      |
| <b>Revenue Budget Underspend/(Overspend)</b>                              |          | <b>1,728</b>  |

- 4.14 **Balance Sheet:** The Balance Sheet shows that the net worth of the Council has increased by £143.744m from £667.070m as at 31 March 2023 to £810.814m as at 31 March 2024. The major changes are set out in the table below.

|                     | 31/03/2023<br>£000 | 31/03/2024<br>£000 | Change<br>£000 | Main Reason   |
|---------------------|--------------------|--------------------|----------------|---|
| Long Term Assets    | 886,601            | 1,038,702          | 152,101        | Largely due to an increase in pension debtor due to a higher than expected investment return plus revaluation of fixed assets.  |
| Current Assets      | 90,693             | 58,539             | (32,154)       | Reduction in cash balances in comparison to previous year due to the early repayment of long term loans and funding the capital programme through cash balances as opposed to taking out new long term borrowing. |
| Current Liabilities | (68,592)           | (73,853)           | (4,461)        | Small increases in short term creditors and short term borrowing.   |

|                       |                |                |                |   |
|-----------------------|----------------|----------------|----------------|---|
| Long Term Liabilities | (241,632)      | (213,574)      | 28,058         | Reduction in long term borrowing due to the early repayment of loans during the year. |
| <b>Total</b>          | <b>667,070</b> | <b>810,814</b> | <b>143,744</b> |   |

- 4.15 **Statement of Movement in Reserves:** This shows the movement on the different reserves held by the Council, analysed into usable reserves (resource backed reserves which can be used to fund expenditure) and unusable reserves (required purely for accounting purposes and are not backed by resources).
- 4.16 The total Council reserves have increased from £667.070m at 31 March 2023 to £810.814m at 31 March 2024, an increase of £143.744m.
- 4.17 The balance of unusable reserves has increased by £115.818m from £573.295m as at 31 March 2023 to £689.113m as at 31 March 2024. The main reason for this is an increase in the pension scheme asset which increased from £139.014m in 2022-23 to £269.216m in 2023-24 and an increase in the revaluation reserve of £5.709m which arises from revaluations of properties.
- 4.18 In respect of the General Fund Balance movement, there has been an increase of £29.385m from a balance of £86.356m to £115.741m and the detail on the movement in the balance is summarised within the table below.
- 4.19 The General Fund balance at 31 March 2024 is £115.741m. The total earmarked balances amount to £107.443m. The Council has agreed to hold a contingency balance equivalent to 2% of the Council budget and this amounts to £6.039m. The remaining General Fund balance (“unallocated balance”) amounts to £2.259m.

|   | <b>£000</b>    |
|---|----------------|
| Balance on General Fund 31 March 2023                             | 86,356         |
| Revenue Budget 2023-24 – transfer to General Fund                 | 19             |
| Supplementary Estimates agreed during 2023-24                     | (9)            |
| Released sums earmarked to service budgets 2023-24                | (27,286)       |
| Contributions to earmarked reserves 2023-24 – Service Concessions | 35,658         |
| Contributions to earmarked reserves 2023-24 - Other               | 19,275         |
| Overall budget underspend as noted above                          | 1,728          |
| <b>Balance on General Fund 31 March 2024</b>                      | <b>115,741</b> |

- 4.20 **Cash Flow Statement:** The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the financial year. This is analysed into Operating, Investing and Financing Activities. The Cash and Cash Equivalents decreased by £10.814m to -£9.991m.

- 4.21 **Notes to the Financial Statement:** The notes section provides further information and explanation on some of key figures included within the Accounts. The notes conform to the guidance issued by CIPFA/LASAAC within the Code of Practice on Local Authority Accounting.
- 4.22 **Council Tax Income Account:** This account shows the gross income raised from council tax levied and deductions made under the Local Government Finance Act 1992. The resultant net income is transferred to the CIES. Council Tax rate for Band D was £1,479.20 for 2023-24 which represented a 5% increase from 2022-23 as agreed by Council as part of the budget setting process. The income transferred to the general fund for Council Tax in 2023-24 was £61.909m. This compared to £53.900m in 2022-23.
- 4.23 **Non Domestic Rate Income Account:** This account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non-Domestic Rate Account. Non Domestic Rate Income amounted to a share of £37.645m for 2023-24 allocated from the national pool. This compares to £33.179m in 2022-23. Our own net income amounted to £44.332m and we made a contribution to the national pool of £6.687m for 2023-24. These figures compared to income of £34.534m and a contribution to the national pool of £1.355m for 2022-23.
- 4.24 **Group Accounts:** Argyll and Bute Council Group comprise the following entities:
- Argyll and Bute Council
  - Dunbartonshire and Argyll and Bute Valuation Joint Board
  - Live Argyll (Leisure Trust).

In addition, the council's Common Good Funds have been fully consolidated into the Group Accounts.

- 4.25 The effect of inclusion of the Associates, Subsidiary and Common Good Funds on the Group Balance Sheet is to increase both reserves and net worth by £21.472m. This gives an overall net asset position for the Group of £832.286m, an increase of £144.994m from the previous year. As with the single entity Balance Sheet, the most significant increase is in the pension position of £130.202m and the increase in the General Fund Balance as noted earlier in the commentary.

## 5. CONCLUSION

- 5.1 The Unaudited Annual Accounts have been prepared in accordance with professional and statutory requirements. The General Fund Balance has increased by £29.385m, after taking into consideration the movement during the year, the end of year outturn position and the new earmarkings. The net worth per the balance sheet has increased by £143.744m to £810.814m. Overall the financial position of the Council remains stable.

## 6. IMPLICATIONS

- 6.1 Policy – None.

|       |                                 |   |
|-------|---------------------------------|---|
| 6.2   | Financial -                     | None, summarises the financial position for 2023-24 |
| 6.3   | Legal -                         | None.   |
| 6.4   | HR -                            | None.   |
| 6.5   | Fairer Scotland Duty -          | None.   |
| 6.5.1 | Equalities -                    | None  |
| 6.5.2 | Socio-Economic -                | None  |
| 6.5.3 | Islands Duty -                  | None  |
| 6.6   | Climate Change -                | None.   |
| 6.7   | Risk -                          | None.   |
| 6.8   | Customer Service -              | None.   |
| 6.9   | The Rights of the child (UNCRC) | None  |

**Kirsty Flanagan**  
**Executive Director/Section 95 Officer**  
**27 June 2024**

**Councillor Ross Moreland, Policy Lead for Finance and Commercial Services**

Appendix 1 – Unaudited Annual Accounts 2023-24

For further information contact Anne Blue, Head of Financial Services  
anne.blue@argyll-bute.gov.uk

# Argyll and Bute Council



**Comhairle Earra Ghàidheal agus Bhòid**



**Unaudited Annual Accounts**  
**For the year ended 31 March 2024**



## LANGUAGE OPTIONS

**If you would like this document in another language or format, or if you require the services of an interpreter, please contact us.**

Ma tha sibh ag iarraidh an sgrìobhainn seo ann an cànan no riochd eile, no ma tha sibh a' feumachdainn seirbheis eadar, feuch gun leig sibh fios thugainn.

本文件可以翻譯為另一語文版本，或製作成另一格式，如有此需要，或需要傳譯員的協助，請與我們聯絡。

यह दस्तावेज़ यदि आपको किसी अन्य भाषा या अन्य रूप में चाहिये, या आपको आनुवाद-सेवाओं की आवश्यकता हो तो हमसे संपर्क करें

本文件可以翻译为另一语文版本，或制作成另一格式，如有此需要，或需要传译员的协助，请与我们联系。

ਜੇ ਇਹ ਦਸਤਾਵੇਜ਼ ਤੁਹਾਨੂੰ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਜਾਂ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ ਚਾਹੀਦਾ ਹੈ, ਜਾਂ ਜੇ ਤੁਹਾਨੂੰ ਗੱਲਬਾਤ ਸਮਝਾਉਣ ਲਈ ਕਿਸੇ ਇੰਟਰਪ੍ਰੈਟਰ ਦੀ ਲੋੜ ਹੈ, ਤਾਂ ਤੁਸੀਂ ਸਾਨੂੰ ਦੱਸੋ।

یہ دستاویز اگر آپ کو کسی دیگر زبان یا دیگر شکل میں درکار ہو، یا اگر آپ کو ترجمان کی خدمات چاہئیں تو برائے مہربانی ہم سے رابطہ کیجئے۔

Jeżeli chcieliby Państwo otrzymać ten dokument w innym języku lub w innym formacie albo jeżeli potrzebna jest pomoc tłumacza, to prosimy o kontakt z nami.

**Financial Services  
Argyll and Bute Council  
Kilmory  
Lochgilphead  
Argyll  
PA31 8RT**

**Tel: 01546 605522**

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## Management Commentary

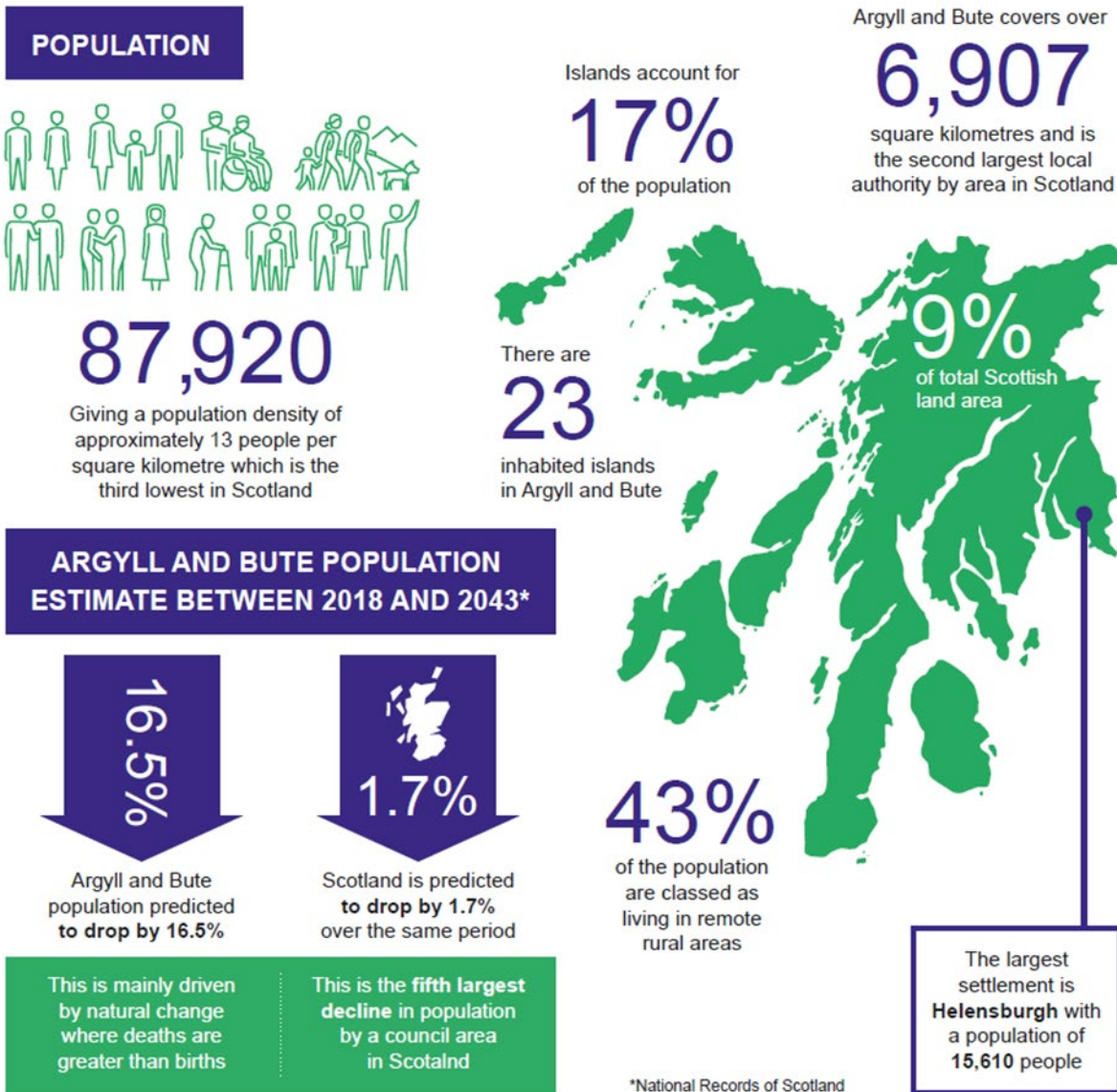
### 1. INTRODUCTION

Welcome to the financial statements for Argyll and Bute Council and its group for the year ended 31 March 2024. The statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This commentary outlines the key messages regarding the performance of the Council over the 2023-24 financial year as well as providing an indication of risks and issues which may impact upon the Council in the future.

### 2. PROFILE OF ARGYLL AND BUTE COUNCIL

The report starts with outlining some key facts about Argyll and Bute.

## Argyll and Bute Facts – Place



## Argyll and Bute Facts – Our Council

### ELECTED MEMBERS



**36** in total across Argyll and Bute

For every ward there are at least 3 councillors that represent the area you live in.



Argyll and Bute is split into 11 multi-councillor areas or wards

### ELECTORAL WARDS

- Cowal
- Dunoon
- Helensburgh Central
- Helensburgh and Lomond South
- Isle of Bute
- Kintyre and the Islands
- Lomond North
- Mid Argyll
- Oban North and Lorn
- Oban South and the Isles
- South Kintyre

### THE COUNCIL IS A MAJOR EMPLOYER IN ARGYLL AND BUTE

**4,679**

Employed across Argyll and Bute Area (per staffing watch FQ4 2023-24)



There are

**3,911**

full time equivalent employees

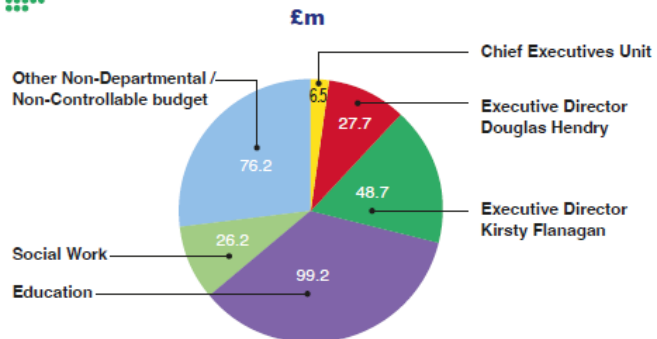


The Council has set the revenue budget for 2023-24 on 23rd February 2023

The total revenue budget is

**284.5M**

Financed by Scottish Government Grant of £223.7m and Council tax of £59.3m and reserves of 1.5m



### 3. VISION AND PRIORITIES

The Council has a new 5 year Corporate Plan for the period 2023-2027 and also an Annual Business Plan. This new document replaces the former annual Service Plans to bring more focus and scrutiny on the delivery and performance of the organisation against its priorities. This delivers on the recommendation in our Best Value Audit to make the link between priorities and performance clearer.

The Council's vision is:

*We have a vision for a successful, vibrant Argyll and Bute with a growing population and a thriving economy. A place where people want to come to live, to work and to do business as a result of action to combat and reverse decline. We see the potential for thriving local economies that support our rich mix of remote, rural and island communities. Communities which also benefit from services that work –*

## Management Commentary

*where we make the best use of all of our resources so that our core business as a council is as effective as possible.*

*We want Argyll and Bute's communities to be on a level playing field with others around the country – that is why we will campaign for equity for our communities on issues like fair funding, coping with challenges like the cost of living, and securing digital access and physical access to other opportunities. We will do our utmost to ensure that local voices and needs are taken into account in national decision-making.*

*We recognise that the cost of living crisis will affect countless households in Argyll and Bute. We want to play a part in responding to that and mitigating the impact on our communities' overall wellbeing and future success.*

*We see our council and our communities working together in playing our part and making our contributions to wider priorities like climate change, economic growth, strong local governance and more – using our strong track record in partnership working, at all levels, to secure the best possible outcomes.*

*Our Priorities for the Council Term 2022 to 2027 are shaped around delivering this vision for Argyll and Bute, our people, our success and our future.*

At the Council meeting on 25 April 2024 there was a change in political management arrangements and therefore a new Corporate Plan for the period 2024-2028 will be prepared and presented to Council with updated priorities during 2024-25. Details on activity, for each financial year, against the Council priorities will be set out in a new Council Annual Business Plan which will also be presented to Council at the same time.

The Argyll and Bute Community Planning Partnership (CPP) brings together local public services with communities they service, and provides a focus for partnership working that targets specific local circumstances. Partners work together to improve local services and to ensure that they meet the needs of local people, especially those who need the services most. The Argyll and Bute Outcome Improvement Plan has been in place for the last 10 years and had six key outcomes.

- Our economy is diverse and thriving
- We have an infrastructure that supports sustainable growth
- Education skills and training maximise opportunities for all
- Children and young people have the best possible start
- People live active, healthier and independent lives
- People will live in safe and stronger communities,

The Argyll and Bute CPP has completed its community engagement on identifying the priorities for the next 10 years (2024 – 2034) and these are:

1. Transport Infrastructure,
2. Housing,
3. Community Wellbeing.

Argyll and Bute Council will continue to be a leading partner in the partnership and ensure that the priorities of the CPP and the Council are aligned.

## Management Commentary

Some of our achievements, and the challenges we faced, in relation to the Council's agreed Corporate Outcomes are highlighted below.

### Our economy is diverse and thriving

#### *Ardrishaig North Public Realm Project*

It was a long term aspiration of local residents and community organisations in Ardrishaig to see spaces be made more attractive including provision of better space for community events, improvements to the car parks and upgrading of the paths and landscaping.

As part of an ambitious capital regeneration programme to help stimulate further public and private sector investment, works within Ardrishaig began in August 2022 and were certified as complete during 2023-24. These works included:

- A new lochside viewing area with additional seating and art work;
- Alterations to the north car park including an expansion of disabled parking;
- New artwork on the canal embankment;
- Reconfiguration of the memorial garden to include new seating areas, picnic benches and a path;
- Improved accessibility for the Argyll Sea Kayak Trail making it easier for kayakers to go between Loch Fyne and the Crinan Canal;



### We have an infrastructure that supports sustainable growth

#### *Developing infrastructure for drones*

In 2023, the Council won the COSLA Excellence Award for innovation due to its work developing infrastructure and service change by using drones. The Council worked with Skyports (an international drone company) to develop a deliverable school meal delivery system using drone technology. This culminated in a successful pilot flight, which delivered school meals from Oban Airport to Lochnell Primary School, enabling proof of concept to be delivered. Argyll and Bute's island and remote schools can often struggle to recruit catering staff and travel times to supply perishable goods can be long using roads and ferries. Drones potentially offer a low carbon and quicker alternative to traditional transport.

Planning permission has now been granted to establish a permanent Oban Drone Facility to enable commercial deliveries in the area, with schools meals continuing to be a pilot test subject.



Funding has now been secured to establish this and the project is a component part of development of a new business park at Oban Airport. This will be the first permanent Drone Facility in the UK. This ensures that it is a sustainable delivery mechanism for the school meals and other service in the future. The Council has also been awarded £250K from the Regulator's Pioneer Fund for the development of the UAV logistics hub, based at Oban Airport, to serve the islands, building on the pilot approach.

### *Weather Incident*

During October 2023 Argyll and Bute suffered extensive storm damage and a major incident was declared within the Council area. The flooding resulted in substantial damage to bridges and a number of landslides which disrupted the roads network and cut off some areas altogether. Transport connections in and out of Argyll and Bute were severely compromised and for a period of time all of the trunk roads and many of the local roads were impassible. A number of helicopter evacuations took place and reception centres were set up in the immediate aftermath.

This incident was unprecedented and every effort was made to re-open roads when safe to do so however some routes required more considerable remedial action. Works carried out were extensive with dozens of locations requiring attention from simple cleansing of a small drain to significant landslides requiring temporary roads to be created and full bridge replacements. Furthermore, to ensure all children in the impacted areas were able to attend school transport via boat was arranged.



### *Road Safety Improvements*

During 2023-24 the Councils Network and Standards team secured £0.270m of funding from the National Road Safety Improvement Fund. This has allowed a number of safety improvements to our roads and footways including:

- Village gateways at Clynder, Kilcreggan, Rosneath and Garelochhead including coloured surfacing at access points and speed roundels.

## Management Commentary

- Two new sections of footway at School Street, Bowmore with improved drainage, road markings and street lighting.
- Carriageway widening and footway construction at Millpark Road, Oban including improvements to drainage, road markings and street lighting.
- Provision of new footway in Taynuilt resulting in a safe route for school children to utilise.



### Education skills and training maximise opportunities for all

#### *Inclusion and Equality*

Argyll and Bute Council is investing more than £1.7 million over the next few years to establish four new Learning Centres in its schools so that children and young people with more complex Additional Support Needs (ASN) can benefit from enhanced and specialist support. This decision means that the Council will create dedicated primary Learning Centre provision in south Kintyre, cross-sector provision on Mull and Islay, as well as an additional Learning Centre targeted at secondary learners in Helensburgh and Lomond. The new Learning Centres at Castlehill Primary and Islay High School are scheduled to open in August 2024.

The new facilities will include:

- Breakout quiet rooms
- Low stimulus and high stimulus sensory rooms
- Changing facilities with specialist equipment to meet specific physical needs
- Accessible teaching and outdoor spaces

This development offers an exciting new opportunity for staffing as well. The teachers will work as part of a team to support children with severe and complex learning needs and/or complex medical/health needs. An important part of their role will involve planning and delivering individualised/elaborated curricula for children with a wide range of needs. Working with colleagues in other establishments and partner agencies will form an important part of their role too. ASN Assistants will also be recruited in the coming months to support teaching staff based in the new Learning Centre to deliver individualised/elaborated curricula and help the children and young people to develop vital life-skills.

The new Learning Centres will support all learners to achieve their potential right here in Argyll and Bute.



## Management Commentary

### *Care Experienced Children and Young People (CECYP)*

The Care Experienced Education Team (CEET) team were part of the Developing the Young Workforce Conference and attended alongside our care experienced Vice Chair of the Corporate Parenting Board along with some of our Oban based care experienced young people. We delivered a Raising Awareness session to approximately 120 delegates to discuss how to support a care experienced young person in the workplace. Feedback collated to date has been positive with some employers indicating a commitment to action.

Following a successful application, the Virtual School for CECYP has received a £1000 Award from the Argyll Community Housing Association (ACHA) 10<sup>th</sup> Anniversary Legacy School Awards Scheme. This will be used to support a new initiative for care experienced young people moving schools. Each CECYP person who moves school, within the authority or joins from out with the authority, will receive an 'Always Belong' box of resources. This project will begin in the 2024 – 25 academic year by listening to our current CECYP suggestions of what should be in the box.

To date, we remain at zero care experienced children and young people excluded in this academic year. This can be attributed to a robust exclusion policy, an ongoing commitment from staff across our settings and a clear vision of inclusion from senior leaders across our Education Service.

The Care Experience Education Team and Argyll and Bute Councils Chief Officers Group both achieved the We Promise Award being the first team in Scotland and first senior Council team in Scotland respectively to achieve this award.



### *MCR Pathways*

In session 2023/24, the MCR Pathways Programme was established in three Argyll and Bute secondary schools: Hermitage Academy, Dunoon Grammar School and Oban High School. This programme addresses the gap in life-chances and educational outcomes, between care experienced young people and their peers through a school- based mentoring programme.

An MCR Pathways Co-ordinator was appointed in each school. Each school contributed £12,000 to the overall cost of Co-ordinator recruitment (£35,309 per school, including on-costs), with the remainder being sourced internally by the Education Service.

All other central costs for the running of the programme (around £28,000 per school) were covered by Scottish Government funding. Such government funding is secure until the end of the 2025/26 session for the three above schools which commenced the MCR Pathways programme in August 2023.

In year 1, the MCR Pathways programme in all three schools has been highly successful, with all targets met or exceeded, and positive feedback provided by young people, mentors, Co-ordinators and MCR Pathways.

Discussion with MCR Pathways has confirmed the possibility of expanding the MCR Pathways Programme to a further three schools in 2024/25: Rothesay Joint Campus, Lochgilphead Joint Campus and Campbeltown Grammar School.

## Management Commentary

### Children and young people have the best possible start

#### *Childcare provision*

Our delivery trial of purchase-able childcare for working parents in some remote and rural communities, continues to support new parents return to work. On Bute, where an acute lack of childcare affected a growing number of parents return to work after childbirth, this provision is now being permanently delivered, as a result of building renovations to the Joint Campus. In its early stages, this provision will support increasing numbers of the islands parents engage in work or training opportunities, supporting the economic sustainability of young families

#### *Developing the Young Workforce (DYW)*

The second annual DYW Argyll & Bute Conference took place in May, in the Corran Halls, Oban. The purpose of the conference was to promote and celebrate the range of agencies and partnerships participating in preparing young people for the world of work, and the scope of activities and initiatives involved in doing so. This year's conference had a particular focus on meeting the needs of and providing opportunities for the young people who need them most. The day itself involved around 100 delegates made up of Education colleagues, Community Learning and Development, Skills Development Scotland, employers, Third Sector partners and other agencies and organisations contributing to the DYW agenda across Argyll & Bute.

Key elements of the conference included presentations from Who Cares? Scotland, Inspiralba, and a series of interactive workshops for delegates to take part in. The highlight of the day for many was the contributions from young people who were able to address first-hand how delegates could improve further their offering for young people across the region. The day culminated in a keynote speech from the Minister for Higher and Further Education, Graeme Dey MSP. Feedback from the event has been overwhelmingly positive with plans already being made for next year.



### People Live Active Healthier and Independent Lives

#### *Active Travel App*

In 2023/24, through funding from Smarter Choices Smarter Places, Argyll and Bute Council worked with the Heart of Argyll Wildlife Organisation and Aerial Digital to create a walking and cycling app for Mid Argyll. The app 'Discover Dalriada Mid Argyll' has been downloaded more than 250 times since its launch in April 2024.

The app is designed to encourage people to get out and explore the Mid Argyll area through a series of self-guided walking, wheeling and cycling trails with each trail highlighting and providing additional information on a range of points of interest that can be seen along the trail.

## Management Commentary

The app also includes an 'Eye Spy' fun family challenge game.

The Discover Dalriada Mid Argyll app is the latest in a series of active travel apps that have been developed over recent years and there are now active travel apps for:

- Campbeltown
- Dunoon
- Helensburgh
- Mid-Argyll
- Oban
- Rothesay



### *Food for Thought*

Two schools were successful in Food for Thought grants. Gigha pupils planted and harvested their own produce and also used the grant to set up poultry farming (hens). Their produce is being used within school and community. Additional workshops for families were provided by a nutritionist to develop community knowledge of healthy recipes with locally available, affordable produce. A further session was provided for the community with the Gigha Foodies Group which allowed everyone on the island to access the knowledge of a professional nutritionist to help plan and make simple yet nutritious meals with ingredients which can be grown locally/purchased affordably.

Funds in Ardrishaig have supported the purchase and use of gardening resources and materials to develop growth of food on school grounds. This is being used to learn about healthy eating and supports the sale of school-produce within the local community.

### **People will live in safer and stronger communities**

#### *Mentors In Violence Prevention (MVP)*

The Mentors In Violence Prevention (MVP) programme has continued to be developed across our secondary schools. The Programme is a mentor based programme that addresses gender based violence. This work continues to be an important part of the Violence Against Women and Girls Project. In November 23, a further 17 staff were trained, including partner agencies. This has increased engaged schools from 3 to 7. This exceeds our target for school engagement within our development plan. The work continues to bring together engagement from partners such as Police Scotland and Argyll & Bute Rape Crisis. Our aim for the next academic session would be to ensure engagement across all secondary schools and build capacity within our training team.

## Management Commentary

### 4. FINANCIAL PERFORMANCE 2023-24



The Council has a robust financial reporting framework in place and a comprehensive monitoring pack is prepared and presented to every Policy and Resources Committee. This includes reports on the revenue budget, capital plan, financial risks, treasury monitoring, reserves and balances and delivery of any previously agreed savings. The financial framework is shown on the left.

#### Revenue: Outturn against Budget

The performance against budget for financial year 2023-24, after adjusting for automatic and proposed earmarked reserve proposals, was an overall underspend of £1.728m, 0.55% as summarised in the table below. (The corresponding position for 2022-23 was an underspend of £3.326m, 1.07%.)

#### 2023-24 Final Revenue Budget Outturn

|  | Actuals        | Budget                             | Variance               | Percentage     |
|--|----------------|------------------------------------|------------------------|----------------|
|  |                | Adjusted for Automatic Earmarkings | (Overspend) Underspend |                |
|  | £000           | £000                               | £000                   | %              |
| Chief Executive's Unit   | 1,155          | 1,161                              | 6                      | 0.53%          |
| Executive Director (Douglas Hendry)                            | 139,308        | 139,999                            | 691                    | 0.49%          |
| Executive Director (Kirsty Flanagan)                           | 58,610         | 57,258                             | (1,352)                | (2.36%)        |
| Weather related incident costs (not covered by Bellwin Scheme) | 839            | 0                                  | (839)                  | 0.0%           |
| Joint Boards   | 1,319          | 1,396                              | 77                     | 5.56%          |
| Other  | 11,584         | 11,584                             | 0                      | 0.0%           |
| Service Concessions  | (40,869)       | (40,489)                           | 380                    | (0.94%)        |
| Social Work  | 77,605         | 77,605                             | 0                      | 0.0%           |
| <b>Net Expenditure</b>   | <b>249,551</b> | <b>248,514</b>                     | <b>(1,037)</b>         | <b>(0.42%)</b> |
| Total Funding  | 314,827        | 314,794                            | 33                     | 0.01%          |
| <b>OVERSPEND PRIOR TO LOANS FUND</b>                           |                |                                    | <b>(1,004)</b>         | <b>(0.32%)</b> |
| Loans Fund   | 8,615          | 14,547                             | 5,932                  | 40.78%         |
| <b>UNDERSPEND BEFORE EARMARKINGS</b>                           |                |                                    | <b>4,928</b>           | <b>1.57%</b>   |
| Proposed Unspent Budget Earmarking Proposals                   |                |                                    | (3,200)                |                |
| <b>UNDERSPEND AFTER PROPOSED EARMARKINGS</b>                   |                |                                    | <b>1,728</b>           | <b>0.55%</b>   |

## Management Commentary

Within the Chief Executive's Unit (Community Planning) there was a small underspend resulting within travel codes due to staff travel costs coming in under budget due to increased digital working and less face to face meetings.

Within the remit of Executive Director Douglas Hendry (Education, Legal and Regulatory Services and Commercial Services), there was an overall underspend due to:

- Receipt of one-off historic water rate refunds.
- Staffing underspends due to delays in recruitment and staffing underspends within Cleaning, Early Learning and Childcare and Legal and Regulatory Support.
- Underspends within the Scheme of Devolved School Management where previous carry forwards were not fully utilised.

Within the remit of Executive Director Kirsty Flanagan (Roads and Infrastructure, Development and Economic Growth, Customer Support Services and Financial Services) there was an overall overspend due to:

- Reduction in income within Piers and Harbours
- Additional fleet costs across the service
- Increased staff costs for Pupil Transport
- An unrealised Depot saving
- Increased electricity costs for street lighting
- Additional Car Parking maintenance costs
- Reduction in TRO income in Roads.

There were also costs relating to a significant weather incident that occurred during 2023-24 that could not be claimed through the Scottish Government's Bellwin scheme which resulted in an overspend.

Social Work, managed by the Health and Social Care Partnership, reported an overspend of £0.165m as a result of ongoing demand for older people care services, both residential and non-residential. Per CIPFA/LASAAC Guidance in prior years an earmarking relating to the HSCP was recognised as a creditor on the Council's balance sheet making the funds available to Social Work to spend in future years, therefore this over spend has been drawn down from the creditor balance.

There is a favourable year-end position in relation to Council Tax of which was due to Council Tax debt recovery after court summons being higher than anticipated.

There was an underspend within the Loans Fund due to a number of reasons but largely as a result of effective Treasury Management which saw increased levels of interest received on investments combined with reduced borrowing costs which resulted in an improved position in excess of £3m compared to previous year. Significant slippage in the capital programme in 2022-23 resulted in lower principal repayments in 2023-24 than anticipated and there was also a one-off gain of £0.870m as a result of a discount received on the early repayment of loans.

In 2023-24 the Council adopted the financial flexibility introduced by the Scottish Government relating to two service concession contracts for NPDO and DBFM schools which allowed the associated borrowing to be accounted for over the life of the asset as opposed to the life of the contract (see note 6.2 for further detail). This resulted in a one-off retrospective gain of £36.038m and gain in 2023-24 of £4.831m. As part of the 2024-25 budget setting process Council agreed to transfer £0.380m from the Service Concessions gain to the General Fund hence there is an underspend in 2023-24 relating to this that will increase the General Fund.

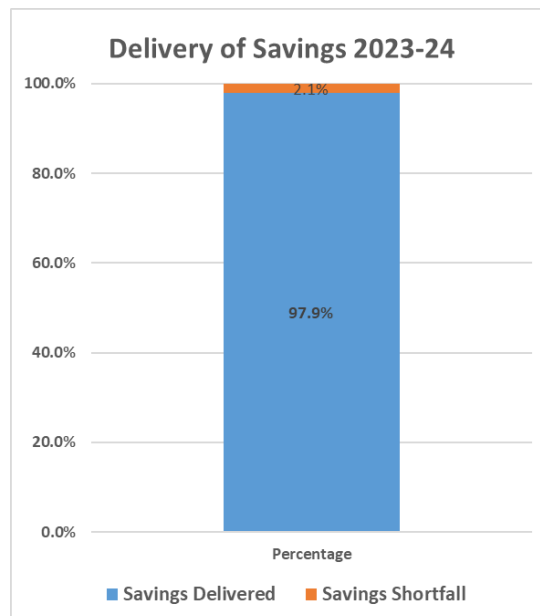
## Management Commentary

The overall favourable position for Departmental and Central Expenditure Budgets due to the underspend within the Loans Fund has provided the opportunity to earmark unspent budget for specific purposes aligned to the objectives, priorities and targets of the Council.

### Delivery of 2023-24 Agreed Savings

The Council has been required to make significant budget savings for a number of years in order to ensure it responds to continued funding reductions, rising cost pressures and complies with its statutory requirement to set a balanced budget whilst meeting the needs of local residents.

Budget savings of £9.348m (20 saving options) were agreed for 2023-24. These, and savings agreed in previous years which had to be delivered in 2023-24 totalling £0.031m (3 saving options), were monitored throughout the year. The chart on the right shows the overall delivery of savings and any shortfall was absorbed within departmental resources as is evidenced from the overall departmental underspends. Some of these saving options were non-recurring in nature (£2.581m).



### Capital: Outturn against Budget

The net 2023-24 capital expenditure was £37.860m compared to an annual budget of £33.166m, (adjusted during the year for previously agreed slippages, accelerations and virements) giving rise to a year end overspend of £4.694m (14.15%). There are a number of under and (overspends) within the outturn position, the most significant are noted below:

## Management Commentary

| Project                       | (Over)/Under Spend (£m) | Explanation   |
|-------------------------------|-------------------------|---|
| Roads Reconstruction          | 0.507                   | Funding received late in 2023-24 so carried forward into 2024-25 when spend will be incurred.   |
| Oban High School Replacement  | 0.406                   | Ongoing negotiations with contractor have delayed final payments and retention invoices which are outstanding.  |
| Shared Offices                | 0.372                   | Delays in expenditure as only minor works have been carried out to offices during 2023-24 due to office rationalisation project.  |
| Town Centre Funds             | (0.350)                 | External funding will not be received until works are complete. Overall the project is within budget.   |
| Harbour Investment Programme  | (0.408)                 | Reversal of previous slippage - consultancy work at Fionnphort and Port Askaig concluded earlier than previously anticipated. Overall the project is within budget.                                   |
| Kilmory Business Park         | (0.432)                 | Delays in invoicing due to legal requirements resulting in delays in receiving external funding. Overall the project is within budget.  |
| Environmental Projects Income | (0.500)                 | External funding will not be received until works are complete which creates an in year variance. Overall the project is within budget.   |
| CHORD – Rothesay Income       | (1.435)                 | External funding will not be received until works are complete which creates an in year variance. Overall the project is within budget.   |
| Dunoon STEM Hub Income        | (2.050)                 | Project has been delayed due ongoing discussions regarding the location of the STEM Hub and budgeted income will not be received until the project is complete. Overall the project is within budget. |
| Helensburgh Waterfront Income | (2.369)                 | Timing of receipt of funding causing 2023-24 variance which will be received in 2024-25. Overall the project is within budget.  |

After accounting for previously agreed slippages, the total slippage in the capital programme in 2023-24 was £23.143m. In 2023-24 capital expenditure across Scotland's councils continues to be impacted by increased inflation rates and shortages in construction materials, affecting both cost and delivery plans. There are also elements of slippage that can be attributed to incorrect profiling of spend at the start of the financial year as opposed to delays in the programme.

There are 169 projects within the Capital Plan: 143 of the projects are complete or on track and 26 are off track but recoverable as a result of the slippage mentioned previously within the capital programme. There are no projects off track that are not recoverable.

### Health and Social Care Partnership (HSCP)

The Argyll and Bute Integration Joint Board (IJB) with responsibility for Social Work and a range of health services was established and came into effect on 1 April 2016. The Council approved the 2023-24 budget on 23 February 2023 and the amount approved for Social Work services transferring to the Integration Joint Board for 2023-24 was £76.253m. The budget figures quoted in the previous outturn table include in-year adjustments.

In terms of the outturn position, the HSCP has reported an underspend for 2023-24 of £2.889m and there is no debt outstanding to the Council. The Council has a creditor totalling £3.389m on its balance sheet in relation to earmarked reserves which the Council holds on behalf of the HSCP. The earmarked balance comprises £0.791m of Scottish Government funding for a range of specific Scottish Government Initiatives, £0.630m of general reserves and £1.968m for service transformation and infrastructure investment.

## Management Commentary

### 5. FINANCIAL STATEMENTS

#### Comprehensive Income and Expenditure Statement (CIES)

The CIES shows the accounting cost of providing services rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Council is required to make various statutory accounting adjustments to the net cost of services as reported in the budgetary outturn in order to comply with the Code of Practice for Local Authority Accounting in the United Kingdom 2023-24. These accounting adjustments include depreciation, loans fund principal repayment and accrued holiday leave not taken by 31 March 2024. Internal income also requires to be removed between segments within the CIES.

#### Reconciliation of CIES to Revenue Budget Outturn

A reconciliation of the Surplus on the Provision of Services of £9.765m as noted in the CIES to the revenue budget outturn of £1.728m underspend is shown below.

#### Reconciliation of CIES to Revenue Budget Outturn

|   | £000     | £000          |
|---|----------|---------------|
| <b>Surplus/(Deficit) on Provision of Services</b>                         |          | <b>9,765</b>  |
| <i>Remove statutory adjustments that don't feature in budget outturn:</i> |          |               |
| Depreciation  | 25,732   |               |
| Impairment of Assets charged to services                                  | (2,576)  |               |
| Capital Funding   | (23,550) |               |
| CFCR  | (1,616)  |               |
| Pension Adjustment  | (6,322)  |               |
| Statutory Repayment of Debt   | (7,696)  |               |
| Repayment of Finance Leases   | (5,280)  |               |
| Transfers to/from Other Statutory Reserves                                | (77)     |               |
| Service Concessions   | 40,869   |               |
| Other Adjustments   | 136      |               |
|   |          | 19,620        |
| <b>Movement In General Fund Balance</b>                                   |          | <b>29,385</b> |
| <i>Adjust for earmarkings:</i>  |          |               |
| Released sums earmarked to service budgets 2023-24                        | 27,286   |               |
| Supplementary estimates agreed during 2023-24                             | 9        |               |
| Revenue Budget 23-24 – transferred to General Fund                        | (19)     |               |
| Contributions to earmarked reserves 2023-24                               | (54,933) |               |
|   |          | (27,657)      |
| <b>Revenue Budget Underspend/(Overspend)</b>                              |          | <b>1,728</b>  |



## Management Commentary

### Balance Sheet

The Balance Sheet summarises the Council's assets and liabilities as at 31 March 2024 and explanatory notes are provided. The net worth of the Council has increased by £143.744m from £667.070m as at 31 March 2023 to £810.814m as at 31 March 2024. The major changes are set out in the table below.

#### Main Balance Sheet Changes

|                       | 31/03/2023<br>£000 | 31/03/2024<br>£000 | Change<br>£000 | Main Reason   |
|-----------------------|--------------------|--------------------|----------------|---|
| Long Term Assets      | 886,601            | 1,038,702          | 152,101        | Largely due to an increase in pension debtor due to a higher than expected investment return plus revaluation of fixed assets.  |
| Current Assets        | 90,693             | 58,539             | (32,154)       | Reduction in cash balances in comparison to previous year due to the early repayment of long term loans and funding the capital programme through cash balances as opposed to taking out new long term borrowing. |
| Current Liabilities   | (68,592)           | (72,853)           | (4,261)        | Small increases in short term creditors and short term borrowing.   |
| Long Term Liabilities | (241,632)          | (213,574)          | 28,058         | Reduction in long term borrowing due to the early repayment of loans during the year.   |
| <b>Total</b>          | <b>667,070</b>     | <b>810,814</b>     | <b>143,744</b> |   |

### Provisions

The Council has provisions totalling £4.520m on the Balance Sheet as detailed in Note 29 to the Accounts. The larger provisions, those £0.250m or over, are summarised below.

- £2.740m for landfill sites. A provision for landfill sites was created in 2014-15 reflecting the Council's liability for restoration and ongoing maintenance in respect of landfill sites operated by the Council at Glengorm, Gartbreck and Gott Bay. These have been provided for based on the net present value of estimated future costs.
- £1.025m for NPDO and Hub DBFM Payments. This provision is held in relation to disputed performance deductions and unbilled utility costs.

### Pension Asset

The Council is required to account for its share of the Strathclyde Pension Fund assets and liabilities. The information included in the Accounts is provided by the Pension Fund actuaries following the annual valuation of the Fund.

The Council's share of the assets of the Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on the assumptions about mortality rates, salary levels etc. The asset relates to benefits earned by existing or previous employees up to 31 March 2024.

There has been an increase in the pension valuation asset from £139.014m in 2022-23 to £269.216m in 2023-24. This is as a result of higher than expected investment return on the pension asset.

The pension liability or asset can fluctuate significantly year on year. The table below shows the pension liability or asset over the last three years. Further detail on the pension estimates are included within Note 31.

**Pension (Liability)/Asset at the end of the financial year**

|                           | <b>2021-22<br/>£000</b> | <b>2022-23<br/>£000</b> | <b>2023-24<br/>£000</b> |
|---------------------------|-------------------------|-------------------------|-------------------------|
| Pension (Liability)/Asset | 4,634                   | 139,014                 | 269,216                 |

**Borrowing**

During 2022-23 the Council's external borrowing reduced by £23.037m from £143.973m as at 31 March 2023 to £120.936m as at 31 March 2024. The reduction was due to the early repayment of long term loans during the year in order to receive a discount and achieve an overall treasury gain.

The Council was under borrowed by £68m at 31 March 2024. This was due to the early repayment of loans, minimal new long term borrowing taken out and slippage within the capital programme.

The Council's 2023-24 'Treasury Management Strategy and Annual Investment Strategy' was approved at the full Council meeting on 23 February 2023 and outlines the Council's capital prudential and treasury indicators.

**Statement of Movement in Reserves**

This Statement shows the movement on the different reserves held by the Council, analysed into usable reserves (resource backed reserves which can be used to fund expenditure) and unusable reserves (required purely for accounting purposes and are not backed by resources).

The balance of unusable reserves has increased by £115.818m from £573.295m as at 31 March 2023 to £689.113m as at 31 March 2024. The main reason for this movement is the increase in the pensions reserve noted earlier in this commentary plus smaller accounting adjustments required through the Capital adjustment account and revaluation reserve.

The balance of usable reserves has increased by £27.926m from £93.775m as at 31 March 2023 to £121.701m as at 31 March 2024. This is due to an increase in the General Fund of £29.385m offset by smaller reductions in the Capital Fund outlined in Note 34.1 and the Repairs and Renewals Fund outlined in Note 34.2.

In respect of the General Fund Balance movement, there has been an increase of £29.385m from a balance of £86.356m to £115.741m and the detail on the movement in the balance is summarised within the table below.

**Movement on General Fund Balance**

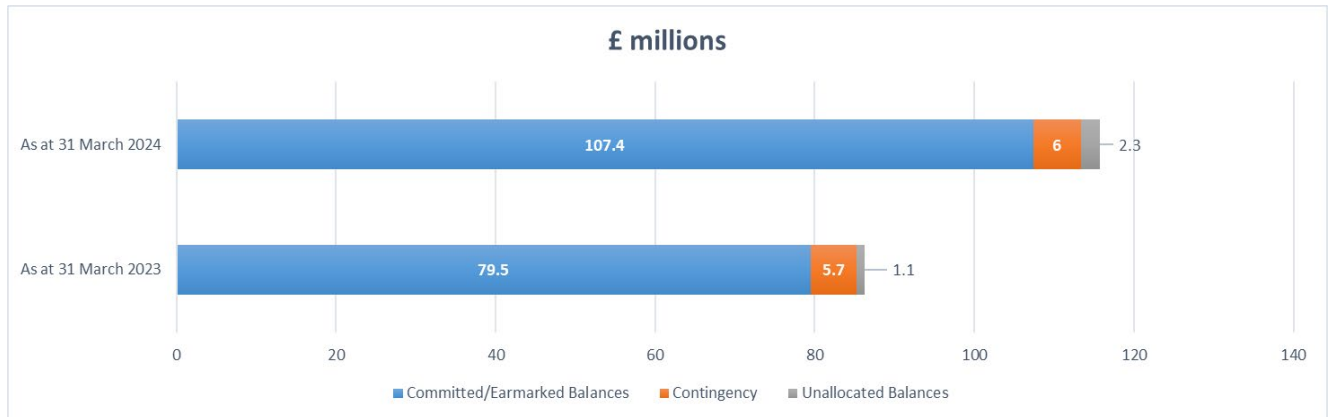
|   | <b>£000</b>    |
|---|----------------|
| Balance on General Fund 31 March 2023                             | 86,356         |
| Revenue Budget 2023-24 – transfer to General Fund                 | 19             |
| Released sums earmarked to service budgets 2023-24                | (27,286)       |
| Contributions to earmarked reserves 2023-24 – Service Concessions | 35,658         |
| Contributions to earmarked reserves 2023-24 - Other               | 19,275         |
| Supplementary Estimate  | (8)            |
| Overall budget underspend as noted above                          | 1,728          |
| Rounding  | (1)            |
| <b>Balance on General Fund 31 March 2024</b>                      | <b>115,741</b> |

## Management Commentary

### General Fund Balance

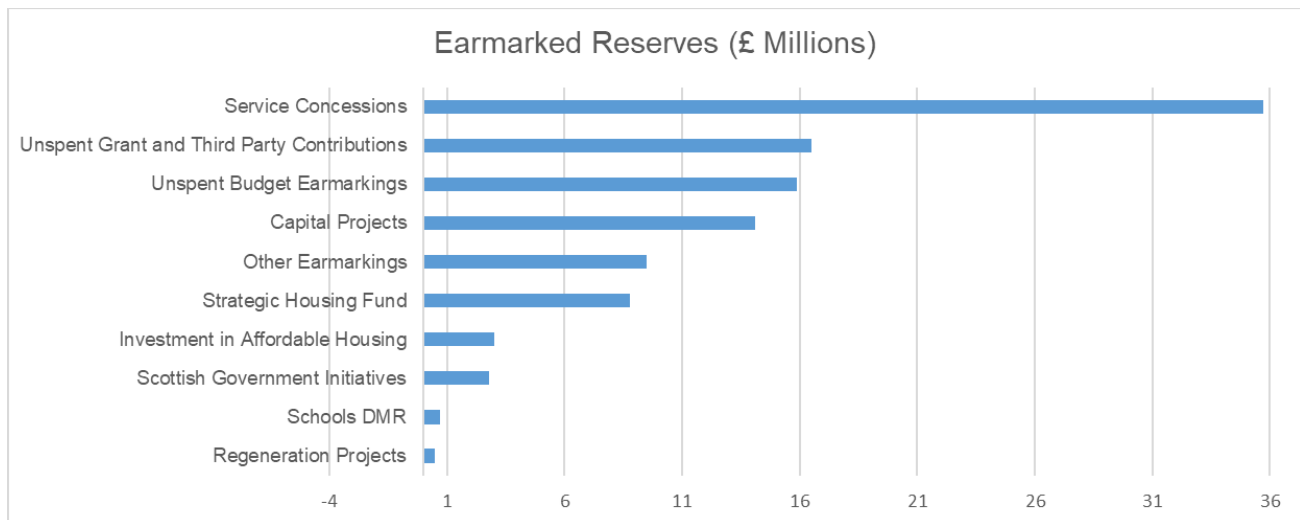
The chart below shows what is included within the General Balance as at 31 March 2024 with a comparison to the position as at 31 March 2023.

#### General Fund Balances as at 31 March 2023 and 31 March 2024



An analysis of the earmarked balances are shown in the chart below.

#### Earmarked Balances held in the General Fund as at 31 March 2024



### Group Accounts

The Group accounts include Dunbartonshire and Argyll & Bute Valuation Joint Board as an Associate, as the Council have “significant influence” over their financial and operating policies. Live Argyll is a wholly owned subsidiary of Argyll and Bute Council and is consolidated within the group accounts on a line by line basis.

In addition, the Council’s Common Good Funds have been fully consolidated into the Group Accounts and Note 37 gives further details on the Council’s Common Good Funds.

## Management Commentary

The effect of inclusion of the Associates, Subsidiary and Common Good Funds on the Group Balance Sheet is to increase both reserves and net worth by £21.472m. This gives an overall net asset position for the Group of £832.286m, an increase of £144.994m from the previous year. The most significant increase is in the pension position of £130.202m in addition to an increase in non-current assets as a result of revaluations.

The Argyll and Bute Integration Joint Board has responsibility for all health and social care functions relating to adults and children and will oversee the strategic planning and budgeting of these, together with corresponding service delivery for the residents of Argyll and Bute. Argyll and Bute Council contributed £77.605m towards the Argyll and Bute Integration Joint Board in the 2023-24 financial year. All transactions are accounted for and shown within the single entity statements and the IJB are treated as a Joint Venture within the Group Accounts therefore a share of their overall surplus and net assets have been recognised in the Group Statements.

### 6. KEY FINANCIAL INDICATORS

The financial indicators outlined below have been developed to assist the reader in assessing the performance by the Council over the last financial year and the affordability of its ongoing commitments.

#### Key Financial Indicators

| Financial Indicator   | 2022-23          | 2023-24          | Comment  |
|---|------------------|------------------|--|
| Unallocated General Fund Balance as a proportion of next year's Annual Budgeted Net Expenditure | 2.44%            | 2.75%            | Reflects the level of funding available to manage financial risk/unplanned expenditure. This includes the 2% contingency. The 2023-24 position is slightly more than 2022-23 which confirms there are sufficient reserves to meet any unplanned expenditure.           |
| Movement in the Unallocated General Fund Balance  | (£0.6m)          | £1.06m           | Reflects the extent to which the Council is using its Unallocated General Fund Balance (excluding contingency). An increase in the 2023-24 balance to offset the reduction in the previous year and provide a degree of stability in the Council's financial position. |
| In-year Council Tax collection rate   | 96.82%           | 96.34%           | Reflects the Council's effectiveness in collecting Council Tax debt compared to a target of 96%. The target continues to be exceeded.  |
| Ratio of Council Tax Income to Overall Level of Funding   | 17.76%           | 19.9%            | Reflects the capacity of the Council to vary expenditure by raising Council Tax income.  |
| Actual Outturn compared to budgeted expenditure   | £3.273m<br>1.06% | £1.728m<br>0.55% | A measure of how the final outturn compares to the budgeted position. The surplus is a reflection of the effectiveness of the Council's financial management particularly the Loans Fund.  |
| Capital Financing Requirement (CFR) for the current year  | £291.782m        | £332.394m        | Measurement of requirement to borrow for capital purposes. The increase in 2023-24 reflects writing back the overpayment of the debt element of Service Concession arrangements in prior years.  |
| External Debt Levels for the current year   | £142.536m        | £119.407m        | Actual borrowing for capital investment levels. Reduction in 2023-24 due to the early repayment of long term loans at a discounted rate to achieve a treasury gain and minimal need to borrow due to   |

## Management Commentary

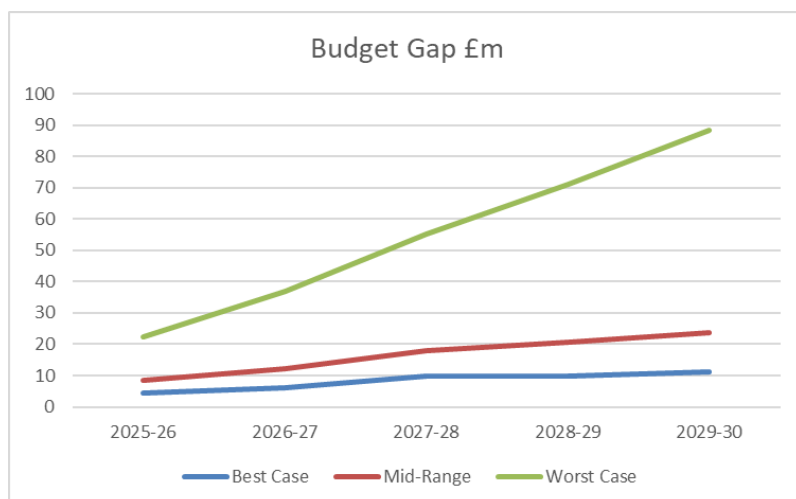
| Financial Indicator                            | 2022-23 | 2023-24 | Comment  |
|--|---------|---------|--|
|  |         |         | slippage in the capital programme and cash balances.   |
| Ratio of financing costs to net revenue stream | 6.26%   | 2.74%   | Measures the percentage of income that has been committed towards meeting the costs of borrowing. The more income needed to fund financing costs the less that is available to meet other revenue expenditure. The ratio has dropped in 2023-24 as we have repaid long term borrowing during the year, used cash balances to fund the capital programme and delayed taking any new borrowing where possible while interest rates were high. There will be a need to increase borrowing again in the future and this ratio will rise again. |

## 7. OUTLOOK

A five year financial outlook informing Council of the estimated budget gap covering the period 2024-25 to 2028-29 using best case, worse case and mid-range scenarios was kept up to date during 2023-24 and presented to the Policy and Resources Committee in May, August, October and December 2023.

Preparing any forward looking financial outlook is challenging due to the levels of uncertainty, for example the level of Scottish Government Grant, the impact of rising inflation and the uncertainty of pay awards being agreed before the budget setting process. The assumptions used to inform the outlook are reviewed, updated and reported regularly. The Council has a strong track record in financial management as recognised by previous years annual external audit reports and the Council's Best Value report issued in May 2020. The chart below shows the cumulative budget gap over the next five years as reported to the Policy and Resources Committee on 9 May 2024.

### **Cumulative Budget Gap 2025-26 to 2029-30 as reported on 9 May 2024**



### **Budget Strategy**

A Budget Approach report was presented to Policy and Resources Committee on 11 May 2023 where it was agreed that a cross party Budget Working Group (BWG) be established comprising six elected members from the administration, three elected members from the opposition and two Trade Union representatives. The BWG's role was to engage with officers and provide a sounding board to assist in the development and identification of savings options.

## Management Commentary

During 2023-24 the Council sought the views of the Community on high level priorities for the budget via a budget simulator. A report outlining the feedback from this consultation was presented to Policy and Resources Committee on 12 October 2023. This exercise allowed Elected Members to take into account the views of the Community when considering and preparing the budget for 2024-25.

A further budget update report was presented to Policy and Resources Committee on 7 December 2023 which set out the latest financial position, initial savings options and other pressures that may have to be considered as part of the budget setting process.

The BWG met on 18 September 2023, 9 November 2023 and 18 January 2024. During these meetings Members were presented with the findings from the consultation, updates on the financial position and savings options identified by officers.

The Council continues to be committed to developing multi-year savings proposals with a focus on longer term planning. As part of the 2023-24 budget setting process savings that required more detailed work that could be considered in future years were also identified and these are already being explored as part of a pipeline of savings for future years. These include detailed reviews of the Roads and Infrastructure and Education Services.

Preparation is already well underway for the 2025-26 budget setting process and a report on the proposed approach will be presented to Council on 27 June 2024. This includes a proposal to once again create a cross party BWG. There is no doubt that bridging the budget gap both in 2025-26 and future years will be extremely challenging. The budget gap is calculated using a number of assumptions and there are three areas where a change to the assumptions could have the biggest impact on the estimates:

1. Scottish Government Grant – within the mid-range scenario, a 0.5% decrease has been assumed which is similar to the reduction in 2024-25. Every 1% change is circa £1.4m.
2. Council Tax – within the mid-range scenario, a 5% increase has been assumed on the basis that the majority of Councils increased their Council Tax by at least 5% in 2023-24 prior to the freeze in 2024-25. This is an officer assumption, as this is a matter for Council to agree. Every 1% change is circa £600k.
3. Pay Award – within the mid-range scenario, a 2% increase has been assumed. Every 1% change is circa £1.7m.

As previously noted, the budget outlook is extremely challenging and this is made more so by the ring-fenced and directed spend by Scottish Government resulting in the budget where the Council is able to exercise any control being a lot smaller. It is hoped that the Verity House agreement may bring opportunities for the un-ring-fencing of some areas of budget.

Furthermore, in April 2024 a new Provost and Leader of the Council were appointed which was followed by changes in Members of the administration. The new administration are currently considering their priorities which could have an impact on decisions made as part of the budget setting process.

### Cost of Living Crisis

The 'cost of living crisis' refers to the fall in 'real' disposable incomes (that is, adjusted for inflation and after taxes and benefits) that the UK has experienced since late 2021. It is being caused predominantly by high inflation outstripping wage and benefit increases.

Despite some stabilisation efforts, the persistent economic pressures are affecting both individuals and Council services significantly. The Council continues to see significant increases in all areas of supplies, but specifically in utilities, food and fuel costs and it will be extremely challenging to contain spending within current resources. The Council remains committed to addressing these challenges through strategic planning and support initiatives for individuals.

## Management Commentary

### Rural Growth Deal

Our £70m Rural Growth Deal is about turning economic potential into a successful future for Argyll and Bute. It is about investing in initiatives that will turn the area's fantastic natural resources and business innovation into a thriving local economy. The Council signed the Heads of Terms in February 2021 and is working on producing the full deal documentation, which includes a business case for each of the themes within the deal. The deal was due to be signed on 7 June 2024 by the Council and both the Scottish and UK Governments but due to the calling of the UK General Election this has had to be postponed.

The project themes in the deal are as follows:

Marine Tourism/Place Programme including the Rothesay Pavilion at Full Business Case  
 Low Carbon Economy - Islay  
 Rural Skills Accelerator  
 Housing – Isle of Mull and Isle of Islay  
 Clyde Engineering & Innovation Centre  
 West Coast UAV  
 Marine Aquaculture Programme.

Regular updates on progress are posted on the website, see link: [Rural Growth Deal \(argyll-bute.gov.uk\)](https://www.argyll-bute.gov.uk).

### UK Government Levelling Up Agenda

#### Levelling Up Fund

The Levelling Up Partnership funding was announced by the UK Government in the 2023 Autumn Statement and Argyll and Bute has been allocated up to £20m of Levelling Up Partnership funding. The process to choose the final projects is different to previous Levelling Up funding rounds and is very much driven by the UK Government. It was originally envisaged that a long list of projects would be identified by May 2024 with a short list by mid-July 2024. Business cases would then be developed by the UK Government with a final decision made in September 2024. There will be a degree of public consultation led by the UK Government and the final decision on the successful projects will lie with the Secretary of State (not the Council). It is unclear how the General Election will impact on these timescales. In terms of the kind of projects, it very much follows the Levelling Up Agenda, that is business, transport connectivity, community safety, skills and education and housing.

#### Shared Prosperity Fund (UKSPF)

The UKSPF is a successor to the previous EU structural funds, it is viewed as a central pillar of the UK Government's Levelling Up agenda. The overarching aim of the UKSPF is to build pride in place and increase life chances across the UK.

The project / programme activities outlined in the Argyll and Bute UKSPF Investment Plan are all aligned to three key investment priorities: communities and place; supporting local business; and people and skills, where each priority has predefined interventions, outputs and outcomes. In addition to core UKSPF monies, the investment plan includes a focus on ring-fenced 'Multiply' funding to support the delivery of an area-based adult numeracy programme.

Argyll and Bute Council received an allocation from the UKSPF of just under £4.5m to support delivery over three financial year, specifically the final three months of 2022-23 and the next two financial years, 2023-24 and 2024-25, until the end of March 2025.

There are 21 projects funded under the Core UKSPF and another three projects support by the Multiply programme (also part of the UKSPF £4.5m allocation).

## Management Commentary

Aligned to UK Government guidance, any underspend for 2023/24 has been carried over and reprofiled for 2024/25. It is anticipated that the full allocation will be spent by the end of March 2025.

### Learning Estate Investment Programme

The Councils bid to the Scottish Governments Learning Estate Investment Programme (LEIP) for funding for a new school campus on Mull was successful. While this is good news and will provide welcome investment in the school estate it does come with a financial pressure that is required to be funded if the project is to proceed.

The Scottish Government will fund up to 50% of eligible costs therefore the Council will be required to fund circa £20m prior to any associated borrowing costs. A Members seminar was held on the 12 April 2024 and a report subsequently presented to Council on 25 April 2024 outlining the financial, economic, community and educational implications of the proposed campus. Members agreed that up to £5m from the previously agreed earmarked LEIP funding could be used to commence the Business Case, undertake engagement exercises, commence the site selection process and establish governance arrangements. To progress with the project beyond this point Members will consider the capital and revenue budget provision required as part of the budget setting process.

### Risks

The Council's Strategic Management Team (SMT) actively manage strategic risks via a six monthly review of the Strategic Risk Register (SRR) which adopts established risk management arrangements including reviewing current mitigating measures and identifying key actions to further mitigate them. These actions are designed to be consistent with the work required to deliver services which are aligned to the Council's objectives through the Council's strategic and service plans. Furthermore departmental management teams review their operational risk registers (ORR) on a quarterly basis with all red risks identified in ORRs being reported to the SMT to ensure they are sighted on all emerging high priority risks.

The SRR currently has 13 strategic risks which are categorised using a RAG (Red, Amber, Green) Status based on the residual impact and likelihood of crystallisation after accounting for mitigation measures. There are currently four risks classified as red as set out in the diagram below which also summarises the current mitigating actions. These are issues that the Council continues to manage through programmes of work such as the Rural Growth Deal, and the Levelling Up Fund, also the progression of a new Waste Strategy with a particular focus on the 2025 ban on Biodegradable Municipal Waste, reviewing contingency plans and disaster recovery plans in relation to Cyber Security and addressing the Housing Emergency through a Housing Strategy and Investment Plan.



## Management Commentary

### Population, Infrastructure and Economic Decline

- Maximise external funding
- Rural Growth Deal
- Levelling Up Fund
- UK Shared Prosperity Funding Investment Plan

### Waste Management

- Developing options for new Waste Strategy
- Planning for impact of Bio-degradable Municipal Waste Ban 2025
- Planning for impact of Scottish Deposit Return Scheme

### Cyber Security

- Contingency Planning
- Raising Cyber Security awareness
- Disaster Recovery Plan
- Work with Scottish Government Cyber Resilience Team

### Housing Availability

- Housing Strategy and Investment Plan
- Housing Delivery Group
- Islands Programme Award of Funding for worker accomodation

## 8. CONCLUSION

The Council has continued to have good financial planning arrangements in place in 2023-24. We have managed the continued inflationary pressures and taken the opportunity to repay borrowing at a discount which helped ensure that we operated within budget in 2023-24. The utilisation of the Service Concession flexibility has allowed us to earmark funds to address Council priorities and therefore not put further pressure on the budget position. It is recognised that ongoing real term reductions in Scottish Government core revenue grant continues to present significant financial challenges for all local authorities, however, our council is in a strong position to manage the financially challenging times.

The Council are committed to deliver the best services to the people of Argyll and Bute within the available resources.

## 9. ACKNOWLEDGEMENTS

We would take this opportunity to acknowledge the significant effort in producing the Annual Accounts and to record our thanks to both Elected Members and staff for their continued hard work and support.

**Kirsty Flanagan**  
**Section 95 Officer**  
**27 June 2024**

## Statement of Responsibilities for the Annual Accounts



### THE AUTHORITY'S RESPONSIBILITIES

The Council is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs (Section 95 of the Local Government (Scotland) Act 1973). In this Authority, that officer is the Executive Director;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- to approve the Annual Accounts for signature.

### SECTION 95 OFFICER RESPONSIBILITIES

The Section 95 Officer is responsible for the preparation of the Council's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (The Code).

In preparing the Annual Accounts, the Section 95 Officer has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates on a reasonable basis;
- complied with legislation;
- complied with the Local Authority Accounting Code of Practice 2023-24 (in so far as it is compatible with legislation).

The Section 95 Officer has also:

- kept adequate accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

*I certify that the Annual Accounts give a true and fair view of the financial position of the Council and its group at the reporting date and the transactions of the Council and its group for the year ended 31 March 2024.*

**Kirsty Flanagan  
Section 95 Officer  
27 June 2024**

## Annual Governance Statement

### 1. BACKGROUND AND SCOPE OF RESPONSIBILITY

Argyll and Bute Council's (the Council) governance framework includes the systems, processes and culture by which the Council is controlled, engages with communities and monitors the achievement of strategic objectives. The Council conducts its business in accordance with the law and proper standards. The Council has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to the economic, efficient and effective use of public money.

The system of internal control is a key part of the framework and is designed to manage risk to an acceptable level.

In discharging these responsibilities, the Council has put in place proper arrangements for the governance of its affairs and the stewardship of the resources at its disposal. The Council has approved and adopted a Local Code of Corporate Governance (the Code) which is consistent with the principles and requirements of the CIPFA/SOLACE revised Framework for 'Delivering Good Governance in Local Government'. This Statement explains how the Council has complied with the Code and meets the requirements of current good practice.

### 2. THE GOVERNANCE FRAMEWORK

The Code details how the Council will demonstrate compliance with the fundamental principles of corporate governance for public sector bodies. The seven key principles of our governance arrangements in 2023/24 are described in the Code, along with our supporting principles and key aspects of our arrangements to ensure compliance.

#### 1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

We have four values, which underpin all that we do and provide a sound basis to achieve transformation to ensure we meet the challenges of the future and deliver quality services. These values are that we have a workforce which is:

**Caring**

**Committed**

**Collaborative**

**Creative**

The Council has developed a change programme 'Connect for Success' with the seven principles – One Council One Place Approach, Purpose and Mission Focus, Employee Empowerment, Data and Evidence Driven Decision Making, Learning Council, Agile and Maximise Opportunities that Technology Offers - [Connect for Success](#)

We have developed and communicated an [Ethical Framework](#) within the Council's Constitution, which defines standards of behaviour for Members and staff. Protocols for Member/Officer relations are also detailed within the Constitution.

The Councillors' Code of Conduct is set out at a national level, applying to all members in Scottish local authorities and is incorporated into the Council's Constitution as part of the ethical framework which also includes a protocol for the Monitoring Officer. A [Register of Members Interests](#) is publicly available for inspection. In addition, the Constitution has a section on conduct at meetings and meeting agendas require declarations of interest to be made where appropriate. Standing orders for meetings are included within the Council's constitution and training and support is provided to members on their role in Council committees.

[Anti-fraud and whistleblowing](#) policies are in place and the Council has adopted the Scottish Public Services Ombudsman's (SPSO's) Model [Complaints Handling Procedure](#).

## Annual Governance Statement

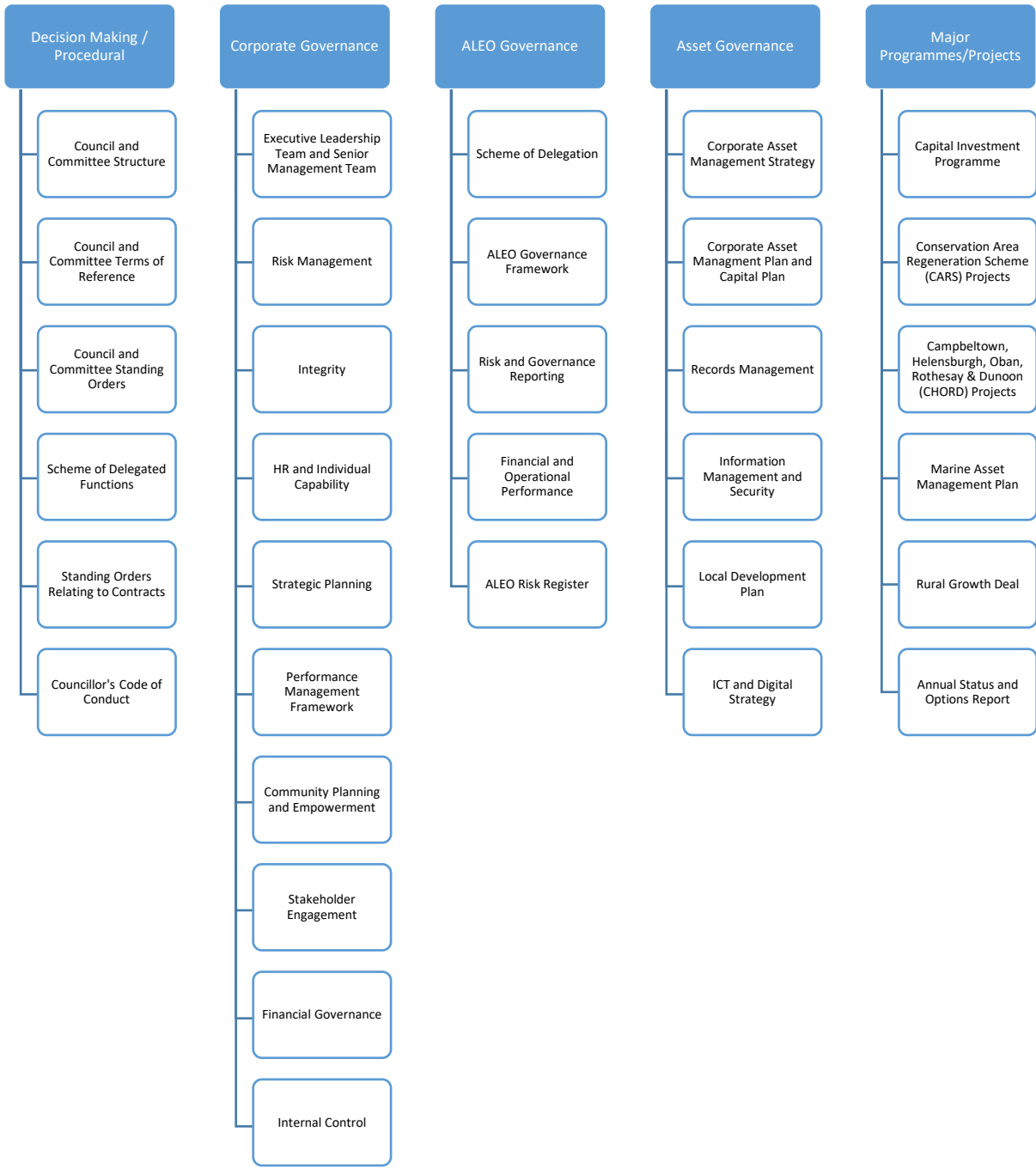
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The Council complies with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government.

In addition, Professional advice on the discharge of statutory social work duties is provided to the Council by the Chief Social Work (CSWO).

A structure of governance and framework across our day to day activities and which supports accountability, control, risk management and appropriate overview of the Council are outlined in the diagram below:

Constitution, Governance, Risk Management and Accountability



External and Internal Audit and other regulatory inspections

## Annual Governance Statement

### 2. Ensuring openness and comprehensive stakeholder engagement.

We have established clear channels of communication with the community and other stakeholders through our Communication Strategy. Key mechanisms include:

#### [Consultation Diary](#)

The Council has developed a consultation section on its website which hosts all consultations run by the Council and includes a section which publicises the results and/or outcome of the consultation and the resultant decisions that have been taken, showing how they were informed by the consultation process. This is part of our commitment to You Said, We Did information sharing for the public. Consultations provide communities with an opportunity to get involved with wide ranging aspects of the council's work and life in Argyll and Bute.

These include for example, play park funding, active travel routes, primary school consultations, and the council's customer service strategy.

#### [Keep in the Loop Service](#)

Over 10,870 customers currently subscribe to receive notifications across the range of services.

'Myaccount' is a secure sign-in service for accessing online public services in Scotland. It provides the ability to set up an online account and use it to access a growing range of online public services, Scotland-wide, including Argyll and Bute Council. Currently 16,744 customers up from 15,399 last year have signed up to this service and it allows customers to access and personalise their interaction with the Council on a range of services.

#### [Public Performance Reporting](#)

The Council's website makes all performance information available to the public. This includes information on performance scorecards, budgets and other service related information. This promotes open accountability to the public for its performance against agreed policies and standards. As part of phase two of the performance excellence project a review of the council's approach to public performance reporting is being undertaken.

#### [Accessibility](#)

In 2023/24 75% of 593,362 customer interactions through the council's Customer Engagement Team were made using digital self-service. This very high proportion is because of the scope and quality of the digital services provided. In order to ensure maximum accessibility for everyone and meet our equalities responsibilities, the Council's website was upgraded to the latest software version Drupal 10 and its content refreshed to meet the new international WCAG2.2 standard.

In March 2024 it scored 98% in the UK [Independent Silktime accessibility score](#), rating it the 37th highest ranking Council in the UK. In addition the Reachdeck supported access tool was added to the website to give read aloud and translation help to users seeking such additional assistance and our 24/7 automated telephone service was used 46,942 times by those customers who struggle with online digital services.

#### [Community Engagement](#)

To support strengthening communities, community empowerment and engagement the council has in place:

- An officer Community Engagement Strategy Group to oversee the development and implementation of the council's internal Engagement Strategy; advising on best practice in engagement tools and techniques, supporting skills development and capacity within the council to effectively engage with communities. On this group sit those officers with expertise in engagement including those from Corporate Communications and the Communities & Partnership Team. The Council's Communications Team has developed an engagement app for services to use, and the council's Communities & Partnership Team has resources and expertise to support hard to reach groups,

## Annual Governance Statement

community organisations and remote communities to have a voice in decision making.

- A Community Development service, with a focus on improving active citizenship and capacity building through best practice in community development through a responsive and effectively targeted programme of Community Development support internally to the council and externally within communities across Argyll and Bute.
- A range of [training and resources](#) to help build the knowledge, skills and confidence of community groups
- Funding support to help empower community organisations to take forward priority projects and activities in their area: [Monthly funding alert | Argyll and Bute Council \(argyll-bute.gov.uk\)](#)
- Resourcing community council liaison activities, including training and support activity, which helps to build the capacity of community councils.

The Council also has a statutory lead role to ensuring Community Learning and Development provision in Argyll and Bute is set out in an Argyll and Bute Community Learning and Development Strategic Plan, and this is delivered through its collaboration with its Arms-length External Organisation (ALEO) partner Live Argyll.

The Council continues to promote the [Community-led action plan toolkit](#) (developed in partnership with Scottish Community Development Centre) to help support communities interested in developing a local Community-led Action Plan. The Council also provides support for communities interested in development a Place Plan: [Local Place Plans | Argyll and Bute Council \(argyll-bute.gov.uk\)](#)

The Council directly resources the management of the Community Planning Partnership (CPP) to bring partners together, including community, to deliver on the Outcome Improvement Plan. It actively seeks to ensure that young people are engaged in Community Planning and has implemented the following:

- The 3 local Members of the Scottish Youth Parliament (MSYP's) attend the Community Planning Partnership Management Committee meetings on a rotational basis.
- The Area Community Planning Groups (ACPG) invite members of local Youth Forums to attend meetings when they are held in their local areas & information is passed on to young people by Youth Workers who are kept updated on any developments.
- The revised Scheme of Establishment for Community Councils outlines the requirement to encourage young people to attend and participate in community council meetings” and the age to become a Community Councillor was lowered to be 16 to encourage more young people to become involved.

### Council/Committee Meetings

Meetings are always held in public, unless one of the statutory exemptions in the Local Government (Scotland) Act 1973, schedule 7A applies to the content of the report. Agendas for and minutes of meetings are detailed on the Council's website. When schedule 7A applies papers are adjusted to ensure that the maximum amount of content is in the public domain.

The Council's [Constitution](#) defines the roles and responsibilities of the administration, committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication.

The Standards Commission Advice Note for Councillors on Distinguishing between their Strategic Role and any Operational Work has previously been included in an Elected Member Seminar and is hosted on the Members Resource page on the Hub for ease of reference.

## Annual Governance Statement

### 3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Our [Corporate plan](#) sets out our, and our community planning partner's, vision for Argyll and Bute's economic success to be built on a growing population. It also defines our mission "*To make Argyll and Bute a place people choose to live, learn, work and do business*" and establishes our outcomes, priorities and approach to delivering on our shared ambition with our community partners.

We have a [Performance Improvement Framework \(PIF\)](#) that ensures performance is integral to the work of the Council. The PIF is focused not just on measuring what we do but on measuring the difference we make in terms of our outcomes.

Asset management planning and capital investment is structured to consider and balance the combined economic, social and environmental impact of policies and plans when taking decisions about service provision. The Council has put arrangements in place to comply with key elements of the Community Empowerment Act.

In determining how services and other courses of action should be planned and delivered the Council is increasingly engaging with internal and external stakeholders. Community benefit is an important consideration in the procurement of goods and services.

The Council has acknowledges the effects of the 'Cost of Living' within Argyll and Bute and during 2023/2024 client gain achieved by the Flexible food and Fuel fund project reached £3.8 million. This project, supporting the most vulnerable low income households and those using foodbanks in our area to access short-term grants to cover the cost of food and fuel in the short term. In the longer term support through the provision benefit maximisation, money advice and energy advice services is provided by third sector partner agencies.

In addition, this year the Council has issued 1,300 Scotland Loves Local Gift Cards to low income households in the year ensuring the £110,000 loaded onto the gift cards is spent in Island based local businesses in Argyll and Bute. The Council and the Third Sector Interface is supporting the Poverty Alliance on a project entitled "Taking Action on Rural Poverty" which is looking at new ways of addressing rural poverty in Argyll and Bute by reducing the rural poverty premium.

The Council has also provided a one-stop-shop webpage where individuals and families can access energy advice, money advice and links to the services the Council provides in this area and those provided by third sector partner organisations.

In 2022/23 Argyll & Bute Council recorded its lowest level of operational carbon emissions since reporting commenced in 2015/16 via the Public Bodies Climate Change Duties. This represents a reduction of 12,952 tCO<sub>2</sub>e (tonnes of carbon dioxide equivalent), approximately 33% against baseline figures. Work continues across Council services to reduce our emissions and support our journey to net zero including the transition to energy efficient LED streetlighting, moving to electric or hybrid fleet vehicles, and increasing diversion of waste from landfill.

Integrated impact assessments as well as environmental, sustainability and island implications are considered during the decision making process to promote fair access to services.

### 4. Determining the interventions necessary to optimise the achievement of the intended outcomes.

Decision makers receive detailed information indicating how intended outcomes would be achieved together with the implications associated with the proposals covering financial, risks and mitigations, integrated impact assessment, acting sustainably, carbon management, island proofing, and changes to schemes, by way of the compulsory sections of the Committee report.

The Council's Executive Leadership Team (ELT) meet regularly with the administration to discuss their key priorities and requirements for decision making in addition there is regular survey and feedback on their needs and a regular review of governance arrangements to ensure that decision making is fully supported.



## Annual Governance Statement

In determining how services and other courses of action should be planned and delivered the Council is increasingly engaging with internal and external stakeholders. Community benefit is an important consideration in the procurement of goods and services.

The Council fosters effective relationships, collaborative working and contractual arrangements with other public, private, and voluntary organisations in delivering services that meet the needs of the local community as stated in the Council's Corporate Plan

### **5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.**

#### Elected Member Development

The Council has signed up to the Improvement Service's Continuing Professional Development Framework for Elected Members. All Elected Members are provided with opportunities to progress personal development plans so that individual training needs and aspirations are identified and support provided as appropriate. This is complemented by a comprehensive seminar and workshop programme which addresses a wide range of topics and strategic issues. Additional training was undertaken by Elected Members in relation to the technology, knowledge and skills necessary to support the transition to a virtual environment including webcasting of strategic Committee meetings and the operation of meetings on a hybrid basis, enabling a mixed attendance of members being physically or virtually present.

#### Officer Development

The Council supports officer development through a structured approach, driven by the values set out in the Corporate Plan and a behavioural competency framework.

The Council has Argyll and Bute Manager and Leadership Programmes, which ensure that all employees who have management responsibilities are knowledgeable and effective in delivering services within the priority management policies and procedures of the Council, including finance, performance and people management. The Leadership Programme ensures that senior and aspiring leaders in the organisation have support to develop their leadership behaviours and to improve their overall impact and performance across the organisation.

### **6. Managing risks and performance through robust internal control and strong public financial management.**

#### Internal Financial Control

Our standing orders, financial instructions, scheme of delegation and supporting procedure notes/manuals clearly define how decisions are taken and the processes and controls in place to manage risks. These are reviewed and updated on an annual basis. We ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. The Council's Monitoring Officer advises on compliance with our policy framework, ensuring that decision making is lawful and fair. Furthermore the Council has a designated Data Protection Officer and all services have Information Asset Registers along with appropriate guidance on how data should be managed.

Our financial management arrangements conform to the CIPFA Statement on the Role of the Chief Financial Officer and we ensure that our independent Audit and Scrutiny Committee undertakes the core functions identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities.

The Council has a proactive, holistic approach to tackling fraud, theft, corruption and crime, as an integral part of protecting public finances, safeguarding assets, and delivering services effectively. It is based upon the national counter fraud standard CIPFA's Code of Practice on 'Managing the Risk of Fraud and Corruption'.

The Council has a system of internal financial control designed to manage risk to a reasonable level. It is based on a framework of regular management information, financial regulations, administrative

## Annual Governance Statement

procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

Development and maintenance of the system is undertaken by officers within the Council and the named bodies mentioned below.

| <u>Internal Financial Controls and Prevention</u> | <u>Are these in Place?</u>          |
|---|-------------------------------------|
| Comprehensive budget systems                      | <input checked="" type="checkbox"/> |
| Financial and budget monitoring systems           | <input checked="" type="checkbox"/> |
| Financial and Performance reporting systems       | <input checked="" type="checkbox"/> |
| Clearly defined Capital Expenditure guidelines    | <input checked="" type="checkbox"/> |
| Project Management processes and disciplines      | <input checked="" type="checkbox"/> |
| An effective Internal Audit Section               | <input checked="" type="checkbox"/> |
| An effective Counter Fraud Team                   | <input checked="" type="checkbox"/> |

Internal controls cannot eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

This annual review also covers the other bodies whose activities are incorporated into our Group Accounts and reliance is placed on the formal audit opinion contained in the financial statements of each individual body.

- Dunbartonshire and Argyll and Bute Valuation Board
- Live Argyll
- Argyll and Bute Integration Joint Board

The Council's risk management processes are well developed. In particular the:

- Strategic Risk Register is updated twice a year and approved by the SMT
- Chief Executive presents the Strategic Risk Register to the Audit and Scrutiny Committee on an annual basis
- Operational Risk Registers are updated quarterly by departmental management teams.
- Internal Audit will perform an audit of compliance with risk management arrangements every three years.
- The CIA performs an annual strategic risk assurance mapping exercise.

### 7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

#### Internal Audit

The Council and its Group bodies have internal audit functions, which operate to Public Sector Internal Audit Standards. The work of internal audit is informed by an analysis of the risk to which the Council and its Group bodies are exposed, with annual internal audit plans prepared based on that analysis. The Council's Audit and Scrutiny Committee endorses the preparation methodology and annual internal audit plan and monitors the performance of Internal Audit in completing the plan. In addition, the Council has developed a hybrid meeting facility enabling physical and virtual attendance at meetings with a public broadcast function so that members of the public can see and hear meetings of the Council's strategic committees' live increasing openness and transparency.

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The Chief Internal Auditor (CIA) provides the Audit and Scrutiny Committee with an annual report on internal audit activity in the Council and an opinion of the assurance can be taken regarding the systems of governance and internal control and whether they are operating effectively. This is an independent and objective opinion of the CIA based on work carried out in conformance with the Public Sector Internal Audit Standards to fulfil statutory Internal Audit provision.

Internal audit provides members and management of the Council with independent assurance on risk management, internal control and corporate governance processes. External audit has, and continues to, use the work of internal audit.

The Annual Accounts and Report sets out the financial position in accordance with relevant accounting regulations.

### Review of the Adequacy of Effectiveness of the Council's Governance Framework

Work to deliver Argyll and Bute's Covid Recovery Strategy and Action plan continued in 2023/24 with the same governance arrangements. Full details of the action plan is detailed in the document "Recovery, Renew and Restart", which was approved by Councils Economic, Development and Infrastructure Committee.

The Council has appropriate management and reporting arrangements to enable it to satisfy itself that its approach to corporate governance is adequate and effective in practice. The legislative framework of local government defines a number of posts which are primary to the Council's governance arrangements. These include the Chief Executive, Pippa Milne fulfilling the role of Head of Paid Service. As Monitoring Officer, the Executive Director Douglas Hendry:

- oversees the implementation of the Code and monitoring its operation
- reports annually to the Council on compliance with the Code and any changes required to maintain it and ensure its effectiveness.

Specific responsibilities are assigned to the Executive Director Kirsty Flanagan as the Council's Chief Financial Officer (S95 Officer), to ensure that public funds are properly accounted for. In recognition of the significant role that the Chief Financial Officer has in relation to financial performance and the financial control environment, CIPFA has set out key principles that define the core activities and behaviours that belong to the role. These include, being a key member of the Leadership Team, being actively involved in and influencing decision making, and leading the delivery of good financial management across the whole organisation. The Council have appointed a Data Protection Officer in line with the requirements of the UK-General Data Protection Regulations and the Data Protection Act 2018.

### Covid Recovery Progress Report 2023/24

The Argyll and Bute Overarching Recovery Group (formed to lead this process with specific thematic groups focused on Council recovery, building back stronger communities, economic and social recovery, infrastructure and transportation, financial management and public health) continues to have an overview of the Councils Covid Recovery Strategy and critical themes, although the majority of the actions have either been completed or been mainstreamed into other strategic or operational plans. Key updates are as follows:

- a) Economic and Social Recovery: Issues and actions are incorporated within the Councils Economic Strategy
- b) Building Back Stronger Communities. Issues and actions are incorporated within the Corporate Community Planning priorities
- c) Our Modern Workspaces program. The Council have established hybrid working across its activities and Our Modern Workspace project aims to look at how we use offices on a town by town basis and take into account the needs of employees and members of the public, as well as any opportunities for working more closely with partners. Good progress is being made to develop Hub buildings and reducing heating and maintenance costs and our huge portfolio of buildings.

- d) The Joint Health Protection Plan, agreed by Argyll and Bute Council, Highland Council and NHS Highland, sets out the public health arrangements for the management and control of public health incidents and outbreaks, together with detailing our collective public health priorities for 2023-25.

## FINANCIAL SUSTAINABILITY

It is anticipated the Scottish public sector will continue to face a very challenging short and medium term financial outlook with uncertainty over the level of Scottish Government funding. The one year financial settlements do not provide any degree of medium term certainty and ring-fencing of monies and additional policy commitments which are not always fully funded limit financial flexibility and create additional financial pressures.

In June 2023 the Verity House agreement was signed by representatives from Scottish Local Government and Scottish Government which signified a shared vision for a more collaborative approach to delivering our Services. This agreement included a commitment to improve engagement on budgetary matters and provide more flexibility to Local Authorities by baselining specific grants to allow them to be utilised on local priorities. It has been disappointing to note that very little has changed in light of this agreement with no engagement with Local Authorities prior to the Council Tax freeze announcement for 2024-25.

The financial outlook continues to be impacted by higher levels of inflation than pre-COVID which results in significant price increases as well as ongoing disruptions to the supply chain and longer lead in times. Tender prices are substantially higher than in previous years meaning a reduced level of Service can be provided for the same amount of money.

The Council continues to provide financial estimates for future years with their medium term financial outlook covering a five year window to provide a longer term view of the Council's estimated budget gap. Preparing any forward looking financial outlook is challenging due to the levels of uncertainty however the assumptions are reviewed regularly and updated with the outlook prepared to reflect a best case, worst case and mid-range scenario.

The Council has a strong track record in financial management as recognised by previous year's annual external audit reports and the Council's Best Value report issued in May 2020. The Best Value report also recognises that the Council's medium to long term financial strategy helps support financial planning arrangements. In addition to providing revenue and capital projections the Strategy also sets out the position in relation to the Council's general fund reserve, the approach to managing the financial impact of inflationary pressures, approach to Treasury Management and the strategy to address budget gaps.

## HEALTH AND SOCIAL CARE INTEGRATION

The Argyll and Bute IJB has been established as a separate legal entity from Argyll and Bute Council and NHS Highland, with its own board of governance. The IJB comprises eight voting members with four Elected Members nominated by Argyll and Bute Council and four Board members from NHS Highland. In addition there are a number of non-voting appointees representing other sectors and stakeholder groups, such as the Third Sector, Independent Sector, Patients and Service Users, Carers and Staff.

The arrangements for the operation, remit and governance of the IJB are set out in the Argyll and Bute Integration Scheme which has been prepared and approved by Argyll and Bute Council and NHS Highland. It has also been approved by the Scottish Government. The IJB, via a process of delegation from the Health Board and Local Authority as outlined in the Scheme of Integration has responsibility for the planning, resourcing and operational delivery of all health and social care services within Argyll and Bute.

The Council places reliance on the IJB's framework of internal controls and similarly the IJB places reliance

## Annual Governance Statement

on the procedures, policies and operational systems of the Council and the Health Board. The IJB operates within an established procedural framework. The roles and responsibilities of board members and officers are defined within Standing Orders, the Integration Scheme, Financial Regulations and Standing Financial Instructions.

The IJB has proportionate internal audit arrangements in place to provide independent assurance on risk management, corporate governance and the system of internal control. A risk based internal audit plan developed and commissioned for 2023/24 and the IJB's internal auditor has issued a formal annual report providing their independent opinion on the effectiveness of the IJB's risk management, internal control and governance processes. The overall conclusion of the Internal Auditor is to provide a satisfactory level of assurance on the adequacy of internal controls and governance arrangements within the IJB.

During 2023-24 the IJB has progressed a number of initiatives to develop its governance arrangements including improving the use of Directions and the implementation of the integrated performance management system. It has also focused upon re-mobilising services following the pandemic, refreshing its service transformation program and progressing strategic development projects. It has focused on taking action to manage strategic risks during the year. However, it is acknowledged that budgetary challenges have resulted in some key capital projects and business case development work being paused.

The financial position of the HSCP has also remained stable. It repaid all of the debt it owed to the Council in 2021/22 and reported an underspend against its approved budget in 2023/24. The operating environment going forward is very challenging as funding allocations have not kept pace with cost and demand increases. The impact of an increasing older population with on-going recruitment constraints and workforce shortages is adding to the challenge. The HSCP is working to address its workforce gaps throughout the area and across many professions in a variety of ways. For example, it is seeking to address key worker accommodation shortages in partnership with the Council, Shelter and the Social Housing Sector and is constantly trying new approaches to attract workers from outside Argyll & Bute. The new Health and Care Staffing act will also be progressively implemented throughout 2024/25 which places additional duties upon the IJB to monitor, manage and report upon its staffing levels and risks. These risks and challenges are particularly acute in many of our rural and island communities which are experiencing increasing costs along with very small scale, lifeline services which are become ever more difficult to sustain or operate in a financially efficient way.

The IJB approved a budget for 2024/25 which indicates that additional funding from NHS Highland may be required, although it is likely that any actual gap can be funded by the allocation of HSCP reserves. The budget is also dependent upon the allocation of non-recurring pension fund savings held by Argyll & Bute Council. The management of longer-term financial sustainability is a priority and service change and transformation plans aimed at addressing this require to be developed, consulted upon and implemented during the course of 2024/25 and 2025/26. The delivery of the short term savings plan is a priority for the HSCP particularly as it seeks to manage down spend on expensive agency and locum staff whilst maintaining the safety of services.

### **UPDATE ON AREAS FOR DEVELOPMENT IDENTIFIED IN PREVIOUS ANNUAL GOVERNANCE STATEMENTS**

The 2022/23 Annual Governance Statement identified a number of areas for further development. A summary update for each area is provided in the table below.

| Area   | 2023/24 Update  |
|--|---|
| Continue to engage with the Scottish Government, other local authorities and our Waste PPP contractor to determine the most efficient and effective way of ensuring the Council can provide a waste solution which complies with the 2025 Bio-degradable Municipal Waste Ban | We continue to pursue Scottish Government for either a derogation or financial contribution of circa £1.5M to enable the Waste PPP contract to be accommodated alongside the 2025 BMW ban. At the time of writing (30 April 2024) we are still awaiting final confirmation from Scottish Government although given the passage of time we are now working on the basis that a derogation will not be approved and are progressing discussions with Renewi for MBT plants to be converted to Waste Transfer Stations for use from January 2026 onwards, earlier if practical.  |
| Further enhance reporting of workforce planning to the Strategic Management Team   | Workforce planning conversations took place with Managers during January - March and operational workforce plans are now being finalised for reporting to SMT. Absence data is being included in the workforce planning risk matrix to improve reporting to SMT. Progress against actions outlined within operational workforce plans will now be reported through regular Health of the Organisation reporting to Department Management Teams and SMT. The council approved its revised People Strategy and updated strategic workforce planning priorities in February. All strategic workforce planning actions will be included in the annual People Strategy delivery plan.  |
| Continue to Improve quality and accuracy of asset information which will benefit asset valuations, calculations for utilities costs and asset management   | A further 57 condition surveys (7 within the school estate and 50 within the non-school estate) and in accordance with the Scottish Government's Core Fact of Condition were commissioned in 2023/24 and output will be delivered in 2024/25. Additionally records were updated through inspections and measurements undertaken as part of the ongoing rolling programme of asset valuations.   |
| Develop data/analytics business intelligence tool  | <p>The council is taking a two-pronged approach to building its capacity for business intelligence, within the framework of its new data strategy and action plan (2024-28) approved by SMT in October 2023:</p> <ol style="list-style-type: none"> <li>a) Microsoft PowerBI – PowerBI is one of the products in the Microsoft 365 (M365) productivity suite and includes some familiar aspects of Microsoft Excel but with much greater capacity to combine and visualise data from multiple sources. Since the council has a long-term plan for the adoption and utilisation of M365 it is the logical tool for data visualisation and analysis.</li> <li>b) The data platform – The “minimum viable product” (MVP) version of this was launched on 26/3/24 and is now available for staff to use. The Data Platform will be essential to allowing “democratised” access to data for use in PowerBI report building by services themselves. The Data Platform will also allow for access to datasets to be controlled and managed by a robust permissions framework; ensure consistent application of data quality, ethics and standards; and enable the FAIR Principles of making data Findable, Accessible, Interoperable and Re-usable.</li> </ol> |

|  |  |
|--|--|
| Complete review of performance management          | <p>Phase one of the Performance Excellence Project is now complete with the following deliverables:</p> <ul style="list-style-type: none"> <li>- Reduced set of Corporate Outcome Indicators to review and report on long term trends and progress against targets</li> <li>- Decommissioning of Pyramid and development of new Area Scorecards using MS365.</li> <li>- Development of a new Corporate Plan and Business Plan setting out elected members overall priorities and the activities and projects that will deliver on these.</li> <li>- Design and Pilot of a new approach to Self-Assessment which has been piloted at team level and thematic level.</li> </ul> <p>Phase Two of the project has been scoped and is now underway. Phase two of the project will involve redesign the council Performance Improvement Framework with workstreams covering planning, design of performance dashboards and the council's approach to public performance reporting.</p> |
| Complete the External Quality Assessment Framework | The External Quality Assessment was undertaken and reported to the Audit and Scrutiny Committee. The findings were that the Internal Audit service are fully compliant with the Public Sector Internal Audit Standards in all 14 areas of assessment. Two minor recommendations were made and have been fully actioned.  |

## ISSUES FOR FURTHER DEVELOPMENT

The review of governance and internal control has identified the following areas for consideration during 2024/25, particularly in the context of continuous improvement within the Council:

- Preparation for the implementation of the Visitor Levy in 2026 - Work with the Digital Office, improvement Service, City of Edinburgh and Highland Council on the development of a new digital platform for the billing and collection of the new levy. (Head of Financial Services/Head of Development and Economic Growth – March 2025).
- Preparation for new processes being implemented including the practice around Initial Referral Discussions relating to child protection, there will be a need to audit and develop practice further and the development of an action plan based on the findings will help improvement and the need to consider the staffing structures which support this vital area of work. (Head of Children, Families and Justice – March 2025)
- Housing Emergency declared by the Council in June 2023 - Utilise outputs from the Housing Summit held, to develop a multi-stakeholder Action Plan, and synthesise the relative elements of this into a revised Local Housing Strategy Action Programme. (Head of Development and Economic Growth – March 2025)
- The revaluation of properties for building insurances purposes - Estates will undertake a revaluation programme for the general portfolio, together with a programme of recorded inspections of vacant properties. (Head of Commercial services March 2025)
- Publication of the Annual Procurement Report for the Council – This will promote our obligations set out in the Procurement Regulations. (Head of Legal and Regulatory Support – March 2025)
- The Licensing Board will undertake a review of its Licensing Policy statement as required in terms of the Licensing (Scotland) Act 2005. (Head of Legal and Regulatory Support – March 2025)
- The use of Cloud Storage – Following results of the Internal Audit, put in place actions to ensure optimum, appropriate and secure use of cloud storage is applied across all applications. (Head of Customer Support Services – March 2025)
- Further enhance school engagement with national programmes and community partnership

## Annual Governance Statement

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approaches supporting young people to build their confidence, increase mental health awareness and promote diversity. (Head of Education, Performance & Improvement – March 2025).

### CONCLUSION

The conclusion from the review activity outlined above and our opinion is that reasonable assurance can be placed upon the adequacy and effectiveness of Argyll and Bute Council's systems of internal control and governance. Although areas for further improvement have been identified, the annual review demonstrates sufficient evidence that the Council's Local Code of Corporate Governance is operating effectively and that the Council complies with that Local Code in all significant respects. Systems are in place to regularly review and improve governance and systems of internal control.

**Kirsty Flanagan**  
**Section 95 Officer**  
**27 June 2024**



## The Remuneration Report

### BACKGROUND

The Local Authority Accounts (Scotland) Regulations 2014 (SSI No.2014/200) require local authorities in Scotland to prepare a Remuneration Report as part of the annual statutory accounts. All information disclosed in the tables in this Remuneration Report were audited by Mazars. All other sections within the Remuneration Report were reviewed by Mazars to ensure it is consistent with the Financial Statements.

### REMUNERATION POLICY AND ARRANGEMENTS

#### Councillors

The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No 2020/26). The Regulations provide for the grading of councillors for the purposes of remuneration arrangements. There are 4 grades of councillor in each local authority for the purposes of payment of remuneration, the Leader of the Council; the Civic Head (Provost); senior councillors; and councillors. The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A senior councillor is a councillor who holds a significant position of responsibility in the Council's political management structure.

The Regulations also provide for the banding of local authorities. Argyll and Bute is in Band B and the Council has determined the level of remuneration for councillors within that banding. The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2023-24 the salary for the Leader of Argyll and Bute Council is £40,205. The Regulations permit the Council to remunerate one civic head. The Regulations set out the maximum salary that may be paid to that civic head. The Council's civic head is the Provost and their remuneration is set at £30,154 which is the maximum allowed for local authorities in Band B.

The Regulations also set out the remuneration that may be paid to senior councillors in addition to the Leader and Civic Head and the total number of senior councillors the Council may have. The maximum yearly amount that may be paid to a senior councillor is 75% of the total yearly amount payable to the Leader of the Council. The total yearly amount payable by the Council for remuneration of all its senior councillors shall not exceed £0.352m. The Council is able to exercise local flexibility in the determination of the precise number of senior councillors up to a maximum of 14 and their salary within these maximum limits. The Council's policy is to pay a salary of £30,154 to each appointed policy lead. Chairs of Area Committees without a policy lead remit are paid a salary of £24,081.

In 2023-24, Argyll and Bute Council had 11 senior councillors in the administration (excluding the Provost and the Leader). The total salary remuneration for senior councillors (excluding the Provost and the Leader) during 2023-24 was £0.313m. The Regulations also permit the Council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those councillors who elect to become councillor members of the pension scheme.

#### Senior Employees

The salary of senior employees is set by reference to national arrangements as well as local decisions on management structures and their associated remuneration levels. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services (Chief Officials) sets the salary levels for the Chief Executives of Scottish Local Authorities and also sets out the spinal column salary points for Chief Officers which local authorities can utilise in setting the salary levels for posts within their authority. Circular 2023 IR 11.23b sets the amount of salary for the Chief Executive of Argyll and Bute Council for 2023-24. The salaries of Executive Directors are paid at SCP 43 with Heads of Service being paid at SCP 29.

## The Remuneration Report

### COUNCILLORS' REMUNERATION

Councillors' payments are made in accordance with the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 and The Local Government (Allowances and Expenses) (Scotland) Regulations 2007.

The total amount of councillors' remuneration paid by the Council during the year was:

| 2022-23<br>Actual<br>£'000 | Members Allowances                            | 2023-24<br>Actual<br>£'000 |
|----------------------------|---|----------------------------|
| 476                        | Basic Councillor Salaries                     | 464                        |
| 66                         | Leader and Provost's Salary                   | 70                         |
| 258                        | Senior Councillor Salaries                    | 313                        |
| 29                         | Other Expenses and Allowances paid to Members | 25                         |
| <b>829</b>                 | <b>Total Allowances</b>                       | <b>872</b>                 |

The annual return of councillors' salaries and expenses for 2023-24 is available for any member of the public to view at all Council libraries and public offices during normal working hours. It is also available on the Council's website at <http://www.argyll-bute.gov.uk/council-and-government/councillors-and-community-councillors>.

## The Remuneration Report

### SENIOR COUNCILLORS' REMUNERATION

Additional disclosures are required for senior councillors' remuneration. Senior councillors' remuneration is in accordance with the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 which for the purpose of remuneration, grades Councillors as either the Leader of the Council, The Civic Head (Provost), senior Councillors or Councillors. Details of senior Councillors' remuneration are as follows:

| 2022-23<br>Total<br>Remuneration<br>£ | Senior Members             | Responsibility   | 2023-24                                |                          |                            |
|---------------------------------------|----------------------------|--|--|--------------------------|----------------------------|
|                                       |                            |  | Salary, Fees<br>and<br>Allowances<br>£ | Taxable<br>Expenses<br>£ | Total<br>Remuneration<br>£ |
| 18,059                                | Councillor Garret Corner   | <b>Chair of Mid Argyll, Kintyre &amp; the Islands Area Committee</b> from 24-11-22                                 | 24,054                                 | -                        | 24,054                     |
| 24,932                                | Councillor Maurice Corry   | <b>Provost</b> from 19-05-22   | 30,120                                 | -                        | 30,120                     |
| 38,254                                | Councillor Robin Currie    | <b>Leader</b> from 24-10-20 and <b>Policy Lead for Strategic Development</b> from 24-11-22                         | 40,160                                 | -                        | 40,160                     |
| 28,648                                | Councillor Kieron Green    | <b>Policy Lead for Planning &amp; Regulatory Services</b> from 19-05-22  | 30,120                                 | -                        | 30,120                     |
| 24,932                                | Councillor Amanda Hampsey  | <b>Policy Lead for Care Services</b> from 19-05-22   | 30,120                                 | -                        | 30,120                     |
| 24,932                                | Councillor Andrew Kain     | <b>Policy Lead for Roads and Transport and Chair of Oban, Lorn &amp; the Isles Area Committee</b> from 19-05-22    | 30,120                                 | -                        | 30,120                     |
| 22,675                                | Councillor James Lynch     | <b>Leader of the Largest Opposition Group</b> from 19-05-22  | 24,054                                 | -                        | 24,054                     |
| 27,554                                | Councillor Liz McCabe      | <b>Policy Lead for Islands and Business Development and Chair of Bute &amp; Cowal Area Committee</b> from 19-05-22 | 30,120                                 | -                        | 30,120                     |
| 28,648                                | Councillor Yvonne McNeilly | <b>Policy Lead for Education</b>   | 30,120                                 | -                        | 30,120                     |
| 24,932                                | Councillor Ross Moreland   | <b>Policy Lead for Climate Change and Environment Services</b> from 19-05-22                                       | 30,120                                 | -                        | 30,120                     |
| 28,648                                | Councillor Gary Mulvaney   | <b>Depute Leader</b> from 26-09-19 and <b>Policy Lead for Finance and Commercial Services</b> from 19-05-22        | 30,120                                 | -                        | 30,120                     |
| 22,675                                | Councillor Gemma Penfold   | <b>Chair of Helensburgh &amp; Lomond Area Committee</b> from 19-05-22  | 24,054                                 | -                        | 24,054                     |
| 14,692                                | Councillor Alastair Redman | <b>Policy Lead for Economic Growth and Corporate Services</b> from 24-11-22  | 30,120                                 | -                        | 30,120                     |

Senior Councillors' remuneration in the tables above does not include non-taxable expenses.

The values in the table above relate to the actual payments made during 2023-24 which differ slightly from those stated on page 42 due to timing differences in regards to payroll. There is no compensation/loss of office payments within the period and there were no benefits or bonuses paid during the year.

## The Remuneration Report

### EMPLOYEES' REMUNERATION

The Regulations require that local authorities provide an analysis of the number of employees whose remuneration in the year was £50,000 or more, including those classified as senior employees who are subject to separate disclosure requirements. The definition of remuneration includes all sums paid to or receivable by an employee, expense allowances chargeable to tax and the monetary value of benefits received other than in cash. This definition therefore includes all payments made to the employee in respect of agreed employment terminations or retirements. However, employer pension contributions are excluded from the definition.

Readers should be aware when making comparisons between years that, due to contractual incremental pay increases, the number of employees covered by this disclosure will increase each year. In addition, payments made in respect of agreed employment terminations or retirements can also distort the number and/or banding of employees.

The number of employees whose remuneration, excluding employer pension contributions and including redundancy/retirement payments, was £50,000 or more in bands of £5,000 was:

| 2022-23<br>Number of Officers | Range<br>£          | 2023-24<br>Number of Officers |
|-------------------------------|---------------------|-------------------------------|
| 136                           | £50,000 - £54,999   | 303                           |
| 83                            | £55,000 - £59,999   | 105                           |
| 64                            | £60,000 - £64,999   | 79                            |
| 19                            | £65,000 - £69,999   | 76                            |
| 9                             | £70,000 - £74,999   | 43                            |
| 3                             | £75,000 - £79,999   | 16                            |
| 9                             | £80,000 - £84,999   | 7                             |
| 1                             | £85,000 - £89,999   | 13                            |
| 1                             | £90,000 - £94,999   | 2                             |
| 1                             | £95,000 - £99,999   | -                             |
| 1                             | £100,000 - £104,999 | 1                             |
| -                             | £105,000 - £109,999 | 1                             |
| 2                             | £110,000 - £114,999 | -                             |
| -                             | £115,000 - £119,999 | 3                             |
| -                             | £120,000 - £124,999 | -                             |
| -                             | £125,000 - £129,999 | -                             |
| -                             | £130,000 - £135,000 | -                             |
| 1                             | £135,000 - £139,999 | -                             |
| -                             | £140,000 - £144,999 | 1                             |
| <b>330</b>                    | <b>Total</b>        | <b>650</b>                    |

## The Remuneration Report

### SENIOR EMPLOYEES' REMUNERATION

The table below provides details of the remuneration paid to the Council's senior employees. This is defined by the regulations as;

- someone who has responsibility for the management of the organisation,
- occupy a position which is politically restricted, or
- any additional employee whose annual remuneration is £150,000 or more (remuneration includes salary, non-cash benefits and any lump sum payment for loss of employment)

The following table sets out the remuneration disclosures for 2023-24 for senior officers:

| Total Remuneration 2022-23<br>£ | Post Holder   | Salary (Including Fees and Allowances)<br>£ | Taxable Expenses<br>£ | Total Remuneration 2023-24<br>£ |
|---------------------------------|---|---|-----------------------|---------------------------------|
| 138,877                         | Chief Executive - Pippa Milne   | 143,625                                     | 510                   | 144,135                         |
| 112,406                         | Executive Director - Douglas Hendry   | 118,208                                     | 443                   | 118,651                         |
| 112,160                         | Executive Director, Section 95 Financial Officer - Kirsty Flanagan  | 118,064                                     | 573                   | 118,637                         |
| 84,180                          | Head of Children and Families and Criminal Justice (Section 3 Social Work Officer) - David Gibson (from 14-09-21) | 89,237                                      |                       | 89,237                          |

The following table sets out the remuneration disclosures for 2023-24 for Live Argyll:

| Total Remuneration 2022-23<br>£ | Post Holder  | Salary (Including Fees and Allowances)<br>£ | Taxable Expenses<br>£ | Total Remuneration 2023-24<br>£ |
|---------------------------------|--|---|-----------------------|---------------------------------|
| 84,180                          | Live Argyll General Manager (Subsidiary of Argyll & Bute Council) - Kevin Anderson | 89,237                                      | -                     | 89,237                          |

## The Remuneration Report

### PENSION BENEFITS

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS).

Councillors' pension benefits are based on career average pay. A Councillor's pay for pension purposes for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits.

Local government employees had a final salary pension scheme prior to 1 April 2015. This means that pension benefits are based on the final year's pay and the number of years that person has been a member of the scheme. As of 1 April 2015, local government employees are now part of a defined benefit pension scheme worked out on a career average basis. Benefits accumulated are calculated using pensionable pay each scheme year, rather than final salary. All benefits accumulated prior to 1 April 2015 are protected.

A five-tier contribution system is in place with contributions from scheme members based on how much pay falls into each tier. This is designed to give more equality between the costs and benefits of scheme membership.

The tiers and members contribution rates for 2023-24 are as follows:

| Whole time pay                              | Contribution Rate |
|---|-------------------|
|   | 2023-24           |
| On earnings up to and including £25,300     | 5.50%             |
| On earnings above £25,301 and up to £31,000 | 7.25%             |
| On earnings above £31,001 and up to £42,500 | 8.50%             |
| On earnings above £42,501 and up to £56,600 | 9.50%             |
| On earnings of £56,601 and above            | 12.00%            |

From 1 April 2015, if a person works part-time their contribution is worked out on their part-time pay rate for the job. Prior to this, if a person worked part-time, their contribution rate was worked out on the whole-time pay rate for the job with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for a lump sum up to the limit set by the Finance Act 2004.

From 1 April 2015, benefits are calculated on the basis of a revalued annual pension built up of 1/49<sup>th</sup> of pensionable pay each year, plus inflation to keep up with the cost of living. Prior to this date, the accrual rate guaranteed a pension based on 1/60<sup>th</sup> of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80<sup>th</sup> and a lump sum based on 3/80<sup>th</sup> of final pensionable salary and years of pensionable service.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

## The Remuneration Report

### SENIOR COUNCILLORS' PENSION BENEFITS

The pension entitlements for senior councillors for the year to 31 March 2024 are shown in the table below, together with the contribution made by the Council to each senior Councillor's pension during the year.

The pension benefits shown relate to the benefits that the individual has accrued as a consequence of their relevant local government service and not just their current appointment.

| For the year to 31 March 2023      |                                   | Senior Members             | For the year to 31 March 2024      |                                   |    |
|------------------------------------|-----------------------------------|----------------------------|------------------------------------|-----------------------------------|----|
| In-year pension contributions<br>£ | Accrued pension benefits<br>£'000 |                            | In-year pension contributions<br>£ | Accrued pension benefits<br>£'000 |    |
| 3,485                              | -                                 | Councillor Garret Corner   | Pension                            | 4,642                             | 1  |
|                                    | -                                 |                            | <i>Lump Sum</i>                    |                                   | -  |
| 4,812                              | 1                                 | Councillor Maurice Corry   | Pension                            | 5,813                             | 1  |
|                                    | -                                 |                            | <i>Lump Sum</i>                    |                                   | -  |
| 7,383                              | 8                                 | Councillor Robin Currie    | Pension                            | 7,751                             | 10 |
|                                    | 1                                 |                            | <i>Lump Sum</i>                    |                                   | 1  |
| 5,529                              | 4                                 | Councillor Kieron Green    | Pension                            | 5,813                             | 5  |
|                                    |                                   |                            | <i>Lump Sum</i>                    |                                   | -  |
| 4,812                              | 1                                 | Councillor Amanda Hampsey  | Pension                            | 5,813                             | 1  |
|                                    | -                                 |                            | <i>Lump Sum</i>                    |                                   | -  |
| 4,812                              | 1                                 | Councillor Andrew Kain     | Pension                            | 5,813                             | 1  |
|                                    | -                                 |                            | <i>Lump Sum</i>                    |                                   | -  |
| 4,376                              | 2                                 | Councillor James Lynch     | Pension                            | 4,642                             | 3  |
|                                    | -                                 |                            | <i>Lump Sum</i>                    |                                   | -  |
| 5,318                              | 1                                 | Councillor Liz McCabe      | Pension                            | 5,813                             | 2  |
|                                    | -                                 |                            | <i>Lump Sum</i>                    |                                   | -  |
| 5,529                              | 3                                 | Councillor Yvonne McNeilly | Pension                            | 5,813                             | 4  |
|                                    |                                   |                            | <i>Lump Sum</i>                    |                                   | -  |
| 4,812                              | -                                 | Councillor Ross Moreland   | Pension                            | 5,813                             | 1  |
|                                    | -                                 |                            | <i>Lump Sum</i>                    |                                   | -  |
| 5,529                              | 8                                 | Councillor Gary Mulvaney   | Pension                            | 5,813                             | 9  |
|                                    | 2                                 |                            | <i>Lump Sum</i>                    |                                   | 2  |
| 4,376                              | 1                                 | Councillor Gemma Penfold   | Pension                            | 4,642                             | 1  |
|                                    | -                                 |                            | <i>Lump Sum</i>                    |                                   | -  |
| 2,836                              | 2                                 | Councillor Alastair Redman | Pension                            | 5,813                             | 1  |
|                                    |                                   |                            | <i>Lump Sum</i>                    |                                   | -  |

## The Remuneration Report

### SENIOR EMPLOYEES' PENSION BENEFITS

The pension entitlements for senior employees for the year to 31 March 2024 are shown in the table below, together with the contribution made by the Council to each senior employee's pension during the year.

The pension benefits shown relate to the benefits that the individual has accrued as a consequence of their relevant local government service and not just their current appointment.

| For the year to 31 March 2023 |                          | Senior Officers  |                 | For the year to 31 March 2024 |                          |
|-------------------------------|--------------------------|--|-----------------|-------------------------------|--------------------------|
| In-year pension contributions | Accrued pension benefits |  |                 | In-year pension contributions | Accrued pension benefits |
| £                             | £'000                    |  |                 | £                             | £'000                    |
| 26,709                        | 70                       | <b>Chief Executive - Pippa Milne</b>   | Pension         | 27,699                        | 75                       |
|                               | 111                      |  | <i>Lump Sum</i> |                               | 111                      |
| 21,495                        | 66                       | <b>Executive Director - Douglas Hendry</b>   | Pension         | 22,786                        | 70                       |
|                               | 112                      |  | <i>Lump Sum</i> |                               | 112                      |
| 21,495                        | 37                       | <b>Executive Director, Section 95 Financial Officer - Kirsty Flanagan</b>  | Pension         | 22,786                        | 41                       |
|                               | 32                       |  | <i>Lump Sum</i> |                               | 32                       |
| 16,247                        | 8                        | <b>Head of Children and Families and Criminal Justice (Section 3 Social Work Officer) - David Gibson (from 14-09-21)</b> | Pension         | 17,223                        | 40                       |
|                               |                          |  | <i>Lump Sum</i> |                               | -                        |

### Live Argyll Senior Employees' Pension Benefits

| For the year to 31 March 2023 |                          | Senior Officers   |                 | For the year to 31 March 2024 |                          |
|-------------------------------|--------------------------|---|-----------------|-------------------------------|--------------------------|
| In-year pension contributions | Accrued pension benefits |   |                 | In-year pension contributions | Accrued pension benefits |
| £                             | £'000                    |   |                 | £                             | £'000                    |
| 16,247                        | 33                       | <b>Live Argyll General Manager (Subsidiary of Argyll &amp; Bute Council) - Kevin Anderson</b> | Pension         | 17,223                        | 37                       |
|                               | 38                       |   | <i>Lump Sum</i> |                               | 40                       |



## EMPLOYEE EXIT PACKAGES

The numbers of exit packages with cost per band for compulsory and other redundancies are set out in the table below:

| 2022-23                 |         |                  |         |       |         | Exit Package Cost Band | 2023-24                 |         |                  |         |       |         |
|-------------------------|---------|------------------|---------|-------|---------|------------------------|-------------------------|---------|------------------|---------|-------|---------|
| Compulsory Redundancies |         | Other Departures |         | Total |         |                        | Compulsory Redundancies |         | Other Departures |         | Total |         |
| No                      | £       | No               | £       | No    | £       | No                     | £                       | No      | £                | No      | £     |         |
| 1                       | 4,038   | 2                | 30,305  | 3     | 34,343  | £0 - £20,000           | 2                       | 13,896  | -                | -       | 2     | 13,896  |
| 1                       | 38,924  | 2                | 55,403  | 3     | 94,327  | £20,001 - £40,000      | -                       | -       | -                | -       | -     | -       |
|                         |         |                  |         | -     | -       | £40,001 - £60,000      | -                       | -       | -                | -       | -     | -       |
|                         |         | 1                | 88,038  | 1     | 88,038  | £60,001 - £80,000      | -                       | -       | -                | -       | -     | -       |
|                         |         |                  |         | -     | -       | £80,001 - £100,000     | -                       | -       | -                | -       | -     | -       |
| 1                       | 137,037 | 1                | 106,165 | 2     | 243,202 | £100,001 - £150,000    | 1                       | 134,437 | 1                | 127,350 | 2     | 261,787 |
| 1                       | 161,869 |                  |         | 1     | 161,869 | £150,001 - £200,000    | -                       | -       | -                | -       | -     | -       |
| 4                       | 341,868 | 6                | 279,911 | 10    | 621,779 |                        | 3                       | 148,333 | 1                | 127,350 | 4     | 275,683 |

For the purposes of this note, Exit Packages include:

- Redundancy payment;
- Strain on the fund cost (the amount which the Council is required to pay to the pension fund because the employee has retired before the assumed retirement age);
- Added Years Lump Sum (the amount which the Council pays to the individual in a one-off lump sum, according to the compensatory added years awarded – maximum three years); and
- A capitalised value of the recurring Compensatory Added Years payment. This represents the amount which the Council has to pay to the pension fund because the employee has retired with enhanced service (maximum three years). This amount is paid on an annual basis once a person has left employment with the Council and is therefore a notional cost at 31 March 2024.

Termination costs for all Council employees who have accepted redundancy by 31 March 2024 are recognised in the Exit Packages note in 2023-24, or in previous financial years. The total cost recognised in the Exit Packages note in 2023-24 is £0.276m for 4 employees and in 2022-23 was £0.622m for 10 employees.

The supplementary Termination Benefits Note 35 provides more information.

## FACILITY TIME STATEMENT

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Council is required to collect and publish data in relation to its usage and spend of trade union facility time in respect of employees who are trade union representatives. Full details for the period 1 April 2023 to 31 March 2024 are attached at Appendix A.

## Statement of Comprehensive Income and Expenditure

| 2022-23                    |                       |                          | Service                                       | Note | 2023-24                    |                       |                          |
|----------------------------|-----------------------|--------------------------|---|------|----------------------------|-----------------------|--------------------------|
| Gross Expenditure<br>£'000 | Gross Income<br>£'000 | Net Expenditure<br>£'000 |   |      | Gross Expenditure<br>£'000 | Gross Income<br>£'000 | Net Expenditure<br>£'000 |
| 26,810                     | 18,209                | 8,601                    | <b>Chief Executive and Financial Services</b> |      | 1,281                      | 95                    | 1,186                    |
|                            |                       |                          | <b>Executive Director Douglas Hendry</b>      |      |                            |                       |                          |
| 436                        | -                     | 436                      | Executive Director                            |      | 426                        | (1)                   | 427                      |
| 33,399                     | 4,250                 | 29,149                   | Commercial Services                           |      | 23,010                     | 3,857                 | 19,153                   |
| 106,026                    | 13,620                | 92,406                   | Education                                     |      | 114,124                    | 13,202                | 100,922                  |
| 15,942                     | 4,371                 | 11,571                   | Legal and Regulatory Support                  |      | 17,520                     | 4,241                 | 13,279                   |
|                            |                       |                          | <b>Executive Director Kirsty Flanagan</b>     |      |                            |                       |                          |
| 418                        | -                     | 418                      | Executive Director                            |      | 242                        | -                     | 242                      |
|                            |                       |                          | Financial Services                            |      | 25,613                     | 18,639                | 6,974                    |
| 11,859                     | 674                   | 11,185                   | Customer Support Services                     |      | 12,165                     | 534                   | 11,631                   |
| 25,256                     | 14,380                | 10,876                   | Development and Economic Growth               |      | 23,138                     | 13,849                | 9,289                    |
| 71,971                     | 24,491                | 47,480                   | Roads and Infrastructure                      |      | 75,990                     | 29,300                | 46,690                   |
| 174,434                    | 94,948                | 79,486                   | <b>Social Work</b>                            |      | 181,285                    | 103,209               | 78,076                   |
| 9,897                      | 2,303                 | 7,594                    | <b>Other Non-Departmental Costs</b>           |      | 10,075                     | 678                   | 9,397                    |
| <b>476,448</b>             | <b>177,246</b>        | <b>299,202</b>           | <b>Net Cost of Services</b>                   |      | <b>484,869</b>             | <b>187,603</b>        | <b>297,266</b>           |

## Statement of Comprehensive Income and Expenditure

|  |                  |  |                  |
|--|------------------|--|------------------|
|  |                  | <b>Other Operating Income and Expenditure:</b>               |                  |
|  | (437)            | Net (Gain)/loss on Disposal of Long Term Assets              | (262)            |
|  | 1,643            | Other Operating Income and Expenditure                       | 1,670            |
|  | <b>1,206</b>     | <b>Total Other Operating Income and Expenditure</b>          | <b>1,408</b>     |
|  |                  | <b>Financing and Investment Income and Expenditure:</b>      |                  |
|  | 10,514           | Interest Payable and Similar charges                         | 14,037           |
|  | (2,966)          | Interest and Investment Income                               | (4,779)          |
|  | 141              | Net Pension Interest Expense                                 | (6,596)          |
|  | <b>7,689</b>     | <b>Total Financing and Investment Income and Expenditure</b> | <b>2,662</b>     |
|  |                  | <b>Taxation and Non-Specific Grant Income:</b>               |                  |
|  | (191,775)        | General Government Grants                                    | (187,193)        |
|  | (22,549)         | Government Capital Grants and Other Capital Contributions    | (23,550)         |
|  | (33,179)         | Non-domestic Rates Redistribution                            | (37,645)         |
|  | (647)            | Non-domestic Rates TIF                                       | (804)            |
|  | (53,900)         | Council Tax Income   | (61,909)         |
|  | <b>(302,050)</b> | <b>Total Taxation and Non-Specific Grant Income</b>          | <b>(311,101)</b> |
|  | <b>6,047</b>     | <b>(Surplus)/Deficit on Provision of Services</b>            | <b>(9,765)</b>   |
|  | (21,104)         | (Surplus)/Deficit on revaluation of Long Term Assets         | (10,097)         |
|  | (154,350)        | Other Post Employment Benefits (Pensions)                    | (123,880)        |
|  | <b>(175,454)</b> | <b>Other Comprehensive Income and Expenditure</b>            | <b>(133,977)</b> |
|  | <b>(169,407)</b> | <b>Total Comprehensive Income and Expenditure</b>            | <b>(143,742)</b> |

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Statement of Movement in Reserves.

## Balance Sheet

| 31 March 2023 |                  | Note   | 31 March 2024 |                  |
|---------------|------------------|--|---------------|------------------|
| £'000         | £'000            |  | £'000         | £'000            |
|               |                  | <b>Long Term Assets</b>                                    |               |                  |
|               |                  | <b>Property Plant &amp; Equipment</b>                      | 15            |                  |
| 451,018       |                  | - Other Land and Buildings                                 |               | 457,369          |
| 10,872        |                  | - Vehicles, Plant, Furniture and Equipment                 |               | 11,012           |
| 235,076       |                  | - Infrastructure Assets                                    |               | 239,372          |
| 8,892         |                  | - Community Assets   |               | 9,110            |
| 3,286         |                  | - Surplus Assets   |               | 4,620            |
| 21,440        |                  | - Assets Under Construction                                |               | 35,724           |
|               | <b>730,584</b>   | <b>Total Property Plant &amp; Equipment</b>                |               | <b>757,207</b>   |
|               | 2,345            | Heritage Assets  | 16            | 2,569            |
|               | 733              | Intangible Assets  | 17            | 888              |
|               | 2,553            | Investment Property  | 18            | 2,514            |
|               | 5,492            | Long Term Investments                                      | 27            | 492              |
|               | 5,880            | Long-Term Debtors  | 22            | 5,816            |
|               | 139,014          | Other Long Term Debtors (Pensions)                         | 31            | 269,216          |
|               | <b>886,601</b>   | <b>Total Long Term Assets</b>                              |               | <b>1,038,702</b> |
|               |                  | <b>Current Assets</b>                                      |               |                  |
| 1,130         |                  | Inventories  |               | 1,043            |
| 27,186        |                  | Short Term Debtors (Net of Impairment)                     | 23            | 38,368           |
| 1,554         |                  | Assets Held for Sale                                       | 24            | 1,619            |
| 60,000        |                  | Short Term Investments                                     |               | 27,500           |
| 823           |                  | Cash and Cash Equivalents                                  | 25            | (9,991)          |
|               | <b>90,693</b>    | <b>Total Current Assets</b>                                |               | <b>58,539</b>    |
|               |                  | <b>Current Liabilities</b>                                 |               |                  |
| (11,818)      |                  | Short-term Borrowing                                       | 27            | (13,478)         |
| (50,044)      |                  | Short-term Creditors                                       | 26            | (52,374)         |
| (1,450)       |                  | Provisions   | 29            | (1,665)          |
| (5,280)       |                  | Other Short Term Liabilities                               | 28            | (5,336)          |
|               | <b>(68,592)</b>  | <b>Total Current Liabilities</b>                           |               | <b>(72,853)</b>  |
|               |                  | <b>Long-term Liabilities</b>                               |               |                  |
| (132,155)     |                  | Borrowing Repayable within a Period in Excess of 12 Months | 27            | (107,458)        |
| (107,033)     |                  | Other Long-term liabilities                                | 28            | (101,697)        |
| (2,444)       |                  | Provisions   | 29            | (2,855)          |
| -             |                  | Capital Grant Receipts in Advance                          | 30            | (1,564)          |
|               | <b>(241,632)</b> | <b>Total Long-term Liabilities</b>                         |               | <b>(213,574)</b> |
|               | <b>667,070</b>   | <b>Total Assets less Liabilities</b>                       |               | <b>810,814</b>   |

## Balance Sheet

| 31 March 2023 |                | Note                                       | 31 March 2024 |                |
|---------------|----------------|--|---------------|----------------|
| £'000         | £'000          |  | £'000         | £'000          |
|               |                | <b>Unusable Reserves</b>                   |               |                |
| 174,952       |                | - Revaluation Reserve                      | 180,661       |                |
| 268,788       |                | - Capital Adjustment Account               | 249,093       |                |
| (1,871)       |                | - Financial Instruments Adjustment Account | (1,585)       |                |
| 139,014       |                | - Pensions Reserve                         | 269,216       |                |
| (7,588)       |                | - Accumulated Absences Account             | (8,272)       |                |
|               | <b>573,295</b> |  |               | <b>689,113</b> |
|               |                | <b>Usable Reserves</b>                     |               |                |
| 4,503         |                | - Capital Funds                            | 3,197         |                |
| 2,916         |                | - Repairs and Renewals Funds               | 2,763         |                |
| 86,356        |                | - General Fund Balance                     | 115,741       |                |
|               | <b>93,775</b>  |  |               | <b>121,701</b> |
|               | <b>667,070</b> | <b>Total Reserves</b>                      |               | <b>810,814</b> |

The Balance Sheet is a snapshot of the value as at the 31 March 2024 of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported as follows:

- **Unusable Reserves:** are reserves that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations".
- **Usable Reserves:** are reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt).

Kirsty Flanagan  
Section 95 Officer  
27 June 2024

## Statement of Movement in Reserves

| Movements in 2023-24   | Usable Reserves (Note 33) |                           |                |                       | Unusable Reserves (Note 32) |                            |                  |   |                              |                         | Total Reserves   |
|--|---------------------------|---------------------------|----------------|-----------------------|-----------------------------|----------------------------|------------------|---|------------------------------|-------------------------|------------------|
|  | General Fund Balance      | Repairs and Renewals Fund | Capital Funds  | Total Usable Reserves | Revaluation Reserve         | Capital Adjustment Account | Pensions Reserve | Financial Instrument Adjustment Account | Accumulated Absences Account | Total Unusable Reserves |                  |
|  | £'000                     | £'000                     | £'000          | £'000                 | £'000                       | £'000                      | £'000            | £'000                                   | £'000                        | £'000                   |                  |
| <b>Balance at 31 March 2023</b>  | <b>(86,356)</b>           | <b>(2,916)</b>            | <b>(4,503)</b> | <b>(93,775)</b>       | <b>(174,952)</b>            | <b>(268,788)</b>           | <b>(139,014)</b> | <b>1,871</b>                            | <b>7,588</b>                 | <b>(573,295)</b>        | <b>(667,070)</b> |
| (Surplus)/Deficit on Provision of Services   | (9,765)                   |                           |                | (9,765)               |                             |                            |                  |   |                              | -                       | (9,765)          |
| Other Comprehensive Income and Expenditure   |                           |                           |                | -                     | (10,097)                    |                            | (123,880)        |   |                              | (133,977)               | (133,977)        |
| Retrospective adjustment to the statutory repayment of debt for service concession arrangements - permitted flexibility  | (36,038)                  |                           |                | (36,038)              |                             | 36,038                     |                  |   |                              | 36,038                  | -                |
| <b>Total Comprehensive Income and Expenditure</b>  | <b>(45,803)</b>           | <b>-</b>                  | <b>-</b>       | <b>(45,803)</b>       | <b>(10,097)</b>             | <b>36,038</b>              | <b>(123,880)</b> | <b>-</b>                                | <b>-</b>                     | <b>(97,939)</b>         | <b>(143,742)</b> |
| <b>Adjustments between accounting basis and funding basis under regulations:</b>   |                           |                           |                |                       |                             |                            |                  |   |                              |                         |                  |
| Disposal of Assets   |                           |                           |                |                       | 99                          | (99)                       |                  |   |                              |                         |                  |
| Amortisation of Intangible Assets  |                           |                           |                | -                     |                             | -                          |                  |   |                              | -                       | -                |
| Depreciation of Non-current Assets   | (21,443)                  |                           |                | (21,443)              |                             | 21,443                     |                  |   |                              | 21,443                  | -                |
| Impairment of Non-current Assets   | 2,576                     |                           |                | 2,576                 |                             | (2,576)                    |                  |   |                              | (2,576)                 | -                |
| Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement  | 23,550                    |                           |                | 23,550                |                             | (23,550)                   |                  |   |                              | (23,550)                | -                |
| Capital Expenditure Charged to the General Fund  | 1,616                     |                           |                | 1,616                 |                             | (1,616)                    |                  |   |                              | (1,616)                 | -                |
| Net Gain or Loss on Sale of Non-current Assets   | 262                       |                           | (671)          | (409)                 |                             | 409                        |                  |   |                              | 409                     | -                |
| Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements | 286                       |                           |                | 286                   |                             |                            |                  | (286)                                   |                              | (286)                   | -                |
| Employee Benefits  | (684)                     |                           |                | (684)                 |                             |                            |                  |   | 684                          | 684                     | -                |
| Amount by which pension costs calculated in accordance with the Code are different from the contributions due under pension scheme regulations                           | 6,322                     |                           |                | 6,322                 |                             |                            | (6,322)          |   |                              | (6,322)                 | -                |

## Statement of Movement in Reserves

| Movements in 2023-24  | Usable Reserves (Note 33) |                           |                |                       | Unusable Reserves (Note 32) |                            |                  |   |                              |                         | Total Reserves   |
|---|---------------------------|---------------------------|----------------|-----------------------|-----------------------------|----------------------------|------------------|---|------------------------------|-------------------------|------------------|
|   | General Fund Balance      | Repairs and Renewals Fund | Capital Funds  | Total Usable Reserves | Revaluation Reserve         | Capital Adjustment Account | Pensions Reserve | Financial Instrument Adjustment Account | Accumulated Absences Account | Total Unusable Reserves |                  |
|   | £'000                     | £'000                     | £'000          | £'000                 | £'000                       | £'000                      | £'000            | £'000                                   | £'000                        | £'000                   |                  |
| Statutory Repayment of Debt - Loans Fund Advances   | 7,696                     |                           |                | 7,696                 |                             | (7,696)                    |                  |   |                              | (7,696)                 | -                |
| Statutory Repayment of Debt - Finance Leases  | 48                        |                           |                | 48                    |                             | (48)                       |                  |   |                              | (48)                    | -                |
| Statutory Repayment of Debt - NPDO Finance Lease  | 5,232                     |                           |                | 5,232                 |                             | (5,232)                    |                  |   |                              | (5,232)                 | -                |
| In year adjustment to the statutory repayment of debt for service concession arrangements - permitted flexibility                   | (4,831)                   |                           |                | (4,831)               |                             | 4,831                      |                  |   |                              | 4,831                   | -                |
| <b>Total Statutory Adjustments</b>  | <b>20,630</b>             | <b>-</b>                  | <b>(671)</b>   | <b>19,959</b>         | <b>99</b>                   | <b>(14,134)</b>            | <b>(6,322)</b>   | <b>(286)</b>                            | <b>684</b>                   | <b>(19,959)</b>         | <b>-</b>         |
| <b>Net (Increase)/Decrease before Transfers to Other Statutory Reserves</b>   | <b>(25,173)</b>           | <b>-</b>                  | <b>(671)</b>   | <b>(25,844)</b>       | <b>(9,998)</b>              | <b>21,904</b>              | <b>(130,202)</b> | <b>(286)</b>                            | <b>684</b>                   | <b>(117,898)</b>        | <b>(143,742)</b> |
| <i>Other Transfers required by Statute</i>  |                           |                           |                |                       |                             |                            |                  |   |                              |                         |                  |
| Transfer to/from Other Statutory Reserves   | 77                        | 153                       | 1,977          | 2,207                 |                             | (2,207)                    |                  |   |                              | (2,207)                 | -                |
| <i>Other Transfers</i>  |                           |                           |                |                       |                             |                            |                  |   |                              |                         |                  |
| Adjustments permitted by Accounting Standards for depreciation that is related to the revaluation balance rather than historic cost | (4,289)                   |                           |                | (4,289)               | 4,289                       |                            |                  |   |                              | 4,289                   | -                |
| <b>(Increase)/Decrease in Year</b>  | <b>(29,385)</b>           | <b>153</b>                | <b>1,306</b>   | <b>(27,926)</b>       | <b>(5,709)</b>              | <b>19,697</b>              | <b>(130,202)</b> | <b>(286)</b>                            | <b>684</b>                   | <b>(115,816)</b>        | <b>(143,742)</b> |
| <b>Balance at 31 March 2024 Carried Forward</b>   | <b>(115,741)</b>          | <b>(2,763)</b>            | <b>(3,197)</b> | <b>(121,701)</b>      | <b>(180,661)</b>            | <b>(249,093)</b>           | <b>(269,216)</b> | <b>1,585</b>                            | <b>8,272</b>                 | <b>(689,113)</b>        | <b>(810,814)</b> |

This Statement shows the movement in the 2023-24 financial year on the different reserves held by the Council, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and "Unusable Reserves". The '(Surplus)/Deficit on the Provision of Services' line shows the true economic cost of providing the Council's services, more details of which are shown in Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes. The 'Net (Increase)/Decrease before Transfers to Other Statutory Reserves' line shows the Statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

## Statement of Movement in Reserves

| Comparative Movements in 2022-23   | Usable Reserves (Note 33) |                           |                |                       | Unusable Reserves (Note 32) |                            |                  |   |                              |                         | Total Reserves   |
|--|---------------------------|---------------------------|----------------|-----------------------|-----------------------------|----------------------------|------------------|---|------------------------------|-------------------------|------------------|
|  | General Fund Balance      | Repairs and Renewals Fund | Capital Funds  | Total Usable Reserves | Revaluation Reserve         | Capital Adjustment Account | Pensions Reserve | Financial Instrument Adjustment Account | Accumulated Absences Account | Total Unusable Reserves |                  |
|  | £'000                     | £'000                     | £'000          | £'000                 | £'000                       | £'000                      | £'000            | £'000                                   | £'000                        | £'000                   |                  |
| <b>Balance at 31 March 2022</b>  | <b>(96,081)</b>           | <b>(2,682)</b>            | <b>(4,414)</b> | <b>(103,177)</b>      | <b>(157,644)</b>            | <b>(241,331)</b>           | <b>(4,634)</b>   | <b>2,198</b>                            | <b>6,928</b>                 | <b>(394,483)</b>        | <b>(497,660)</b> |
| (Surplus)/Deficit on Provision of Services   | 6,047                     |                           |                | 6,047                 |                             |                            |                  |   |                              | -                       | 6,047            |
| Other Comprehensive Expenditure and Income   |                           |                           |                |                       | (21,104)                    |                            | (154,350)        |   |                              | (175,454)               | (175,454)        |
| <b>Total Comprehensive Expenditure and Income</b>  | <b>6,047</b>              | <b>-</b>                  | <b>-</b>       | <b>6,047</b>          | <b>(21,104)</b>             | <b>-</b>                   | <b>(154,350)</b> | <b>-</b>                                | <b>-</b>                     | <b>(175,454)</b>        | <b>(169,407)</b> |
| <b>Adjustments between accounting basis and funding basis under regulations:</b>   |                           |                           |                |                       |                             |                            |                  |   |                              |                         |                  |
| Disposal of Assets   |                           |                           |                |                       | 173                         | (173)                      |                  |   |                              |                         |                  |
| Amortisation of Intangible Assets  |                           |                           |                | -                     |                             |                            |                  |   |                              | -                       | -                |
| Depreciation and of Non-current Assets   | (20,947)                  |                           |                | (20,947)              |                             | 20,947                     |                  |   |                              | 20,947                  | -                |
| Impairment of Non-current Assets   | (3,128)                   |                           |                | (3,128)               |                             | 3,128                      |                  |   |                              | 3,128                   | -                |
| Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement  | 22,549                    |                           |                | 22,549                |                             | (22,549)                   |                  |   |                              | (22,549)                | -                |
| Capital Expenditure Charged to the General Fund  | 2,938                     |                           |                | 2,938                 |                             | (2,938)                    |                  |   |                              | (2,938)                 | -                |
| Net Gain or Loss on Sale of Non-current Assets   | 437                       |                           | (568)          | (131)                 |                             | 131                        |                  |   |                              | 131                     | -                |
| Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements | 327                       |                           |                | 327                   |                             |                            |                  | (327)                                   |                              | (327)                   | -                |
| Employee Benefits  | (660)                     |                           |                | (660)                 |                             |                            |                  |   | 660                          | 660                     | -                |
| Amount by which pension costs calculated in accordance with the Code are different from the contributions due under pension scheme regulations                           | (19,970)                  |                           |                | (19,970)              |                             |                            | 19,970           |   |                              | 19,970                  | -                |



## Statement of Movement in Reserves

| Comparative Movements in 2022-23  | Usable Reserves (Note 33) |                           |                |                       | Unusable Reserves (Note 32) |                            |                  |   |                              |                         | Total Reserves   |
|---|---------------------------|---------------------------|----------------|-----------------------|-----------------------------|----------------------------|------------------|---|------------------------------|-------------------------|------------------|
|   | General Fund Balance      | Repairs and Renewals Fund | Capital Funds  | Total Usable Reserves | Revaluation Reserve         | Capital Adjustment Account | Pensions Reserve | Financial Instrument Adjustment Account | Accumulated Absences Account | Total Unusable Reserves |                  |
|   | £'000                     | £'000                     | £'000          | £'000                 | £'000                       | £'000                      | £'000            | £'000                                   | £'000                        | £'000                   |                  |
| Statutory Repayment of Debt - Loans Fund Advances   | 20,317                    |                           |                | 20,317                |                             | (20,317)                   |                  |   |                              | (20,317)                | -                |
| Statutory Repayment of Debt - Finance Leases  | 46                        |                           |                | 46                    |                             | (46)                       |                  |   |                              | (46)                    | -                |
| Statutory Repayment of Debt - NPDO Finance  | 5,070                     |                           |                | 5,070                 |                             | (5,070)                    |                  |   |                              | (5,070)                 | -                |
| <b>Total Statutory Adjustments</b>  | <b>6,979</b>              | <b>-</b>                  | <b>(568)</b>   | <b>6,411</b>          | <b>173</b>                  | <b>(26,887)</b>            | <b>19,970</b>    | <b>(327)</b>                            | <b>660</b>                   | <b>(6,411)</b>          | <b>-</b>         |
| <b>Net (Increase)/Decrease before Transfers to Other Statutory Reserves</b>   | <b>13,026</b>             | <b>-</b>                  | <b>(568)</b>   | <b>12,458</b>         | <b>(20,931)</b>             | <b>(26,887)</b>            | <b>(134,380)</b> | <b>(327)</b>                            | <b>660</b>                   | <b>(181,865)</b>        | <b>(169,407)</b> |
| <i>Other Transfers required by Statute</i>  |                           |                           |                |                       |                             |                            |                  |   |                              |                         |                  |
| Transfer to/from Other Statutory Reserves   | 322                       | (234)                     | 480            | 568                   |                             | (568)                      |                  |   |                              | (568)                   | -                |
| <i>Other Transfers</i>  |                           |                           |                |                       |                             |                            |                  |   |                              |                         |                  |
| Adjustments permitted by Accounting Standards for depreciation that is related to the revaluation balance rather than historic cost | (3,623)                   |                           |                | (3,623)               | 3,623                       |                            |                  |   |                              | 3,623                   | -                |
| <b>(Increase)/Decrease in Year</b>  | <b>9,725</b>              | <b>(234)</b>              | <b>(88)</b>    | <b>9,403</b>          | <b>(17,308)</b>             | <b>(27,455)</b>            | <b>(134,380)</b> | <b>(327)</b>                            | <b>660</b>                   | <b>(178,810)</b>        | <b>(169,407)</b> |
| <b>Balance at 31 March 2023 Carried Forward</b>   | <b>(86,356)</b>           | <b>(2,916)</b>            | <b>(4,503)</b> | <b>(93,775)</b>       | <b>(174,952)</b>            | <b>(268,788)</b>           | <b>(139,014)</b> | <b>1,871</b>                            | <b>7,588</b>                 | <b>(573,295)</b>        | <b>(667,070)</b> |

This Statement shows the movement in the 2022-23 financial year on the different reserves held by the Council, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and "Unusable Reserves". The '(Surplus)/Deficit on the Provision of Services' line shows the true economic cost of providing the Council's services, more details of which are shown in Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes. The 'Net (Increase)/Decrease before Transfers to Other Statutory Reserves' line shows the Statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

## Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amounts of net cash flow arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

| 2022-23<br>£'000 |   | Note | 2023-24<br>£'000 |
|------------------|---|------|------------------|
| 6,047            | <b>Net (Surplus)/Deficit on the Provision of Services</b>   |      | (9,765)          |
| (21,310)         | Adjustments to net surplus or deficit on the provision of services for non-cash movements   |      | 21,585           |
| 5,955            | Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities |      | 10,294           |
| <b>(9,308)</b>   | <b>Net Cash Flows from Operating Activities</b>   | 39   | <b>22,114</b>    |
| (14,323)         | Net Cash Flows from Investing Activities  | 40   | (38,637)         |
| 42,536           | Net Cash Flows from Financing Activities  | 41   | 27,337           |
| <b>18,905</b>    | <b>Net (Increase)/Decrease in Cash and Cash Equivalents</b>   |      | <b>10,814</b>    |
| (19,728)         | Cash and Cash Equivalents at the beginning of the Reporting Period  |      | (823)            |
| <b>(823)</b>     | <b>Cash and Cash Equivalents at the end of the Reporting Period</b>   | 25   | <b>9,991</b>     |

## Notes to the Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 General Principles

The Annual Accounts summarise the Council's transactions for the 2023-24 financial year and its position at the year-end of 31 March 2024. The Council must ensure that its Annual Accounts are prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014, which section 12 of the Local Government in Scotland Act 2003 require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounts have been prepared under the historic cost convention, other than changes resulting from the revaluation of certain categories of non-current assets and financial instruments, and on a going concern basis.

#### 1.2 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

#### 1.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty of notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Balance Sheet and Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

#### 1.4 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

## Notes to the Financial Statements

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

### 1.5 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets attributable to the service.

The council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with the Statutory Repayment of Loans Fund Advances.

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by Loans Fund principal repayments in the General Fund Balance by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### 1.6 Employee Benefits

#### 1.6.1 Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave and non-monetary benefits (e.g. cars) for current employees. These benefits are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

#### 1.6.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis to the appropriate service segment in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognised costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

## Notes to the Financial Statements

### 1.6.3 Post-Employment Benefits

The Council participates in two separate pension schemes:

- The Scottish Teachers' Pension Scheme administered by the Scottish Government.
- The Local Government (Scotland) Pensions Scheme administered by the Strathclyde Pension Fund.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned while employees work for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme. No liability for future payments of benefits is recognised in the Balance Sheet and the Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the Teachers' Pension Scheme in the year.

#### **Local Government Pension Scheme**

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Strathclyde Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 4.8% (based on the indicative rate of return on a "high quality corporate bond of equivalent term and currency to the liability" (as measured by the yield on iBoxx Sterling Corporates Index, AA over 15 years)).
- The assets of the Strathclyde Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property – market value

The change in the net pension's liability is analysed into the following components:

- Service cost comprising:
  - Current service cost – the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
  - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at

## Notes to the Financial Statements

the beginning of the period, taking into account any changes in the net defined liability (asset) during the period as a result of contribution and benefit payments.

- Re-measurements comprising:
  - The return on plan assets – excluding amounts included in the net interest on the net defined benefit liability (asset), charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
  - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserve.
  - Contributions paid to the Strathclyde Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable to the fund but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

### 1.6.4 Post Employment Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirements benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

### 1.7 Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material impact, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

### 1.8 Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying value of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

## Notes to the Financial Statements

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of the restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

### 1.9 Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss, and
- Fair value through other comprehensive income

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

#### Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

#### Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at fair value through profit or loss are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices – the market price

## Notes to the Financial Statements

- Other instruments with fixed and determinable payments – discounted cash flow analysis

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for the identical assets that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

### Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

### 1.10 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

### 1.11 Heritage Assets

The main heritage assets held by the Council are two art collections, an archaeology collection and a historic jail and courthouse which is operated as a “living” museum. The “Argyll Collection” is an art collection which was set up to provide the young people of Argyll and Bute with direct access to a wide range of quality art recognising that they had limited access to museums and galleries. In addition, the Council holds other works of art which are held at various libraries and the Campbeltown Museum. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council’s accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

The Council’s main heritage assets are accounted for as follows:



## Notes to the Financial Statements

### The Art Collections

The collections cover a range of media including acrylic, charcoal, embroidery, engraving, etching, gouache, lithography, oil, pastel, pencil, procion dye, screenprint, monoprint, watercolour, woodcut, ceramic, bronze and woodcarving. These items are reported in the Balance Sheet at insurance valuation which is based on market values. These valuations are updated periodically. The assets within the art collections are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by external valuers and with reference to appropriate commercial markets using the most relevant and recent information from sales at auctions.

### Inveraray Jail and Courthouse and “Other” Historic Buildings

The building is owned by Argyll and Bute Council and leased out to an organisation which runs it as a “living museum”. The building is valued in accordance with the Council’s property, plant and equipment policy. Other buildings included in this category are McCaig’s Folly in Oban, the Argyll Mausoleum and Castle Lodge in Dunoon.

### Archaeology and “Other” Museum Exhibits

The Council has obtained specialist valuations for the archaeology collection held within Campbeltown Museum which covers a range of objects including swords, bones, pottery, stone and leather remains. Similar to the Art Collections, these items are reported in the Balance Sheet at insurance valuation which is based on market values. These valuations will be updated periodically. The assets within the collection are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

### Heritage Assets – General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council’s general policies on impairment (see note 1.19.3 in this summary of significant accounting policies). The proceeds of any disposals are accounted for in accordance with the Council’s general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and receipts (see note 1.19.4 in this summary of significant accounting policies).

### 1.12 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council’s goods or services.

Intangible assets are measured initially at cost. Amounts are not revalued, as the fair value of the assets held by the Council cannot be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service lines in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

## Notes to the Financial Statements

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

### 1.13 Interests in Companies and Other Entities

The Council has material interests in companies and other entities that have the nature of subsidiaries, associates or joint ventures and requires to prepare Group Accounts. In the Council's own single entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

### 1.14 Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula.

### 1.15 Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

### 1.16 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

#### 1.16.1 The Council as Lessee

##### a) Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability.

## Notes to the Financial Statements

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### b) Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

#### 1.16.2 The Council as Lessor

##### a) Finance Leases

Where the Council grants a finance lease over a property or an item of plant and equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received); and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt on disposal of the asset is used to write down the debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## Notes to the Financial Statements

### b) Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the relevant Service lines in the Comprehensive Income and Expenditure Statement, with the exception of rental income from investment property which is credited to Interest and Investment Income. Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

### 1.17 Overheads and Support Services

The costs of overheads and support services are not charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

### 1.18 Assets Held for Sale

Property, plant and equipment are classified as *Assets Held for Sale* when the following criteria are met:

- The property is available for immediate sale in its present condition.
- The sale must be highly probable; and an active programme to locate a buyer and complete the plan must have been initiated.
- The asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value.
- The sale should be expected to qualify for recognition as a completed sale within one year (although events or circumstances may extend the period to complete the sale beyond one year).

When these criteria are met, assets within the category of *Property, Plant and Equipment* will be reclassified as *Assets Held for Sale*.

### 1.19 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes that are expected to be used during more than one financial year are classified as *Property, Plant and Equipment*.

#### 1.19.1 Recognition

Expenditure on the acquisition, creation, or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

#### 1.19.2 Measurement

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred while assets are under construction.

## Notes to the Financial Statements

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase the cash flows of the Council. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Accounts. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- Council offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- School buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value.
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of an impairment loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### 1.19.3 Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

## Notes to the Financial Statements

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### 1.19.4 Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an *Asset Held for Sale*. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on Assets Held for Sale.

Assets that are to be abandoned or scrapped are not reclassified as *Assets Held for Sale*.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Disposal receipts are categorised as capital receipts. All capital receipts are credited to the Capital Receipts Reserve, and can then only be used for new capital investment. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

### 1.19.5 Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Where an asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

## 1.20 Private Finance Initiative (PFI) and Similar Contracts

PFI contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes and as ownership of

## Notes to the Financial Statements

the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on the Balance Sheet.

The original recognition of these assets at fair value was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as Property, Plant and Equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year - debited to the relevant service in the Comprehensive Income and Expenditure Statement.
- Finance Cost – this is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, this is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).
- Lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

### 1.21 Provisions and Contingent Liabilities

#### 1.21.1 Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year and where it becomes more likely than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the obligation is settled.

#### 1.21.2 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

## Notes to the Financial Statements

### 1.22 Reserves

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies above and Note 32 to the accounts.

### 1.23 VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs and VAT paid is recoverable.

## 2. ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

The standards introduced by the 2024-25 Code where disclosures are required in the 2023-24 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the code are:

- IFRS 16 Leases which is applicable from 1<sup>st</sup> April 2024. This also includes amendments in respect of Lease Liability in a Sale and Leaseback transaction.
- IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants.
- IAS 12 – International Tax Reform
- IAS 7 and IFRS 7 – Supplier Finance Arrangements

It is anticipated that only IFRS16 will have a material impact in future years on the Financial Statements.

There will be no material impact in future years from the adoption of these amendments in relation to IAS 1, IAS 12 and IAS 7.

CIPFA/LASAAC has agreed to defer the implementation of IFRS 16 Leases until 1 April 2024.

## 3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. Where a critical judgement has been made this is referred to in the relevant note to the core financial statements; however a summary of those with the most significant effect is detailed below:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Council currently operates three Private Finance Initiative (PFI), or similar, contracts which are accounted for as Service Concession arrangements under IFRIC12 – *Service Concession Arrangements*. The Council has determined that in the case of the Schools NPDO contract and the new Schools DBFM contract, the Council has control over the services provided through use of the schools and that a qualifying asset has been created. The appropriate accounting treatment is to bring the assets “on Balance Sheet” along with a finance lease liability.
- The Council also operates a Waste Management PPP contract. In this case the Council determined that a “qualifying asset” had not been created and that the Council did not have significant control over the services being provided. The appropriate accounting treatment was



## Notes to the Financial Statements

therefore determined to be “off Balance Sheet” and that payments to the contractor are charged to the appropriate service line within the Comprehensive Income and Expenditure Account.

- The Council has considered its exposure to possible losses and made adequate provision where it is probable that an outflow of resources will be required and the amount of the obligation can be measured reliably. Where it has not been possible to measure the obligation, material contingent liabilities have been disclosed in Note 34.
- Unused holiday entitlement earned at 31 March 2024 but not taken at that date has been quantified on the basis of a 5% sample of all non-term time Council employees. The calculation in respect of unused holidays for term time staff in schools is based on actual leave entitlement as at 31 March and no estimation is required for these staff. The liability shown in the 2023-24 financial statements in respect of the holiday pay accrual is £8.272m.

#### **4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**

The financial statements contain estimated figures that are based on assumptions made by the Council about which there is a degree of uncertainty. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council’s Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are outlined in the table that follows:

| Item                          | Uncertainties   | Effect if Actual Results Differ from Assumptions  |
|-------------------------------|---|---|
| Property, Plant and Equipment | Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives.   | <p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase by £1.142m for every year that useful lives had to be reduced.</p>  |
| Rolling Programme Valuation   | The Council employs professional valuers who are registered with the Royal Institution of Chartered Surveyors. These valuers carry out regular reviews of the assets reported in the Balance Sheet and any significant changes in value are processed as an asset revaluation or impairment. These valuations are based on their professional opinion using available market information at the time of assessment. Due to the high number of assets, a rolling programme of asset valuations has been established for many years, with the aim of revaluing one fifth of the portfolio each financial year which is made up of various asset types. This is in addition to those assets which are valued annually; Surplus Assets, Investment Properties, Held for Sale assets and those where capital spend has exceeded £0.1m in the current year. | <p>This carries inherent risk that assets not revalued in-year have been subject to material changes in value particularly if affected by external factors such as inflation.</p> <p>The highest risk in this respect relates to assets valued using the depreciated Replacement Cost (DRC) method, which for Argyll &amp; Bute Council includes schools. To mitigate this risk, a desktop assessment was undertaken for 2023-24 to estimate the potential increase in value of our assets valued using depreciated replacement cost using BCIS indices. As the BCIS indices have not increased materially, the impact on these assets was not deemed to be material so no adjustment was made.</p> <p>Consideration will be given on an annual basis to those assets which may have material impairment.</p> |

| Pensions Liability                            | <p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p> | <p>The effects on the net pension's liability of changes in individual assumptions can be measured. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out as follows:</p> <table border="1" data-bbox="1205 359 2092 820"> <thead> <tr> <th data-bbox="1205 359 1621 501">Sensitivities at<br/>31 March 2024</th> <th data-bbox="1621 359 1845 501">Approximate %<br/>Increase to<br/>Employer<br/>Liability</th> <th data-bbox="1845 359 2092 501">Approximate<br/>monetary<br/>amount<br/>£'000</th> </tr> </thead> <tbody> <tr> <td data-bbox="1205 501 1621 587">0.1% decrease in real discount rate</td> <td data-bbox="1621 501 1845 587">2%</td> <td data-bbox="1845 501 2092 587">10,827</td> </tr> <tr> <td data-bbox="1205 587 1621 673">1 Year increase in the member life expectancy</td> <td data-bbox="1621 587 1845 673">4%</td> <td data-bbox="1845 587 2092 673">26,766</td> </tr> <tr> <td data-bbox="1205 673 1621 759">0.1% increase in salary increase rate</td> <td data-bbox="1621 673 1845 759">0%</td> <td data-bbox="1845 673 2092 759">1,409</td> </tr> <tr> <td data-bbox="1205 759 1621 820">0.1% increase in pension increase rate</td> <td data-bbox="1621 759 1845 820">2%</td> <td data-bbox="1845 759 2092 820">9,594</td> </tr> </tbody> </table> | Sensitivities at<br>31 March 2024 | Approximate %<br>Increase to<br>Employer<br>Liability | Approximate<br>monetary<br>amount<br>£'000 | 0.1% decrease in real discount rate | 2% | 10,827 | 1 Year increase in the member life expectancy | 4% | 26,766 | 0.1% increase in salary increase rate | 0% | 1,409 | 0.1% increase in pension increase rate | 2% | 9,594 |
|---|--|---|-----------------------------------|---|--|-------------------------------------|----|--------|---|----|--------|---------------------------------------|----|-------|--|----|-------|
| Sensitivities at<br>31 March 2024             | Approximate %<br>Increase to<br>Employer<br>Liability  | Approximate<br>monetary<br>amount<br>£'000  |                                   |   |  |                                     |    |        |   |    |        |                                       |    |       |  |    |       |
| 0.1% decrease in real discount rate           | 2%   | 10,827  |                                   |   |  |                                     |    |        |   |    |        |                                       |    |       |  |    |       |
| 1 Year increase in the member life expectancy | 4%   | 26,766  |                                   |   |  |                                     |    |        |   |    |        |                                       |    |       |  |    |       |
| 0.1% increase in salary increase rate         | 0%   | 1,409   |                                   |   |  |                                     |    |        |   |    |        |                                       |    |       |  |    |       |
| 0.1% increase in pension increase rate        | 2%   | 9,594   |                                   |   |  |                                     |    |        |   |    |        |                                       |    |       |  |    |       |

5.1 EXPENDITURE AND FUNDING ANALYSIS

| 2022-23   |   |  | Service                                       | 2023-24   |   |  |
|---|---|--|---|---|---|--|
| Net Expenditure Chargeable to the General Fund<br>£'000 | Adjustments between the Funding and Accounting Basis<br>(Note 5.2)<br>£'000 | Net Expenditure in the Comprehensive Income and Expenditure Statement<br>£'000 |   | Net Expenditure Chargeable to the General Fund<br>£'000 | Adjustments between the Funding and Accounting Basis<br>(Note 5.2)<br>£'000 | Net Expenditure in the Comprehensive Income and Expenditure Statement<br>£'000 |
| 7,538   | 1,063   | 8,601  | <b>Chief Executive and Financial Services</b> | 1,161   | 25  | 1,186  |
|   |   |  | <b>Executive Director Douglas Hendry</b>      |   |   |  |
| 366   | 70  | 436  | Executive Director                            | 421   | 6   | 427  |
| 10,616  | 18,533  | 29,149   | Commercial Services                           | 12,232  | 6,921   | 19,153   |
| 95,943  | (3,537)   | 92,406   | Education                                     | 104,697   | (3,775)   | 100,922  |
| 9,860   | 1,711   | 11,571   | Legal and Regulatory Support                  | 12,259  | 1,020   | 13,279   |
|   |   |  | <b>Executive Director Kirsty Flanagan</b>     |   |   |  |
| 369   | 49  | 418  | Executive Director                            | 237   | 5   | 242  |
| -   | -   | -  | Financial Services                            | 6,885   | 89  | 6,974  |
| 8,139   | 3,046   | 11,185   | Customer Support                              | 9,403   | 2,228   | 11,631   |
| 9,070   | 1,806   | 10,876   | Development and Economic Growth               | 8,904   | 385   | 9,289  |
| 31,855  | 15,628  | 47,480   | Roads and Infrastructure                      | 33,981  | 12,709  | 46,690   |
| 73,976  | 5,510   | 79,486   | <b>Social Work</b>                            | 77,137  | 939   | 78,076   |
| 8,226   | (632)   | 7,594  | <b>Other Non-Departmental Costs</b>           | 11,109  | (1,712)   | 9,397  |
| <b>255,958</b>  | <b>43,247</b>   | <b>299,202</b>   | <b>Net Cost of Services</b>                   | <b>278,426</b>  | <b>18,840</b>   | <b>297,266</b>   |

|                 |                |              |   |                  |               |                |
|-----------------|----------------|--------------|---|------------------|---------------|----------------|
| (246,231)       | (46,924)       | (293,155)    | Other Income and Expenditure                      | (307,811)        | 780           | (307,031)      |
| <b>9,727</b>    | <b>(3,677)</b> | <b>6,047</b> | <b>(Surplus) / Deficit</b>                        | <b>(29,385)</b>  | <b>19,620</b> | <b>(9,765)</b> |
| <b>(96,081)</b> |                |              | <b>Opening General fund Balance</b>               | <b>(86,356)</b>  |               |                |
| 9,727           |                |              | Plus (Surplus) or Deficit on General Fund Balance | (29,385)         |               |                |
| <b>(86,356)</b> |                |              | <b>Closing General Fund Balance</b>               | <b>(115,741)</b> |               |                |

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

## Notes to the Financial Statements

### 5.2 EXPENDITURE AND FUNDING ANALYSIS RECONCILIATION

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement.

| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts               | Adjustments between Funding and Accounting Basis 2023-24 |  |  |   |  | Total Adjustments<br>£'000 |
|---|--|--|--|---|--|----------------------------|
|   | Adjustments for Capital Purposes<br>Note (i)<br>£'000    | Net change for Pension Adjustments<br>Note (ii)<br>£'000 | Capital element of Schools NPDO payment<br>Note (iii)<br>£'000 | Other Adjustments<br>Note (iv)<br>£'000 |  |                            |
| <b>Chief Executive and Financial Services</b>   | -  | 16   | -  | 9                                       |  | 25                         |
| <b>Executive Director (Douglas Hendry)</b>  |  |  |  |   |  |                            |
| Executive Director (Douglas Hendry)   | -  | 7  | -  | (1)                                     |  | 6                          |
| Commercial Services   | 1,960  | 163  | -  | 4,798                                   |  | 6,921                      |
| Education   | 3,888  | 443  | -  | (8,106)                                 |  | (3,775)                    |
| Legal and Regulatory Support  | 3,387  | 74   | (5,232)  | 2,791                                   |  | 1,020                      |
| <b>Executive Director (Kirsty Flanagan)</b>   |  |  |  |   |  |                            |
| Executive Director (Kirsty Flanagan)  | -  | 5  | -  | -                                       |  | 5                          |
| Financial Services  |  | 89   |  |   |  | 89                         |
| Head of Customer Support  | 1,752  | 129  | -  | 347                                     |  | 2,228                      |
| Head of Development and Economic Growth   | 344  | 149  | -  | (108)                                   |  | 385                        |
| Roads and Infrastructure  | 10,977   | 341  | -  | 1,391                                   |  | 12,709                     |
| <b>Social Work</b>  | 806  | 545  | -  | (412)                                   |  | 939                        |
| <b>Other Non-Departmental Costs</b>   | -  | (1,687)  | -  | (25)                                    |  | (1,712)                    |
| <b>Net Cost of Services</b>   | <b>23,114</b>  | <b>274</b>   | <b>(5,232)</b>   | <b>684</b>                              |  | <b>18,840</b>              |
| Other Income and Expenditure  | 2,956  | (6,596)  | 4,831  | (411)                                   |  | 780                        |
| <b>Difference between General Fund Surplus and Comprehensive Income and Expenditure Statement (Surplus)/Deficit</b> | <b>26,070</b>  | <b>(6,322)</b>   | <b>(401)</b>   | <b>273</b>                              |  | <b>19,620</b>              |

## Notes to the Financial Statements

### (i) Adjustments for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.
- Financing and investment income and expenditure – the statutory charges for capital financing (loans fund advances) and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

### (ii) Net change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

### (iii) Capital element of schools NPDO payment

- This is the capital cost of the annual payment to the schools NPDO operator and represents repayment of the Balance Sheet liability rather than a charge to Comprehensive Income and Expenditure Statement.

### (iv) Other Adjustments

- For Financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- For services an adjustment is made for the accrual of holiday pay and other similar entitlements, this is required under generally accepted accounting principles but the impact on the General Fund is mitigated by statute which allows the impact to be reversed out through the Movement in Reserves Statement.

## Notes to the Financial Statements

### 6.1 GENERAL FUND RESERVES

The Council has ring-fenced £107.443m of the balance on the General Fund.

| Ring-fenced Balances   | Balance<br>1 April 2023<br>£'000 | Funds Used<br>£'000 | Contributions<br>to/from<br>Funds<br>£'000 | New<br>Earmarking<br>agreed<br>2023-24<br>£'000 | New<br>Earmarking<br>at end of<br>2023-24<br>£'000 | Balance<br>31 March<br>2024<br>£'000 |
|--|----------------------------------|---------------------|--|---|--|--------------------------------------|
| Strategic Housing Fund (Revenue from Additional Council Tax on Second Homes) | 7,247                            | (1,057)             |  |   | 2,575  | 8,765                                |
| Investment in Affordable Housing   | 3,163                            |                     | (139)                                      |   |  | 3,024                                |
| Capital Projects   | 16,059                           | (12,379)            | 2,327                                      | 2,509   | 29,442   | 37,958                               |
| Lochgilphead and Tarbert Regeneration  | 1,460                            | (410)               |  |   |  | 1,050                                |
| Support for Rural Growth Deal  | 756                              | (215)               |  |   |  | 541                                  |
| Asset Management   | 2,098                            | (28)                | (2,070)                                    |   |  | -                                    |
| Piers and Harbours Investment Fund   | 2,789                            |                     |  |   | 1,336  | 4,125                                |
| Scottish Government Initiatives  | 2,834                            | (1,274)             |  |   | 1,219  | 2,779                                |
| CHORD  | 378                              | (89)                |  |   | 120  | 409                                  |
| Devolved School Management Scheme (DSM)                                      | 1,394                            | (1,300)             |  |   | 645  | 739                                  |
| Energy Efficiency Fund   | 218                              |                     |  |   | 20   | 238                                  |
| Unspent Budget Required for Existing Legal Commitments                       | 476                              |                     | (476)                                      |   |  | -                                    |
| Unspent Third Party Contributions  | 13,179                           | (5,937)             | 5,016                                      |   | 3,528  | 15,786                               |
| Contributions Carried Forward  | 265                              | (44)                |  |   | 233  | 454                                  |
| Other Previous Council Decisions   | 3,808                            | (513)               |  |   | 845  | 4,140                                |
| Redundancy Reserve   | 1,578                            | (115)               |  |   | 1,500  | 2,963                                |
| Connect for Success Fund   | 1,426                            | (745)               |  |   |  | 681                                  |
| One Council Property   | 566                              |                     | (566)                                      |   |  | -                                    |
| Fleet - Timing Delay   | 658                              | (174)               |  |   |  | 484                                  |
| Hermitage Park   | 19                               |                     |  |   | 37   | 56                                   |
| Electric Vehicle Chargers  | 17                               | (17)                |  |   |  | -                                    |
| Priorities Investment Fund   | -                                |                     |  |   | 4,742  | 4,742                                |
| COVID-19   | 5,512                            | -                   | (5,512)                                    |   |  | -                                    |
| Unspent Budget Carried Forward   | 13,566                           | (2,989)             | (931)                                      | 173   | 8,690  | 18,509                               |
| <b>Total Ring-fenced</b>   | <b>79,466</b>                    | <b>(27,286)</b>     | <b>(2,351)</b>                             | <b>2,682</b>                                    | <b>54,932</b>                                      | <b>107,443</b>                       |
| Contingency  | 5,691                            | -                   | 348  |   | -  | 6,039                                |
| Unallocated  | 1,199                            | -                   | 1,530                                      | (470)   | -  | 2,259                                |
| <b>Total General Fund Balance</b>  | <b>86,356</b>                    | <b>(27,286)</b>     | <b>(473)</b>                               | <b>2,212</b>                                    | <b>54,932</b>                                      | <b>115,741</b>                       |

The contingency balance of £6.039m is 2% of the Council's budgeted net expenditure for 2023-24.



## Notes to the Financial Statements

### 6.2 Service Concessions

During 2022/23 the Scottish Government announced revised regulations in relation to the treatment of service concessions: Local government finance circular 10/2022 - finance leases and service concession arrangements. The council currently operates two service concessions in relation to its Public Private Partnerships (PPP) and Design, Build, Finance, Maintain (DBFM) arrangements both within Education. The revised regulations allow for the debt costs associated with these schemes to be written off over the expected lives of the respective assets rather than over the contract period of each arrangement. This ensures repayments are aligned to the period over which benefit flows from the asset and provides scope to realign debt costs to reflect the asset lives.

The cumulative value of the liability charged to the General Fund prior to applying the permitted flexibility was £43.376m up to and including the financial year 2023-24. After applying the permitted flexibility, there is a one-off historical debt cost saving of £36.038m and in year savings of £4.831m resulting in an overall benefit in 2023-24 of £40.869m.

This saving has been earmarked for specific council priorities and has been included in note 6.1 above.

## Notes to the Financial Statements

### 7 SUPPLEMENTARY NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

#### 7.1 Expenditure and Income Analysed by Nature

Council's expenditure and income is analysed as follows:

| 2022-23<br>£'000 | Expenditure/Income  | 2023-24<br>£'000 |
|------------------|---|------------------|
|                  | <b>Expenditure</b>  |                  |
| 196,213          | Employee benefits expenses  | 195,129          |
| 178,016          | Other services expenses   | 189,023          |
| 74,391           | Contribution to Argyll and Bute Integration Joint Board                       | 77,604           |
| 27,828           | Depreciation, amortisation, impairment  | 23,113           |
| 10,655           | Interest payments   | 7,441            |
| 1,253            | Precepts and levies   | 1,254            |
| 390              | Other operating expenditure   | 416              |
| (437)            | Net Loss/(Gain) on the disposal of assets                                     | (262)            |
| <b>488,309</b>   | <b>Total Expenditure</b>  | <b>493,718</b>   |
|                  | <b>Income</b>   |                  |
| (102,855)        | Fees, charges and other service income  | (109,999)        |
| (74,391)         | Income to fund social care services (Argyll and Bute Integration Joint Board) | (77,604)         |
| (2,966)          | Interest and investment income  | (4,779)          |
| (87,726)         | Income from council tax and non-domestic rates                                | (100,358)        |
| (214,324)        | Government grants and contributions   | (210,743)        |
| <b>(482,262)</b> | <b>Total Income</b>   | <b>(503,483)</b> |
| <b>6,047</b>     | <b>(Surplus)Deficit on the Provision of Services</b>                          | <b>(9,765)</b>   |

## Notes to the Financial Statements

### 7.2 Revenue from Contracts with Service Recipients

| 31 March<br>2023<br>£'000 |   | 31 March<br>2024<br>£'000 |
|---------------------------|---|---------------------------|
| 32,900                    | Revenue from contracts with service recipients                          | 34,201                    |
| <b>32,900</b>             | <b>Total Included in Comprehensive Income and Expenditure Statement</b> | <b>34,201</b>             |

### 8 OTHER OPERATING INCOME AND EXPENDITURE

The expenditure of £1.669m shown in the Other Operating Income and Expenditure line on the Statement of Comprehensive Income and Expenditure can be analysed as follows:

| 2022-23<br>Actual<br>£'000 | Other Operating Income and Expenditure                              | 2023-24<br>Actual<br>£'000 |
|----------------------------|---|----------------------------|
| 1,253                      | Dunbartonshire and Argyll & Bute Valuation Joint Board Requisition  | 1,254                      |
| (20)                       | Equal Pay Settlements and Legal Costs                               | -                          |
| 410                        | Other Operating Income and Expenditure not attributable to Services | 416                        |
| <b>1,643</b>               | <b>Total</b>  | <b>1,670</b>               |

### 9 AGENCY SERVICES

The Council bills and collects non-domestic rates on behalf of the Scottish Government from ratepayers situated within Argyll and Bute. The Council also bills and collects, along with its own council tax, domestic water and sewerage charges on behalf of Scottish Water. In addition, the Council received funding from the UK Government to help people who met the Government's eligibility criteria to pay their home energy bills. The Council had no discretion over the terms of the funding and could not use it for service delivery. This means the Council acted as agent only and the grant funding received and paid out are not included in the Council's reserves, CIES or Balance Sheet. In some cases, an administration grant was awarded to the Council to facilitate these payments. This is accounted for as operational income and expenditure and not disclosed here.

| 2022-23<br>Actual<br>£'000 | Agency Income   | 2023-24<br>Actual<br>£'000 |
|----------------------------|---|----------------------------|
| 33,179                     | Scottish Government - Contributions (to)/from the non-domestic rates pool               | 37,645                     |
| 15,106                     | Domestic water and sewerage charges collected   | 15,830                     |
| (15,106)                   | Domestic water and sewerage charges paid over to Scottish Water                         | (15,830)                   |
| 265                        | Service income from Scottish Water for collection of domestic water and sewerage        | 367                        |
| 7                          | Service income BID levy - Dunoon  | 8                          |
| 7                          | Service income BID levy - Oban  | 7                          |
| 7                          | Service income BID levy - Bute  | 7                          |
| (714)                      | Scottish Child Payment - amount paid out  | -                          |
| 714                        | Scottish Child Payment - amount received from the Scottish Government                   | -                          |
| (73)                       | BIES Energy Grant - amount paid out   | (373)                      |
| 73                         | BIES Energy Grant - amount received from the Scottish Government                        | 373                        |
| (167)                      | COVID - Financial Hardship and Self-Isolation grants paid out                           | -                          |
| 167                        | COVID - Financial Hardship and Self-Isolation funding received from Scottish Government | -                          |
| <b>33,465</b>              | <b>Total</b>  | <b>38,034</b>              |

## Notes to the Financial Statements

### 10 COMMUNITY CARE AND HEALTH (SCOTLAND) ACT 2002

From 1 April 2016 health and social care services were fully integrated as part of the new Health and Social Care Partnership.

During 2023-24 the Partnership included provision of services to older people, supporting people with a learning disability and provision of support to adults who have a mental health difficulty.

Budgets are currently aligned which means that each Partner organisation holds their own element of the budget and records the income and expenditure that relates to the part of the service for which they are responsible.

During 2023-24 income received by the Council from this source amounted to £7.811m and the related expenditure was £10.953m. This can be analysed as follows:

| 2022-23         |                      | Purpose of Services  | 2023-24         |                      |
|-----------------|----------------------|--|-----------------|----------------------|
| Income<br>£'000 | Expenditure<br>£'000 |  | Income<br>£'000 | Expenditure<br>£'000 |
| 3,300           | 5,402                | Care of the Elderly  | 3,464           | 5,658                |
| 2,914           | 3,615                | Provision of Services for People with Learning Disabilities    | 2,945           | 3,787                |
| 1,380           | 1,527                | Provision of Services for People with Mental Health Needs      | 1,402           | 1,508                |
| <b>7,594</b>    | <b>10,544</b>        |  | <b>7,811</b>    | <b>10,953</b>        |
| 833             | 833                  | Additional Covid Response Funding received via NHS for 2022-23 |                 |                      |
| <b>8,427</b>    | <b>11,377</b>        | <b>TOTAL</b>   | <b>7,811</b>    | <b>10,953</b>        |

### 11 FEES PAYABLE TO EXTERNAL AUDITORS

In 2023-24 the following fees relating to external audit and inspection were incurred alongside comparative figures for 2022-23:

| 2022-23<br>£'000 | Auditor's Remuneration  | 2023-24<br>£'000 |
|------------------|---|------------------|
| 310              | Fees payable to External Auditors with regard to external audit services carried out by the appointed Auditor | 325              |
| <b>310</b>       | <b>Total Remuneration</b>   | <b>325</b>       |

The figure above excludes fees for the audit of the Council's charitable trusts.

Forvis Mazars did not undertake any non-audit work in 2022-23 or 2023-24.

## Notes to the Financial Statements

### 12 WASTE MANAGEMENT PUBLIC PRIVATE PARTNERSHIP

The Council has entered into a Public Private Partnership for the provision of its waste disposal service. This agreement requires the provider to upgrade or replace three waste disposal sites, two transfer stations and five civic amenity sites. In addition, the provider will also provide composting facilities to meet waste diversion targets. When the agreement ends in September 2026, during financial year 2026-27, the provider will hand back to the Council the waste disposal facilities with a remaining life of 5 years.

The Council has paid a service charge of £7.268m which represents the value of the service provided from 1 April 2023 to 31 March 2024 (£6.514m for 2022-23). Under the agreement the Council is committed to paying the following sums:

| Future Repayment Periods | £'000         |
|--------------------------|---------------|
| 2024-2025                | 6,956         |
| 2025-2026                | 7,108         |
| 2026-2027                | 2,336         |
| <b>Total</b>             | <b>16,400</b> |

The average service charge equates to £5.180m per annum over the life of the contract.

### 13 GRANT INCOME

The Council credited the following grants to the Comprehensive Income and Expenditure Statement:

| 2022-23<br>£'000 | Grant Income  | 2023-24<br>£'000 |
|------------------|---|------------------|
|                  | <b>Credited to Taxation and Non Specific Grant Income</b>         |                  |
| 191,265          | Revenue Support Grant   | 187,193          |
| 33,179           | Non Domestic Rates  | 37,645           |
| 344              | Specific Capital Grant  | 96               |
| 19,187           | General Capital Grant   | 22,347           |
| 44               | Heritage Lottery Fund   | -                |
| 728              | Scottish Timber Transport Strategy                                | 791              |
| 1,353            | Scottish Government   | -                |
| 90               | Strathclyde Partnership for Transport (SPT)                       | 90               |
| 55               | Revenue Contribution to Capital Projects                          | 100              |
| 748              | Other Grants  | 126              |
| <b>246,993</b>   | <b>Total</b>  | <b>248,388</b>   |
|                  | <b>Credited to Services</b>                                       |                  |
| 12,869           | Scottish Government Specific Grants                               | 12,555           |
| 809              | General Capital Grant - Private Sector Housing Improvement Grants | 855              |
| 16,581           | Housing Benefit Subsidy   | 16,443           |
| 14,787           | Other Revenue Government Grants                                   | 21,243           |
| <b>45,046</b>    | <b>Total</b>  | <b>51,096</b>    |

## Notes to the Financial Statements

### 14 RELATED PARTIES

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

The aim of the Financial Reporting Standard dealing with Related Parties is to highlight instances where influence and control has been exercised over an external organisation by the Council, and where an elected member, their close family or someone in their household, has the ability to exercise the influence or control. Elected members and Senior Officers have completed a signed declaration on Related Party Interests and these have been used to compile this disclosure.

#### 14.1 Scottish Government

The Scottish Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in Note 13 – Grant Income.

#### 14.2 Members

Members of the council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2023-24 is shown in the Remuneration Report.

During the year there were two organisations in which members had a significant interest and where the total of transactions exceeded £10,000.

| 2022-23<br>Expenditure<br>£'000 | Transactions in which Members have a significant interest | 2023-24<br>Expenditure<br>£'000 |
|---------------------------------|---|---------------------------------|
| 21                              | Argyll and Bute Rape Crisis                               | 0                               |
| 81                              | S & C Crawford Building Contractors Ltd                   | 337                             |
| 69                              | Bookfan Ltd Trading as South Peak Services                | 81                              |
| <b>171</b>                      | <b>Total</b>  | <b>418</b>                      |

## Notes to the Financial Statements

### 14.3 Other Related Bodies

This category relates to transactions with entities which are controlled or significantly influenced by the Council.

During the year transactions with other related bodies were as follows:

| 2022-23<br>Expenditure<br>£'000 | Related Bodies   | 2023-24<br>Expenditure<br>£'000 |
|---------------------------------|--|---------------------------------|
| 4,197                           | Transactions with related bodies during the year totalled          | 4,418                           |
|                                 | <i>Of these, transactions with the following exceeded £10,000:</i> |                                 |
| 210                             | ACHA   | 48                              |
| 579                             | Dunbritton Housing Association Limited                             | 590                             |
| 34                              | LINK Group Ltd   | 30                              |
| 96                              | West Highland Housing Association Ltd                              | 312                             |
| 14                              | Fyne Homes   | 26                              |
| 548                             | Oban and Lorn Community Enterprise - Atlantis Leisure              | 606                             |
| 100                             | Islay and Jura Community Enterprise                                | 141                             |
| 70                              | Mid Argyll Community Enterprise                                    | 110                             |
| 73                              | Scotland Excel   | 65                              |
| 97                              | Argyll and Bute Citizens Advice Bureaux                            | 55                              |
| 227                             | Bute Advice  | 182                             |
|                                 | - Kintyre Recycling  | 10                              |
| 92                              | SEEMIS   | 104                             |
| 178                             | Argyll and the Isles Coast & Countryside Trust                     | 200                             |
| 411                             | Carr Gomm  | 429                             |
| 127                             | Argyll & Bute Women's Aid  | 132                             |
| 241                             | Argyll & Bute Care & Repair  | 252                             |
| 161                             | HELP   | 168                             |
| 97                              | COSLA  | 71                              |
| 411                             | Strathclyde Passenger Transport                                    | 416                             |
| 204                             | Strathclyde Concessionary Travel Scheme                            | 209                             |
| 60                              | Glengorm Partnership   | -                               |
|                                 | - Group Recycling in Argyll & Bute (GRAB)                          | 73                              |
| 91                              | North West Mull Community Woodland Company                         | -                               |
| 41                              | Mull & Iona Community Trust (MICT)                                 | 148                             |
| <b>4,162</b>                    | <b>Total</b>   | <b>4,377</b>                    |

Given the relationships the Council has with other organisations and partners it is possible that some related party transactions may exist. However, the purpose of the requirement to complete the disclosure is to provide additional information to the users of the Annual Accounts and, by declaring possible instances, there is no suggestion that any inappropriate transactions have taken place.

Please refer to Group Accounts on pages 128 to 139.

## Notes to the Financial Statements

### 15 PROPERTY, PLANT AND EQUIPMENT

#### 15.1 Movement in Property, Plant and Equipment

| Movements in 2023-24   | Other Land & Buildings<br>£'000 | Vehicles Plant & Equipment<br>£'000 | Community Assets<br>£'000 | Surplus Assets<br>£'000 | Assets Under Construction<br>£'000 | Total 2023-24<br>£'000 | Infrastructure Assets<br>£'000 |
|--|---------------------------------|-------------------------------------|---------------------------|-------------------------|------------------------------------|------------------------|--------------------------------|
| <b>Cost or Valuation</b>   |                                 |                                     |                           |                         |                                    |                        |                                |
| <b>At 1 April 2023</b>   | <b>453,644</b>                  | <b>46,440</b>                       | <b>8,901</b>              | <b>3,283</b>            | <b>21,440</b>                      | <b>533,708</b>         |                                |
| Additions  | 8,483                           | 3,177                               | 218                       | (18)                    | 15,117                             | 26,977                 | 12,309                         |
| Additions financed under a new leasing arrangement   |                                 |                                     |                           |                         |                                    | -                      |                                |
| Revaluation increases/(decreases) recognised in the Revaluation Reserve                          | 5,217                           |                                     |                           | 653                     |                                    | 5,870                  |                                |
| Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services | 813                             |                                     |                           | 69                      |                                    | 882                    |                                |
| Derecognition - Disposals  |                                 | (1,552)                             |                           |                         |                                    | (1,552)                |                                |
| Assets reclassified (to)/from Held for Sale  | (539)                           |                                     |                           | 630                     |                                    | 91                     |                                |
| Other movements in cost or valuation   |                                 |                                     |                           |                         | (833)                              | (833)                  | 833                            |
| <b>At 31 March 2024</b>  | <b>467,618</b>                  | <b>48,065</b>                       | <b>9,119</b>              | <b>4,617</b>            | <b>35,724</b>                      | <b>565,143</b>         |                                |
| <b>Depreciation and Impairments</b>  |                                 |                                     |                           |                         |                                    |                        |                                |
| <b>At 1 April 2023</b>   | <b>(2,626)</b>                  | <b>(35,568)</b>                     | <b>(9)</b>                | <b>3</b>                | <b>-</b>                           | <b>(38,200)</b>        |                                |
| Depreciation Charge for 2023-24  | (13,802)                        | (3,037)                             |                           |                         |                                    | (16,839)               | (8,846)                        |
| Depreciation written out to the Revaluation Reserve  | 4,125                           |                                     |                           | 16                      |                                    | 4,141                  |                                |
| Depreciation written out to the Surplus/Deficit on the Provision of Services                     | 2,037                           |                                     |                           |                         |                                    | 2,037                  |                                |
| Impairment losses/(reversals) recognised in the Revaluation Reserve                              |                                 |                                     |                           |                         |                                    | -                      |                                |
| Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services     |                                 |                                     |                           |                         |                                    | -                      |                                |
| Derecognition - Disposals  |                                 | 1,552                               |                           |                         |                                    | 1,552                  |                                |
| Derecognition - Other  | 17                              |                                     |                           | (16)                    |                                    | 1                      |                                |
| Other movements in depreciation and impairment   |                                 |                                     |                           |                         |                                    | -                      |                                |
| <b>At 31 March 2024</b>  | <b>(10,249)</b>                 | <b>(37,053)</b>                     | <b>(9)</b>                | <b>3</b>                | <b>-</b>                           | <b>(47,308)</b>        |                                |
| <b>Balance Sheet amount at 31 March 2024</b>   | <b>457,369</b>                  | <b>11,012</b>                       | <b>9,110</b>              | <b>4,620</b>            | <b>35,724</b>                      | <b>517,835</b>         | <b>239,372</b>                 |
| <b>Balance Sheet amount at 31 March 2023</b>   | <b>451,018</b>                  | <b>10,872</b>                       | <b>8,892</b>              | <b>3,286</b>            | <b>21,440</b>                      | <b>495,508</b>         | <b>235,076</b>                 |



## Notes to the Financial Statements

| Comparative Movements in 2022-23   | Other Land & Buildings<br>£'000 | Vehicles Plant & Equipment<br>£'000 | Community Assets<br>£'000 | Surplus Assets<br>£'000 | Assets Under Construction<br>£'000 | Total 2022-23<br>£'000 | Infrastructure Assets<br>£'000 |
|--|---------------------------------|-------------------------------------|---------------------------|-------------------------|------------------------------------|------------------------|--------------------------------|
| <b>Cost or Valuation</b>   |                                 |                                     |                           |                         |                                    |                        |                                |
| <b>At 1 April 2022</b>   | <b>428,437</b>                  | <b>44,428</b>                       | <b>7,463</b>              | <b>1,405</b>            | <b>35,344</b>                      | <b>517,077</b>         |                                |
| Additions  | 8,671                           | 2,024                               | 1,438                     | 283                     | 10,212                             | 22,628                 | 13,110                         |
| Additions financed under a new leasing agreement   | -                               | -                                   | -                         | -                       | -                                  | -                      |                                |
| Revaluation increases/(decreases) recognised in the Revaluation Reserve                          | 2,499                           |                                     |                           | 1,237                   |                                    | 3,736                  |                                |
| Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services | (8,252)                         |                                     |                           | (18)                    | -                                  | (8,270)                |                                |
| Derecognition - Disposals  | (1,451)                         | (12)                                |                           | -                       |                                    | (1,463)                |                                |
| Assets reclassified (to)/from Held for Sale  | (376)                           |                                     |                           | 376                     |                                    | -                      |                                |
| Other movements in cost or valuation   | 24,116                          | -                                   |                           | -                       | (24,116)                           | -                      |                                |
| <b>At 31 March 2023</b>  | <b>453,644</b>                  | <b>46,440</b>                       | <b>8,901</b>              | <b>3,283</b>            | <b>21,440</b>                      | <b>533,708</b>         |                                |
| <b>Depreciation and Impairments</b>  |                                 |                                     |                           |                         |                                    |                        |                                |
| <b>At 1 April 2022</b>   | <b>(13,585)</b>                 | <b>(32,630)</b>                     | <b>(9)</b>                | <b>3</b>                | <b>-</b>                           | <b>(46,221)</b>        |                                |
| Depreciation Charge for 2022-23  | (13,068)                        | (2,944)                             |                           |                         |                                    | (16,012)               | (8,512)                        |
| Depreciation written out to the Revaluation Reserve  | 17,284                          |                                     |                           |                         |                                    | 17,284                 |                                |
| Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services     | 5,300                           |                                     |                           |                         |                                    | 5,300                  |                                |
| Derecognition - Disposals  | 1,443                           | 6                                   |                           |                         |                                    | 1,449                  |                                |
| Other movements in depreciation and impairment   | -                               |                                     |                           |                         |                                    | -                      |                                |
| <b>At 31 March 2023</b>  | <b>(2,626)</b>                  | <b>(35,568)</b>                     | <b>(9)</b>                | <b>3</b>                | <b>-</b>                           | <b>(38,200)</b>        |                                |
| <b>Balance Sheet amount at 31 March 2023</b>   | <b>451,018</b>                  | <b>10,872</b>                       | <b>8,892</b>              | <b>3,286</b>            | <b>21,440</b>                      | <b>495,508</b>         | <b>235,076</b>                 |
| <b>Balance Sheet amount at 31 March 2022</b>   | <b>414,852</b>                  | <b>11,798</b>                       | <b>7,454</b>              | <b>1,408</b>            | <b>35,344</b>                      | <b>470,856</b>         | <b>230,478</b>                 |

## Notes to the Financial Statements

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As permitted by Finance Circular 09-2022 the council has adopted both Statutory Override 1 & 2 relating to infrastructure assets which allow for the following;

Statutory Override 1: For accounting periods commencing from 1 April 2021 until 31 March 2024 a local authority is not required to report the gross cost and accumulated depreciation for infrastructure assets.

Statutory Override 2: For accounting periods commencing 1 April 2010 until 31 March 2024 the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be taken and accounted for as a nil amount. No subsequent adjustment shall be made to the carrying amount of the asset with respect to that part.

## Notes to the Financial Statements

### 15.2 Valuation of Property, Plant and Equipment

IAS 16 – Property, Plant and Equipment has been adapted for the public sector by IPSAS 17 – Property, Plant and Equipment. Under IPSAS 17 each category of Property, Plant and Equipment is valued as follows:

- Infrastructure, community assets and assets under construction are valued at historical cost.
- Vehicles, plant and equipment are valued at depreciated historical cost as a proxy for fair value.
- All other classes of assets are valued at fair value. Where there is no market based evidence of fair value because of the specialist nature of the asset and the asset is rarely sold then an estimate of fair value is made using a depreciated replacement cost approach.

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured is re-valued at least every five years.

Assets identified as Corporate Surplus Assets are valued in accordance with IFRS 13 - Fair Value Measurement. The Balance Sheet value of Corporate Surplus assets at 31 March 2024 was £4.620m. Corporate Surplus assets are valued at their fair value on 31 March each year. Level 2 or 3 inputs were used for most Corporate Surplus asset valuations.

Revaluations of Council owned land and property were carried out at 31 March 2024 in accordance with the Council's rolling programme of revaluations. The revaluations have been carried out in house by the Council's Estates Service. Valuations of land and buildings were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. For assets not valued in-year a desktop assessment was undertaken for 2023-24 to estimate the potential increase in value of those assets valued using depreciated replacement cost using BCIS indices. As the BCIS indices have not increased materially, the impact on these assets was not deemed to be material so no adjustment was made.

The following table shows the progress of the Council's rolling programme for the revaluation of Other Land and Buildings:

| Valued at Fair Value as at:    | Other Land & Buildings        |                               |                               |
|--------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                | Estates<br>Valuation<br>£'000 | Desktop<br>Valuation<br>£'000 | Current<br>Valuation<br>£'000 |
| 31 March 2024                  | 135,773                       |                               | 135,773                       |
| 31 March 2023                  | 179,234                       | 5,007                         | 184,241                       |
| 31 March 2022                  | 38,954                        | 3,335                         | 42,289                        |
| 31 March 2021                  | 50,140                        | 3,164                         | 53,304                        |
| 31 March 2020                  | 39,207                        | 2,555                         | 41,762                        |
| <b>Total Cost or Valuation</b> | <b>443,308</b>                | <b>14,061</b>                 | <b>457,369</b>                |

## Notes to the Financial Statements

### 15.3 Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Buildings – straight-line allocation over the useful life of the property as estimated by the valuer (20 to 60 years)
- Infrastructure – straight-line allocation over 40 – 60 years
- Vessels – straight line allocation over 25 years
- Vehicles, Plant and Equipment - straight-line allocation over the useful life of the asset as determined by a suitably qualified officer (5 to 20 years)

### 15.4 Summary of Capital Expenditure and Financing

Capital expenditure involves the creation of assets, the benefit of which will be available to future rates and Council taxpayers. It is financed from borrowing, capital receipts and capital grants. The cost of the asset is effectively borne over a period of years. In 2023-24 total spending on capital projects was £40.094m.

| 2022-23<br>£'000 |  | 2023-24<br>£'000 |
|------------------|--|------------------|
| <b>307,100</b>   | <b>Opening Capital Financing Requirement</b>   | <b>291,782</b>   |
|                  | <b>Capital Investment:</b>   |                  |
| 8,543            | Property Plant and Equipment: Other Land and Buildings   | 8,483            |
| 2,024            | Vehicles, Plant, Furniture and Equipment   | 3,177            |
| 13,110           | Infrastructure Assets  | 12,309           |
| 1,438            | Community Assets   | 218              |
| 283              | Surplus Assets   | (18)             |
| 10,212           | Assets Under Construction  | 15,117           |
| 128              | Property Plant and Equipment<br>acquired under Finance Leases: Other Land and Buildings - DBFM Schools | -                |
| 246              | Heritage Assets  | 224              |
| 174              | Intangible Assets  | 202              |
| 12               | Investment Assets  | 382              |
|                  | Assets Held for Sale   |                  |
| <b>36,170</b>    | <b>Total Capital Investment</b>  | <b>40,094</b>    |
|                  | <b>Sources of Finance:</b>   |                  |
| -                | Capital Receipts   | -                |
| (22,549)         | Government Grants  | (23,550)         |
| (2,938)          | Capital Financed from Current Revenue  | (1,616)          |
| (4,276)          | Net Borrowing  | (6,111)          |
| (16,041)         | Earmarked Reserves   | (1,532)          |
| (5,116)          | Assets Acquired under Finance Leases/Schools NPDO  | (5,280)          |
| (568)            | Capital Receipts transferred to/(from) Capital Fund  | (2,207)          |
| -                | Service Concessions  | 40,869           |
| -                | Other  | (55)             |
| <b>(51,488)</b>  | <b>Total Funding</b>   | <b>518</b>       |
| <b>291,782</b>   | <b>Closing Capital Financing Requirement</b>   | <b>332,394</b>   |

## Notes to the Financial Statements

### 15.5 Commitments under Capital Contracts

At 31 March 2024, the Council had commitments on capital contracts of £6.236m. This expenditure will be funded from a combination of Government Grants, borrowing and income from selling assets and contributions from Revenue Accounts. Similar commitments at 31 March 2023 were £13.745m. The major commitments are:

| Commitments Under Capital Contracts                               | 2023-24<br>£'000 |
|---|------------------|
| Tigh-A-Rudha Care Home - Internal Upgrade                         | 1,859            |
| Kilmory Business Park   | 979              |
| Lochgilphead Community Education Centre                           | 513              |
| The Moat Centre - Electrical Upgrade                              | 473              |
| St Andrews Primary School - Window Upgrade                        | 358              |
| Port Charlotte Primary School - Electrical Works                  | 306              |
| Riverside Leisure Centre - Health Suite Upgrade                   | 280              |
| Helensburgh and Lomond Civic Centre - Occupation Certificate Work | 267              |
| Dalmally Primary School - Internal Upgrade                        | 193              |
| North Bute Primary School - Staff Toilet Alterations              | 150              |
| Other projects each less than £0.150m in value                    | 858              |
| <b>Total Capital Commitments</b>                                  | <b>6,236</b>     |

### 16 HERITAGE ASSETS

The main heritage assets held by the Council are two art collections, an archaeology collection and Inveraray Jail and Courthouse. The Council holds other heritage assets which are not valued and shown on the Balance Sheet. Further details on the council's heritage assets policy can be found in note 1.11.

Reconciliation of the carrying value of heritage assets held by the Council:

| Movements in 2023-24  | Art<br>Collections<br>£'000 | Heritage<br>Property<br>£'000 | Total<br>£'000 |
|---|-----------------------------|-------------------------------|----------------|
| <b>Cost or Valuation</b>  |                             |                               |                |
| <b>Net Book Value at 1 April 2023</b>                               | <b>1,600</b>                | <b>745</b>                    | <b>2,345</b>   |
| Additions   | -                           | 224                           | 224            |
| Disposals   | -                           | -                             | -              |
| Revaluations  | -                           | -                             | -              |
| Impairment Losses/(Reversals) recognised in the Revaluation Reserve | -                           | -                             | -              |
| Transfer from Assets Under Construction                             | -                           | -                             | -              |
| <b>At 31 March 2024</b>   | <b>1,600</b>                | <b>969</b>                    | <b>2,569</b>   |

## Notes to the Financial Statements

### 17 INTANGIBLE ASSETS

Intangible assets comprise software licences and carbon reduction commitment allowances purchased in advance. Purchased software licences are shown at cost and this cost is charged to the relevant service lines within the Comprehensive Income and Expenditure Statement over the economic life of the licences, assessed as five years.

The movement in intangible assets during the year was:

| Movements in 2023-24                         | Purchased Software Licences<br>£'000 | Total Intangible Assets<br>£'000 |
|--|--------------------------------------|----------------------------------|
| <b>Cost or Valuation</b>                     |                                      |                                  |
| <b>At 1 April 2023</b>                       | <b>2,449</b>                         | <b>2,449</b>                     |
| Additions                                    | 202                                  | 202                              |
| Disposals                                    | -                                    | -                                |
| Revaluations                                 | -                                    | -                                |
| Reclassifications                            | -                                    | -                                |
| <b>At 31 March 2024</b>                      | <b>2,651</b>                         | <b>2,651</b>                     |
| <b>Amortisation and Impairments</b>          |                                      |                                  |
| <b>At 1 April 2023</b>                       | <b>(1,716)</b>                       | <b>(1,716)</b>                   |
| Charge for 2023-24                           | (47)                                 | (47)                             |
| Disposals                                    | -                                    | -                                |
| <b>At 31 March 2024</b>                      | <b>(1,763)</b>                       | <b>(1,763)</b>                   |
| <b>Balance Sheet amount at 31 March 2024</b> | <b>888</b>                           | <b>888</b>                       |
| <b>Balance Sheet amount at 31 March 2023</b> | <b>733</b>                           | <b>733</b>                       |

| Comparative Movements in 2022-23             | Purchased Software Licences<br>£'000 | Total Intangible Assets<br>£'000 |
|--|--------------------------------------|----------------------------------|
| <b>Cost or Valuation</b>                     |                                      |                                  |
| <b>At 1 April 2022</b>                       | <b>2,275</b>                         | <b>2,275</b>                     |
| Additions                                    | 174                                  | 174                              |
| Disposals                                    | -                                    | -                                |
| Revaluations                                 | -                                    | -                                |
| Reclassifications                            | -                                    | -                                |
| <b>At 31 March 2023</b>                      | <b>2,449</b>                         | <b>2,449</b>                     |
| <b>Amortisation and Impairments</b>          |                                      |                                  |
| <b>At 1 April 2022</b>                       | <b>(1,671)</b>                       | <b>(1,671)</b>                   |
| Charge for 2022-23                           | (45)                                 | (45)                             |
| Disposals                                    | -                                    | -                                |
| <b>At 31 March 2023</b>                      | <b>(1,716)</b>                       | <b>(1,716)</b>                   |
| <b>Balance Sheet amount at 31 March 2023</b> | <b>733</b>                           | <b>733</b>                       |
| <b>Balance Sheet amount at 31 March 2022</b> | <b>604</b>                           | <b>604</b>                       |

## Notes to the Financial Statements

### 18 INVESTMENT PROPERTY

Investment property has been accounted for in accordance with IAS 4 - Investment Property, except where interpretations or adaptations to fit the public sector are detailed in the Code. The definition of an investment property in the context of the public sector is one that is used solely to earn rentals or for capital appreciation or both.

The value of investment property is initially measured at cost and thereafter measured at fair value. The fair value of investment property reflects market conditions at 31 March 2024. Revaluations of investment properties were carried out at 31 March 2024 in house by the Estates Service.

#### 18.1 Movement in Investment Property

The movement in investment property during 2023-24 was:

| Movements in 2023-24                         | Investment Properties<br>£'000 |
|--|--------------------------------|
| <b>Cost or Valuation</b>                     |                                |
| <b>At 1 April 2023</b>                       | <b>2,553</b>                   |
| Acquisitions                                 | 382                            |
| Disposals                                    | -                              |
| Net Gains/Losses from fair value adjustments | (42)                           |
| Transfers                                    | (379)                          |
| <b>At 31 March 2024</b>                      | <b>2,514</b>                   |

#### 18.2 Investment Property Income and Expenditure

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

| 2022-23<br>£'000 |  | 2023-24<br>£'000 |
|------------------|--|------------------|
| 141              | Rental income from investment property                     | 144              |
| (4)              | Direct operating expenses arising from investment property | -                |
| <b>137</b>       |  | <b>144</b>       |

### 19 SCHOOLS BUILT UNDER PUBLIC PRIVATE PARTNERSHIP CONTRACTS (PPP)

Argyll and Bute Council have two schemes:

#### Schools Non-Profit Distributing Organisation (NPDO)

During 2007-08 two secondary schools, two joint campuses and one primary campus, developed as part of the Non-Profit Distributing Organisation (NPDO) variant of a Public Private Partnership (PPP), became operational. When the agreement ends in 2035 the provider will hand the five school complexes back to the Council.

#### Schools Hub Design, Build, Finance and Maintain Contract (DBFM)

Campbeltown and Oban High Schools have been built under this type of arrangement which reached Financial Close in March 2016.

Campbeltown Grammar School Construction Phase 1 was completed on 19 February 2018 and

## Notes to the Financial Statements

provided a new secondary school for pupils aged between 12 and 18. The new school has capacity for 500 pupils and replaces the existing Campbeltown Grammar School on the current school site at Hutcheon Road, Campbeltown. Phase 2 which included the demolition of the existing school buildings, provision of a car park, landscaping and 3G artificial turf pitch was completed during 2018-19.

Oban High School Construction Phase 1 was completed on 5 April 2018 and provided a new secondary school for pupils between 12 and 18. The new school has capacity for 1300 pupils and replaces the existing Oban High School, on the current school site at Soroba Road, Oban. Phase 2 included the demolition of the existing school buildings, provision of a car park, landscaping and a pedestrian footway with lighting from the new school facilities to the grass pitches owned by the Council at Glencruitten, Oban was completed during 2018-19.

### 19.1 Assets Held under Schools NPDO and DBFM Contracts

Five schools were constructed under the Schools NPDO Contract; Hermitage Academy, Dunoon Grammar, Lochgilphead Joint Campus, Rothesay Joint Campus and Oban Primary Campus. The construction costs of the buildings, adjusted for revaluations on 31 March 2024 and depreciation to date are included as part of Operational Land and Buildings.

As noted above, two schools were completed under the Schools DBFM Contract. Oban High School and Campbeltown Grammar have been included within Operational Land & Buildings.

| Movements in 2023-24                         | Schools<br>DBFM - Other<br>Land &<br>Buildings<br>£'000 | Schools<br>NPDO - Other<br>Land &<br>Buildings<br>£'000 | Total<br>Schools Built<br>under PFI<br>Contracts<br>£'000 |
|--|---|---|---|
| <b>Cost or Valuation</b>                     |   |   |   |
| <b>At 1 April 2023</b>                       | <b>71,539</b>   | <b>134,178</b>  | <b>205,717</b>  |
| Additions at Cost                            | -   | -   | -   |
| Transfers                                    | -   | -   | -   |
| Revaluations                                 | 5,066   | -   | 5,066   |
| <b>At 31 March 2024</b>                      | <b>76,605</b>   | <b>134,178</b>  | <b>210,783</b>  |
| <b>Depreciation and Impairments</b>          |   |   |   |
| <b>At 1 April 2023</b>                       | <b>-</b>  | <b>-</b>  | <b>-</b>  |
| Charge for 2023-24                           | (2,457)   | (3,355)   | (5,812)   |
| Transfers                                    | -   | -   | -   |
| Revaluations                                 | 2,457   | -   | 2,457   |
| <b>At 31 March 2024</b>                      | <b>-</b>  | <b>(3,355)</b>  | <b>(3,355)</b>  |
| <b>Balance Sheet amount at 31 March 2024</b> | <b>76,605</b>   | <b>130,823</b>  | <b>207,428</b>  |
| <b>Balance Sheet amount at 31 March 2023</b> | <b>71,539</b>   | <b>134,178</b>  | <b>205,717</b>  |



## Notes to the Financial Statements

| Comparative Movements in 2022-23             | Schools DBFM - Other Land & Buildings<br>£'000 | Schools NPDO - Other Land & Buildings<br>£'000 | Total Schools Built under PFI Contracts<br>£'000 |
|--|--|--|--|
| <b>Cost or Valuation</b>                     |  |  |  |
| <b>At 1 April 2022</b>                       | <b>66,018</b>                                  | <b>136,962</b>                                 | <b>202,980</b>                                   |
| Additions at Cost                            | 128  | -  | 128  |
| Transfers                                    | -  | -  | -  |
| Revaluations                                 | 5,393  | (2,784)  | 2,609  |
| <b>At 31 March 2023</b>                      | <b>71,539</b>                                  | <b>134,178</b>                                 | <b>205,717</b>                                   |
| <b>Depreciation and Impairments</b>          |  |  |  |
| <b>At 1 April 2022</b>                       | -  | -  | -  |
| Charge for 2022-23                           | (2,186)  | (3,162)  | (5,348)  |
| Transfers                                    | -  | -  | -  |
| Revaluations                                 | 2,186  | 3,162  | 5,348  |
| <b>At 31 March 2023</b>                      | -  | -  | -  |
| <b>Balance Sheet amount at 31 March 2023</b> | <b>71,539</b>                                  | <b>134,178</b>                                 | <b>205,717</b>                                   |
| <b>Balance Sheet amount at 31 March 2022</b> | <b>66,018</b>                                  | <b>136,962</b>                                 | <b>202,980</b>                                   |

## 19.2 Schools NPDO Finance Lease Liability

The finance lease liability arising from the Schools NPDO and DBFM contracts are as follows:

| Movements in 2023-24                                    | Schools DBFM<br>£'000 | Schools NPDO<br>£'000 | Total Schools Finance Lease Liability<br>£'000 |
|---|-----------------------|-----------------------|--|
| <b>Balance at 1 April 2023</b>                          | <b>(51,876)</b>       | <b>(59,338)</b>       | <b>(111,214)</b>                               |
| Additions   | -                     | -                     | -  |
| Repayments  | 1,970                 | 3,262                 | 5,232  |
| Prior year repayment adjustment                         | -                     | -                     | -  |
| <b>Schools Finance Lease Liability at 31 March 2024</b> | <b>(49,906)</b>       | <b>(56,076)</b>       | <b>(105,982)</b>                               |
| Split:  |                       |                       |  |
| Obligations payable within 1 year                       | (1,990)               | (3,298)               | (5,288)  |
| Obligations payable after 1 year                        | (47,916)              | (52,778)              | (100,694)                                      |
| <b>Schools Finance Lease Liability at 31 March 2024</b> | <b>(49,906)</b>       | <b>(56,076)</b>       | <b>(105,982)</b>                               |

## Notes to the Financial Statements

| Comparative Movements in 2022-23                        | Schools DBFM<br>£'000 | Schools NPDO<br>£'000 | Total Schools Finance Lease Liability<br>£'000 |
|---|-----------------------|-----------------------|--|
| <b>Balance at 1 April 2022</b>                          | <b>(53,876)</b>       | <b>(62,408)</b>       | <b>(116,284)</b>                               |
| Additions   | -                     | -                     | -  |
| Repayments  | 2,000                 | 3,070                 | 5,070  |
| Prior year repayment adjustment                         | -                     | -                     | -  |
| <b>Schools Finance Lease Liability at 31 March 2023</b> | <b>(51,876)</b>       | <b>(59,338)</b>       | <b>(111,214)</b>                               |
| Split:  |                       |                       |  |
| Obligations payable within 1 year                       | (1,970)               | (3,262)               | (5,232)  |
| Obligations payable after 1 year                        | (49,906)              | (56,076)              | (105,982)                                      |
| <b>Schools Finance Lease Liability at 31 March 2023</b> | <b>(51,876)</b>       | <b>(59,338)</b>       | <b>(111,214)</b>                               |

### 19.3 Payments due to Operator under Schools NPDO Contract

The Council is committed to paying the following sums under the Schools NPDO contract:

| Future Repayment Periods | Repayment of Liability<br>£'000 | Lifecycle Costs<br>£'000 | Payment of Interest<br>£'000 | Service Charges<br>£'000 | Total Payments<br>£'000 |
|--------------------------|---------------------------------|--------------------------|------------------------------|--------------------------|-------------------------|
| 2024 - 2025              | 3,298                           | 631                      | 5,796                        | 7,032                    | 16,757                  |
| 2025 - 2029              | 16,876                          | 2,593                    | 20,035                       | 29,716                   | 69,220                  |
| 2029 - 2034              | 31,660                          | 4,072                    | 13,592                       | 42,567                   | 91,891                  |
| 2034 - 2035              | 4,241                           | 318                      | 717                          | 4,301                    | 9,577                   |
| <b>Total</b>             | <b>56,075</b>                   | <b>7,614</b>             | <b>40,140</b>                | <b>83,616</b>            | <b>187,445</b>          |

### 19.4 Payments due to Operator under Schools DBFM Contract

The Council is committed to paying the following sums under the Schools DBFM contract:

| Future Repayment Periods | Repayment of Liability<br>£'000 | Payment of Interest<br>£'000 | Service Charges<br>£'000 | Total Payments<br>£'000 |
|--------------------------|---------------------------------|------------------------------|--------------------------|-------------------------|
| 2024 - 2025              | 1,990                           | 2,168                        | 1,211                    | 5,369                   |
| 2025 - 2029              | 8,418                           | 7,888                        | 4,641                    | 20,947                  |
| 2029 - 2034              | 11,056                          | 8,066                        | 7,789                    | 26,911                  |
| 2034 - 2039              | 13,573                          | 2,471                        | 11,773                   | 27,817                  |
| 2039 - 2043              | 14,869                          | 1,716                        | 5,601                    | 22,186                  |
| <b>Total</b>             | <b>49,906</b>                   | <b>22,309</b>                | <b>31,015</b>            | <b>103,230</b>          |

## Notes to the Financial Statements

### 20 OPERATING LEASES

#### 20.1 Operating Leases – Amounts Paid to Lessors

The Council uses land, buildings, vehicles, plant and equipment financed under the terms of an operating lease. The amounts paid under these arrangements were as follows:

| 2022-23<br>£'000 |                     | 2023-24<br>£'000 |
|------------------|---------------------|------------------|
| 552              | Land and Buildings  | 1,223            |
| 1,407            | Vehicles            | 1,577            |
| 180              | Plant and Equipment | 181              |
| <b>2,139</b>     | <b>Total</b>        | <b>2,981</b>     |

#### 20.2 Assets Held Under Operating Leases

The Council was committed at 31 March 2024 to making payments of £2.061m under operating leases comprising the following elements:

| 31st March 2023                   |  |                           | 31st March 2024                   |  |
|-----------------------------------|--|---------------------------|-----------------------------------|--|
| Other Land and Buildings<br>£'000 | Vehicles, Plant and Equipment<br>£'000 |                           | Other Land and Buildings<br>£'000 | Vehicles, Plant and Equipment<br>£'000 |
| 213                               | 184                                    | Due within 1 year         | 485                               | 222                                    |
| 691                               | 162                                    | Due between 1 and 5 years | 481                               | 114                                    |
| 1,479                             | 5                                      | Due after 5 years         | 759                               | -                                      |
| <b>2,383</b>                      | <b>351</b>                             | <b>Value at 31 March</b>  | <b>1,725</b>                      | <b>336</b>                             |

### 21 FINANCE LEASES

#### 21.1 Finance Leases – Amounts Paid to Lessors

During 2017-18 the Council purchased a new cremator for Cardross Crematorium under a finance lease arrangement. The amount paid under this arrangement in 2023-24 was as follows:

| 2022-23<br>£'000 |                     | 2023-24<br>£'000 |
|------------------|---------------------|------------------|
| 63               | Plant and Equipment | 63               |
| <b>63</b>        | <b>Total</b>        | <b>63</b>        |

#### 21.2 Assets Held Under Finance Leases

Assets purchased under a finance lease are included within the assets of the Council and depreciated over the life of the asset as follows:

| 2022-23<br>£'000 | Vehicles, Plant and Equipment | 2023-24<br>£'000 |
|------------------|-------------------------------|------------------|
| <b>376</b>       | <b>Value at 1 April</b>       | <b>325</b>       |
| -                | Additions                     | -                |
| (51)             | Depreciation                  | (51)             |
| <b>325</b>       | <b>Value at 31 March</b>      | <b>274</b>       |

## Notes to the Financial Statements

### 21.3 Finance Lease Liability

The Council was committed at 31 March 2024 to making payments of £0.301m under finance leases comprising the following elements:

| Movements in 2023-24                              | £'000        |
|---|--------------|
| <b>Balance at 1 April 2023</b>                    | <b>(349)</b> |
| Additions   | -            |
| Repayments  | 48           |
| <b>Finance Lease Liability at 31 March 2024</b>   | <b>(301)</b> |
| Split:  |              |
| Obligations payable within 1 year                 | (63)         |
| Obligations payable between 1 and 5 years         | (251)        |
| Obligations payable after 5 years                 | (29)         |
| <b>Finance Lease Obligations at 31 March 2024</b> | <b>(343)</b> |
| Less Interest element of lease                    | 42           |
| <b>Finance Lease Liability at 31 March 2024</b>   | <b>(301)</b> |

| Comparative Movements in 2022-23                  | £'000        |
|---|--------------|
| <b>Balance at 1 April 2022</b>                    | <b>(396)</b> |
| Additions   | -            |
| Repayments  | 47           |
| <b>Finance Lease Liability at 31 March 2023</b>   | <b>(349)</b> |
| Split:  |              |
| Obligations payable within 1 year                 | (63)         |
| Obligations payable between 1 and 5 years         | (251)        |
| Obligations payable after 5 years                 | (92)         |
| <b>Finance Lease Obligations at 31 March 2023</b> | <b>(406)</b> |
| Less Interest element of lease                    | 57           |
| <b>Finance Lease Liability at 31 March 2023</b>   | <b>(349)</b> |

## Notes to the Financial Statements

### 22 LONG TERM DEBTORS

| 31st March<br>2023<br>£'000 |   | 31st March<br>2024<br>£'000 |
|-----------------------------|---|-----------------------------|
| 12                          | House Loans   | 11                          |
| 750                         | Waste PPP Historic Contamination Fund                       | 750                         |
| 1,801                       | Charging Orders - Care Home Fees                            | 2,099                       |
| 3,024                       | Strategic Housing Fund Loans to Registered Social Landlords | 2,879                       |
| 293                         | Other Long Term Debtors                                     | 77                          |
| <b>5,880</b>                | <b>Total Long Term Debtors</b>                              | <b>5,816</b>                |

### 23 DEBTORS

| 31 March 2023 |               |  | 31 March 2024 |               |
|---------------|---------------|--|---------------|---------------|
| £'000         | £'000         |  | £'000         | £'000         |
| 18,990        |               | Arrears of Local Taxation                                | 20,310        |               |
| (16,844)      |               | Less: Impairment of Bad Debts                            | (17,776)      |               |
|               | 2,146         |  |               | 2,534         |
| 435           |               | Housing Benefits Overpayments                            | 375           |               |
| (299)         |               | Less: Impairment of Bad Debts                            | (277)         |               |
|               | 136           |  |               | 98            |
| 3,382         |               | Debtor Accounts  | 4,586         |               |
| (1,172)       |               | Less: Impairment of Bad Debts                            | (1,121)       |               |
|               | 2,210         |  |               | 3,465         |
|               | 2,742         | Net Debtor to Scottish Government for Non Domestic Rates |               | 1,670         |
|               | 4,316         | VAT Recoverable from HMRC                                |               | 2,807         |
|               | 139           | Strategic Housing Fund Loans due within 1 Year           |               | 145           |
|               | 7,456         | Accrued Income   |               | 14,576        |
|               | 8,041         | Other Debtors  |               | 13,073        |
|               | <b>27,186</b> | <b>Total Debtors</b>                                     |               | <b>38,368</b> |

## Notes to the Financial Statements

### 24 ASSETS HELD FOR SALE

The movement in assets held for sale was:

| 2022-23<br>£'000 | Movements  | 2023-24<br>£'000 |
|------------------|--|------------------|
| <b>1,509</b>     | <b>Balance Sheet amount at 1st April 2023</b>                              | <b>1,554</b>     |
| 17               | Assets newly classified as "Held for Sale" (Property, Plant and Equipment) | 286              |
| -                | Additions  | -                |
| 84               | Revaluation losses   | -                |
| 60               | Revaluation gains  | 189              |
| -                | Impairment losses  | -                |
| -                | Assets declassified as "Held for Sale" (Property, Plant and Equipment)     | -                |
| (116)            | Assets Sold  | (410)            |
| <b>1,554</b>     | <b>Balance Sheet amount at 31st March 2024</b>                             | <b>1,619</b>     |

### 25 CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

| 31 March<br>2023<br>£'000 |   | 31 March<br>2024<br>£'000 |
|---------------------------|---|---------------------------|
| 4                         | Cash held by the Authority                | 3                         |
| (218)                     | Cash in transit                           | 794                       |
| 1,976                     | Short term deposits with banks            | 633                       |
| 6,850                     | Short term deposits in Money Market Funds | 1,400                     |
| (7,789)                   | Bank Current Accounts                     | (12,821)                  |
| <b>823</b>                | <b>Total Cash and Cash Equivalents</b>    | <b>(9,991)</b>            |

## Notes to the Financial Statements

### 26 CREDITORS

| 31 March<br>2023<br>£'000 |  | 31 March<br>2024<br>£'000 |
|---------------------------|--|---------------------------|
| 11,707                    | Accrued Payrolls and Superannuation                          | 9,174                     |
| 3,092                     | Accrued Employer's National Insurance Contributions and PAYE | 3,495                     |
| 7,588                     | Accrual for Short Term Accumulating Absences                 | 8,272                     |
| 96                        | Creditors System Liability                                   | (19)                      |
| 9,095                     | Accrued Expenditure  | 10,774                    |
| 5,006                     | Health and Social Care Partnership Creditor                  | 3,389                     |
| 1,022                     | RCGF Grant Income  | 2,060                     |
| 854                       | Trust Funds  | 901                       |
| -                         | Net Creditor to Scottish Government for Non Domestic Rates   | 1,408                     |
| 11,584                    | Other Creditors  | 12,920                    |
| <b>50,044</b>             | <b>Total Creditors</b>                                       | <b>52,374</b>             |

### 27 FINANCIAL INSTRUMENTS DISCLOSURES

#### 27.1 Types of Financial Instruments

Accounting regulations require the "Financial Instruments" (investment, lending and borrowing of the Council) shown on the balance sheet to be further analysed into various defined categories. The investments, lending and borrowing disclosed in the Balance Sheet are made up of the following categories of "Financial Instruments":

| 31 March 2023      |                  |  | 31 March 2024      |                  |
|--------------------|------------------|--|--------------------|------------------|
| Long Term<br>£'000 | Current<br>£'000 |  | Long Term<br>£'000 | Current<br>£'000 |
|                    |                  | <b>Investments and Lending</b>             |                    |                  |
| 11,372             | 78,669           | Loans and Receivables                      | 6,774              | 48,559           |
|                    |                  | <b>Borrowing</b>                           |                    |                  |
| 239,187            | 58,190           | Financial Liabilities at<br>amortised cost | 209,151            | 63,406           |

#### 27.2 Fair Value of Assets and Liabilities Carried at Amortised Cost

Financial assets (represented by lending and receivables) and financial liabilities (represented by borrowings) are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining period of the instrument, using the following assumptions:

- Estimated interest rates at 31 March 2024 for loans from the PWLB were taken from the appropriate interest rate notice and for other loans receivable and payable from market rates obtained by our treasury advisors.
- No early repayment or impairment is recognised.
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values are calculated as follows:

## Notes to the Financial Statements

| 31 March 2023            |                     |   | 31 March 2024            |                     |
|--------------------------|---------------------|---|--------------------------|---------------------|
| Carrying Amount<br>£'000 | Fair Value<br>£'000 |   | Carrying Amount<br>£'000 | Fair Value<br>£'000 |
| 90,041                   | 90,041              | <b>Lending</b><br>Loans and Receivables   | 46,423                   | 46,423              |
| 297,377                  | 315,566             | <b>Borrowing</b><br>Financial Liabilities | 272,557                  | 272,797             |

The fair value is greater than the carrying amount because the Council's lending figure includes a number of loans where the interest rate receivable is higher than the rates available for similar loans at the Balance Sheet date. The commitment to receive interest above the current market rates increases the amount the Council would receive if it agreed the early repayment of loans.

### 27.3 Gains and Losses on Financial Instruments

There are no gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to Financial Instruments.

### 27.4 Nature and Extent of Risks arising from Financial Instruments

The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Council has fully adopted CIPFA's Code of Treasury Management Practices and has written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

### 27.5 Credit Risk

Credit risk arises from the short-term lending of surplus funds to banks, money market funds, building societies and other local authorities as well as credit exposures to the Council's customers. It is the policy of the Council to place deposits only with a limited number of high quality banks and money market funds whose credit rating is independently assessed as sufficiently secure by the Council's treasury advisers and to restrict lending to a prudent maximum amount for each institution.

The following analysis summarises the Council's potential maximum exposure to credit risk, based on past experience and current market conditions. No credit limits were exceeded during the financial year and the Council expects full repayment on the due date of deposits placed with its counterparties.

|  | Amount at<br>31 March 2024<br>£'000 | Historical<br>Experience of<br>Non-payment<br>adjusted for<br>Market<br>Conditions at<br>31 March 2024<br>% | Estimated<br>Maximum<br>Exposure to<br>Default and<br>Uncollectability<br>£'000 |
|--|-------------------------------------|---|---|
| Deposits with Banks and Money Market Funds | 2,033                               | -   | -   |

The information in respect of the Council's debtors can be found in notes 22 and 23. The Debtor Accounts represents the amounts owed by the Council's customers; Other Debtors include prepaid expenditure, accrued income and money owed to the Council in respect of projects being carried out under partnerships where the Council is the lead partner. The bad debt provision shown in note 23 represents the Council's assessment of the likely recoverability of the debt outstanding.



## Notes to the Financial Statements

The credit risk around unprovided for debt is considered to be low. Debtors relate to the normal business of the Council and credit is issued on the Council's standard credit terms. There are no significant amounts past due but not impaired where recoverability is considered to be an issue.

### 27.6 Liquidity Risk

The Council's main source of borrowing is the Treasury's Public Works Loans Board (PWLB). There is no significant risk that the Council will be unable to raise finance to meet its commitments under Financial Instruments. The Council has safeguards in place to ensure that a significant proportion of its borrowings does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The Council's policy is to ensure that not more than 30% of the loans are due to mature within any financial year through a combination of prudent planning of new loans taken out and, where it is economic to do so, making early repayments.

The maturity analysis of financial liabilities is as follows:

| 31 March<br>2023<br>£'000 | Maturity analysis of financial liabilities | 31 March<br>2024<br>£'000 |
|---------------------------|--|---------------------------|
| 63,958                    | Less than one year                         | 63,404                    |
| 5,357                     | Between one and two years                  | 7,219                     |
| 19,048                    | Between two and five years                 | 25,773                    |
| 209,014                   | More than five years                       | 176,161                   |
| <b>297,377</b>            |  | <b>272,557</b>            |

All other amounts due to the Council for council tax, non-domestic rates and other income are due to be paid in less than one year.

### 27.7 Market Risk

Changes in market interest rates influence the interest payable on borrowings and on interest receivable on surplus funds invested. For example, a rise in interest rates would mean an increase in the interest charged on borrowing at variable rates and an increased cost to the taxpayer. An increase in interest rates would also mean an increase in the income received on lending at variable rates and a reduction in cost for the taxpayer.

Changes in market rates also affect the notional "fair value" of lending and borrowing. For example, a rise in interest rates would reduce the "fair value" of both lending and borrowing at fixed rates. Changes in "fair value" of lending and borrowing do not impact upon the taxpayer and are confined to prescribed presentational aspects in the Accounts.

The Council has a variety of strategies for managing the uncertainty of future interest rates and the financial impact on the Council.

It is the policy of the Council to limit its exposure to variable rate borrowing to a maximum of 30% of what it borrows.

During periods of falling rates and where it is economically advantageous to do so, the Council will consider the repayment and restructuring of fixed interest rate debt.

The Council takes daily advice from its specialist treasury advisers and actively monitors changes in interest rates to inform decisions on the lending of surplus funds, new borrowings and restructuring of existing borrowings.

Any potential for a financial impact on the Council is also significantly limited by the Scottish Government's grant distribution mechanism that automatically adjusts for changes in interest rates in the Government Grant support the Council receives for "loan charges".

## Notes to the Financial Statements

To illustrate the impact of changes in interest rates upon the Council, the following table shows the financial effect if rates had been 1% higher at 31 March 2024, with all other variables held constant:

|  | 31 March<br>2024<br>£'000 |
|--|---------------------------|
| <b>Impact on tax-payer</b>   |                           |
| Increase on interest payable on variable rate borrowings                 | 53                        |
| Increase in interest receivable on variable rate lending                 | -                         |
| Increases in government grant receivable for "loan charges"              | -                         |
| <b>Net effect on Statement of Comprehensive Income &amp; Expenditure</b> | <b>53</b>                 |

|  | 31 March<br>2024<br>£'000 |
|--|---------------------------|
| <b>Other accounting presentational changes</b>   |                           |
| A decrease in the "fair value" of fixed rate borrowing<br>(disclosure confined to the notes to the financial statements) | 13,965                    |

The impact of a 1% fall in the interest rates would be as above but with the changes being reversed.

### 27.8 Price Risk

The Council has no investment classified as "available-for-sale".

### 27.9 Foreign Exchange Risk

The Council does not lend or borrow in foreign currencies and has no exposure to gains or losses arising from movements in exchange rates.

### 27.10 Short-Term Deposits

The short-term deposits arise as a result of the timing of expenditure and associated income and movements in fund and revenue balances. The Council adopts a proactive but prudent approach to its Treasury Management operations, which are governed by the fully revised edition of CIPFA's Code of Practice on Treasury Management.

| 31 March<br>2023<br>£'000 |                              | 31 March<br>2024<br>£'000 |
|---------------------------|------------------------------|---------------------------|
| 8,826                     | Banks and Money Market Funds | 2,033                     |

### 27.11 Soft Loans

The Council has no material soft loans at 31 March 2024, on which no interest was being charged.

### 27.12 Short-Term Borrowing

The Common Good and the various Trust Funds administered by the Council had monies temporarily invested with the Council's loans fund during the year. The amounts at 31 March 2024 are shown in the table below. Further details of the nature and amounts of the funds of the Common Good and Trust Funds are shown in notes 36 and 37.

| 31 March<br>2023<br>£'000 |             | 31 March<br>2024<br>£'000 |
|---------------------------|-------------|---------------------------|
| 144                       | Common Good | 157                       |
| 854                       | Trust Funds | 901                       |

## Notes to the Financial Statements

### 28 OTHER LIABILITIES

Other liabilities consist of liabilities which by arrangement are payable at some point in the future or paid off by an annual sum over a period of time. Other liabilities total £107.033m as at 31 March 2024 and comprise the following:

| Movements in 2023-24                            | Opening Balance<br>1 April 2024<br>£'000 | Movement<br>in Year<br>£'000 | Closing Balance<br>31 March<br>2024<br>£'000 |
|---|--|------------------------------|--|
| Finance Lease Liability (See note 21.3)         | (349)                                    | 48                           | (301)  |
| Schools Finance Lease Liability (See note 19.2) | (111,214)                                | 5,232                        | (105,982)                                    |
| Land Contamination                              | (750)                                    | -                            | (750)  |
| <b>Total Other Liabilities</b>                  | <b>(112,313)</b>                         | <b>5,280</b>                 | <b>(107,033)</b>                             |
| <i>Split:</i>                                   |  |                              |  |
| Short Term Liabilities (due within 1 year)      |  |                              | (5,336)                                      |
| Long Term Liabilities (due after 1 year)        |  |                              | (101,697)                                    |
| <b>Total Other Liabilities</b>                  |  |                              | <b>(107,033)</b>                             |

### 29 PROVISIONS

|  | Opening Balance<br>1 April<br>2023<br>£'000 | Additional<br>Provision<br>£'000 | Amounts<br>Used<br>£'000 | Unused<br>Amounts<br>Reversed<br>£'000 | Closing Balance at<br>31 March<br>2024<br>£'000 |
|--|---|----------------------------------|--------------------------|--|---|
| Equal Pay Claims                                 | (13)  |                                  |                          |  | (13)  |
| Employee Settlement Provision                    | (51)  |                                  | 51                       |  | -   |
| SRC Intromissions                                | (19)  |                                  | 19                       |  | -   |
| SW - Mull Homecare Backdated Pay                 |   | (13)                             |                          |  | (13)  |
| Income due to Registered Social Landlords        | (108)                                       | (7)                              |                          |  | (115)   |
| Commercial Rent Balances                         | (53)  |                                  |                          | 16                                     | (37)  |
| Service Choices Redundancy Costs                 | (16)  | (137)                            | 14                       | 2                                      | (137)   |
| Landfill Sites - Restoration and Aftercare Costs | (2,336)                                     | (404)                            |                          |  | (2,740)   |
| Utilities Provision                              | (237)                                       | (44)                             |                          | 37                                     | (244)   |
| Litigation Claims                                | (196)                                       |                                  |                          |  | (196)   |
| Insurance Excess Provision                       | -   |                                  |                          |  | -   |
| NPDO and Hub DBFM Payments                       | (865)                                       | (487)                            | 195                      | 132                                    | (1,025)   |
| <b>Total Provisions</b>                          | <b>(3,894)</b>                              | <b>(1,092)</b>                   | <b>279</b>               | <b>187</b>                             | <b>(4,520)</b>                                  |
| <i>Split:</i>                                    |   |                                  |                          |  |   |
| Short Term Provisions (due within 1 year)        |   |                                  |                          |  | (1,665)   |
| Long Term Provisions (due after 1 year)          |   |                                  |                          |  | (2,855)   |
| <b>Total Other Liabilities</b>                   |   |                                  |                          |  | <b>(4,520)</b>                                  |

A provision was created at the end of 2005-06 in relation to employees in catering, cleaning and home care services who had not accepted the Council's equal pay settlement. There may be further outstanding claims where the settlement amount cannot be estimated reliably enough to provide for the costs.

## Notes to the Financial Statements

The Council reduced the discount on Council Tax from second homes to 10% during 2005-06. The additional Council Tax income invoiced during 2023-24 amounted to £2.575m; this amount is to be paid to registered social landlords to invest in social housing. A provision for cash not yet collected has been created amounting to £0.115m.

There is a provision for Commercial Rents where arrangements have been put in place for repayment over a number of years. The provision reflects the uncertainty of collection of the debt.

Liabilities have arisen in respect of employees who will be made redundant as a result of savings options agreed. The cost for any employee, whose contract has been terminated on or before 31 March 2024 has been incurred in year. For the employees who have confirmed acceptance of redundancy but have left or are leaving after 31 March 2024, a provision of £0.137m has been created.

A provision for landfill sites was created in 2014-15 reflecting the Council's liability for restoration and ongoing maintenance in respect of landfill sites operated by the Council, at Glengorm, Gartbreck and Gott Bay. The landfill sites were revalued at 31 March 2024 and the provision for restoration and aftercare increased to £2.740m. These have been provided for based on the net present value of estimated future costs.

The utilities provision was created during 2011-12 to cover a potential liability in relation to discrepancies in charges for utility costs, £0.044m has been reversed during 2023-24 and a further £0.037m additional provision has been added resulting in a total provision of £0.244m.

A legal litigation provision was created in 2020-21 as the Council is currently involved in several ongoing cases that will incur costs into future years. The provision is based on sums invoiced and anticipated future costs.

The NPDO provision for withheld sums from the Unitary Charge paid to ABC Schools relates to disputed performance deductions and unbilled utility costs. The HUB DBFM provision for withheld sums from the Monthly Service Payment paid to Hub North Scotland (O&C) Ltd relates to disputed performance deductions.

### 30 CAPITAL GRANTS RECEIVED IN ADVANCE

A Capital Grant of £1.564m was received in advance for 2023-24 in respect of the Cuan Sound/Jura Ferry Programme.

|   | Opening<br>Balance<br>1 April<br>2023<br>£'000 | Capital<br>Grants<br>Received<br>£'000 | Amounts<br>Used<br>£'000 | Closing<br>Balance<br>31 March<br>2024<br>£'000 |
|---|--|--|--------------------------|---|
| HITRANS   | -  | 1,564                                  |                          | 1,564   |
|   | -  | -                                      |                          | -   |
| <b>Total Other Liabilities</b>                        | <b>-</b>                                       | <b>1,564</b>                           | <b>-</b>                 | <b>1,564</b>                                    |
| Split:  |  |  |                          |   |
| Capital Grant Receipts in Advance (due within 1 year) |  |  |                          | -   |
| Capital Grant Receipts in Advance (due after 1 year)  |  |  |                          | 1,564   |
| <b>Total Other Liabilities</b>                        |  |  |                          | <b>1,564</b>                                    |

## Notes to the Financial Statements

### 31 DEFINED BENEFIT PENSION SCHEMES

#### Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in two separate pension schemes which meet the needs of employees in particular services. Both schemes provide members with defined benefits related to pay and service. The schemes are as follows:

#### *Teachers*

The Scottish Teachers' Superannuation Scheme is an unfunded scheme administered by the Scottish Government. This means that liabilities for the benefits provided cannot be identified by the Council. The scheme is therefore accounted for as if it were a defined contribution scheme where no liability for future payments of benefits is recognised in the balance sheet and revenue accounts are charged with the employer's contributions payable to the Scottish Government in the year.

#### *Local Government Pension Scheme*

This is administered by Strathclyde Pension Fund – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. The contributions are based on rates determined by the Fund's professionally qualified actuary and based on triennial valuations of the Fund.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts due by statute as described in the accounting policies note.

#### 31.1 Accrued Pensions Contribution

Due to the timing of salary processing, not all employee and employer contributions have been paid to the pension schemes by the 31 March 2024. These payments have been accrued and are included within the creditors figure on the Balance Sheet. These have been paid during April 2024. The amounts are as follows:

- Local Government Pension Scheme – £2.040m
- Teachers' Scheme – £1.304m

#### 31.2 Transactions in Respect of the Local Government Pensions Scheme

The latest formal valuation of the Strathclyde Pension Fund for funding purposes was at 31 March 2020. The independent actuaries appointed by the Council are Hymans Robertson and they have assumed that employees have continued to earn new benefits on the same basis as the latest formal valuation and that the employer's pensionable payroll over the year to 31 March 2024 remains substantially stable with new entrants replacing any leavers.

We recognise the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against Council Tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund via the Movement in Reserves Statement during the year:

## Notes to the Financial Statements

| 2022-23<br>£'000 |   | 2023-24<br>£'000 |
|------------------|---|------------------|
|                  | <b>Comprehensive Income and Expenditure Statement:</b>  |                  |
|                  | <b>Cost of Services:</b>  |                  |
|                  | <i>Service cost comprising:</i>   |                  |
| 36,689           | Current Service Cost  | 19,119           |
| 637              | Past Service Cost (Including Curtailments)  | -                |
| <b>37,326</b>    | <b>Net Cost of Services</b>   | <b>19,119</b>    |
| 141              | Net Interest Expense  | (6,596)          |
| <b>37,467</b>    | <b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>   | <b>12,523</b>    |
|                  | <b>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>  |                  |
| 37,377           | Return on Assets (excluding amounts included in net interest)   | (43,972)         |
| 46,257           | Other Experience (see note (i) below)   | 56,060           |
| (337,163)        | Change in Financial and Demographic Assumptions   | (32,078)         |
|                  | Changes in the effect of the asset ceiling  | (103,890)        |
| 99,179           | IAS 19 Asset Ceiling Adjustment   | -                |
| <b>(116,883)</b> | <b>Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement</b>   | <b>(111,357)</b> |
|                  | <b>Statement of Movement in Reserves:</b>   |                  |
| <b>(19,970)</b>  | Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code | <b>6,322</b>     |
|                  | <b>Actual Amount charged against the General Fund Balance for pensions in the year:</b>   |                  |
| <b>17,497</b>    | Employer's Contributions Payable to the Scheme  | <b>18,845</b>    |

- (i) *A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions, during the period between two actuarial valuation dates, as determined in accordance with a particular cost method. (ASOP No. 4)*

## Notes to the Financial Statements

### 31.3 Assets and Liabilities in Relation to Post-Employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

| 2022-23<br>£'000 |  | 2023-24<br>£'000 |
|------------------|--|------------------|
| <b>871,242</b>   | <b>Defined Benefit Obligation at 1 April 23</b>  | <b>622,872</b>   |
| 36,689           | Current Service Cost                             | 19,119           |
| 637              | Past Service Costs including Curtailments        | -                |
| 23,775           | Interest Cost                                    | 29,453           |
| 4,833            | Contributions by Scheme Participants             | 5,280            |
| (311,081)        | Re-measurement (Gains) and Losses                | 2,949            |
| (23,398)         | Estimated Benefits Paid                          | (30,102)         |
| <b>602,697</b>   | <b>Defined Benefit Obligation at 31 March 24</b> | <b>649,571</b>   |
| 20,175           | Present Value of Unfunded Liabilities            | 19,578           |
| <b>622,872</b>   | <b>Defined Benefit Obligation at 31 March 24</b> | <b>669,149</b>   |

Reconciliation of fair value of the scheme (plan) assets:

| 2022-23<br>£'000 |   | 2023-24<br>£'000 |
|------------------|---|------------------|
| <b>875,876</b>   | <b>Fair Value of Employer Assets at 1 April 23</b>  | <b>861,065</b>   |
|                  | <b>Re-measurement (Gains) and Losses:</b>           |                  |
| (37,377)         | Expected Rate of Return on Pension Fund Assets      | 43,972           |
| -                | Actuarial (Gains) and Losses                        | (1,455)          |
| 23,634           | Interest Income on Plan Assets                      | 40,760           |
| 17,497           | Employers Contributions                             | 18,845           |
| 4,833            | Contributions by Scheme Participants                | 5,280            |
| (23,398)         | Estimated Benefits Paid                             | (30,102)         |
| <b>861,065</b>   | <b>Fair Value of Employer Assets at 31 March 24</b> | <b>938,365</b>   |

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. An asset ceiling adjustment was included in 2022-23 to ensure compliance with IAS 19 which limits the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling. No adjustment was required in 2023-24. The asset ceiling is defined as the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

## Notes to the Financial Statements

### 31.4 Pensions Assets and Liabilities Recognised in the Balance Sheet

| 2022-23<br>£'000 | Local Government Pension Scheme            | 2023-24<br>£'000 |
|------------------|--|------------------|
| (602,697)        | Present Value of Funded Liabilities        | (649,571)        |
| 861,065          | Fair Value of Employer Assets              | 938,365          |
| (99,179)         | IAS19 Asset Ceiling Adjustment             | -                |
| <b>159,189</b>   | <b>Surplus/(Deficit) in the Scheme</b>     | <b>288,794</b>   |
| (20,175)         | Present Value of Unfunded Liabilities      | (19,578)         |
| <b>139,014</b>   | <b>Net Surplus/(Deficit) in the Scheme</b> | <b>269,216</b>   |

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits.



## Notes to the Financial Statements

### 31.5 Analysis of Pension Fund's Assets

Argyll and Bute Council's share of the Pension Fund's assets at 31 March 2024 comprised:

| 2022-23<br>£'000 |  | 2023-24<br>£'000 |
|------------------|--|------------------|
| 16,312           | Cash and Cash Equivalents                  | 17,395           |
|                  | Equity Instruments (by industry type)      |                  |
| 38,629           | Consumer                                   | 43,350           |
| 48,013           | Manufacturing                              | 54,078           |
| 4,310            | Energy and Utilities                       | 8,511            |
| 18,331           | Financial Institutions                     | 26,936           |
| 30,629           | Health and Care                            | 25,047           |
| 29,776           | Information Technology                     | 31,804           |
| -                | Other                                      | -                |
| <b>169,688</b>   | Sub-total Equity Instruments               | <b>189,726</b>   |
|                  | Bonds (by sector)                          |                  |
| -                | Corporate                                  | -                |
| -                | Government                                 | -                |
| -                | Sub-total Bonds                            | -                |
|                  | Real Estate                                |                  |
| 70,994           | UK Property                                | 73,783           |
| -                | Overseas Property                          | -                |
| <b>70,994</b>    | Sub-total Real Estate                      | <b>73,783</b>    |
| 211,640          | Private Equity (All)                       | 224,026          |
|                  | Investment Funds and Unit Trusts           |                  |
| 285,352          | Equities                                   | 323,600          |
| 99,304           | Bonds                                      | 109,461          |
| 336              | Commodities                                | 374              |
| 5,529            | Infrastructure                             | -                |
| 1,911            | Other                                      | -                |
| <b>392,432</b>   | Sub-total Investment Funds and Unit Trusts | <b>433,435</b>   |
|                  | Derivatives                                |                  |
| (1)              | Forward Foreign Exchange Contracts         | -                |
| -                | Other                                      | -                |
| <b>(1)</b>       | Sub-total Derivatives                      | <b>-</b>         |
| <b>861,065</b>   | <b>Total Assets</b>                        | <b>938,365</b>   |

## Notes to the Financial Statements

| 2022-23<br>£'000 | Fair Value of Pension Fund Assets  | 2023-24<br>£'000 |
|------------------|------------------------------------|------------------|
|                  | Equity Securities                  |                  |
| 168,144          | Quoted in an Active Market         | 189,520          |
| 1,544            | Not Quoted in an Active Market     | 206              |
| <b>169,688</b>   | <b>Sub-total Equity Securities</b> | <b>189,726</b>   |

### 31.6 Basis for Estimating Assets and Liabilities

The Council's share of the liabilities of Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on the assumptions about mortality rates, salary levels, etc.

The principal assumptions used by the actuary have been:

| 2022-23<br>Years | Mortality assumptions                                   | 2023-24<br>Years |
|------------------|---|------------------|
| 19.3             | Longevity at 65 for current pensioners: Men             | 20.0             |
| 22.2             | Women   | 22.7             |
| 20.5             | Longevity at 65 for future pensioners: Men              | 20.9             |
| 24.2             | Women   | 24.7             |
| 2022-23<br>%     | Financial Assumptions                                   | 2023-24<br>%     |
| 3.0%             | Rate of Inflation (CPI)                                 | 2.8%             |
| 3.7%             | Rate of Increase in Salaries                            | 3.5%             |
| 3.0%             | Rate of Increase in Pensions (CPI)                      | 2.8%             |
| 4.8%             | Rate for discounting scheme liabilities                 | 4.8%             |
| 2022-23<br>%     | Long-term Expected Rate of Return on Assets in the Fund | 2023-24<br>%     |
| 4.8%             | Equity Investments                                      | 4.8%             |
| 4.8%             | Bonds   | 4.8%             |
| 4.8%             | Property  | 4.8%             |
| 4.8%             | Cash  | 4.8%             |

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

For sensitivity analysis on the net pension liability please see Note 4 on page 76.

### 31.7 Asset and Liability Matching (ALM) Strategy

The main fund (Fund 1) of Strathclyde Pension fund does not have an asset and liability matching strategy (ALM) as this is used mainly by mature funds. The Fund does match, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. As is required by the pensions and investment regulations, the suitability of various types of investment has been considered, as has the need to diversify investments to reduce the risk of being invested into too narrow a range.

## Notes to the Financial Statements

### 31.8 Impact on the Council's Cash Flow

The objectives of the Fund are to keep employers' contributions at as constant a rate as possible. The Fund has agreed a strategy to achieve a funding rate of 100% in the longer term. The Scheme is a multi-employer defined benefit plan and employers' contributions have been determined so that employee and employer rates are standard across all participating Local Authorities. Employer's contributions have been set at 6.5% for 2024-2025.

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2025 is £5.780m. This is based on an assumed pensionable payroll of £88.926m.

The assumed weighted average duration of the defined benefit obligation for the Council falls into the "Medium" duration category which is between 17 and 23 years (this is different from the mortality assumptions quoted in the table above in "Basis for Estimating Assets and Liabilities").

### 31.9 Teachers Pensions – Administered By Scottish Public Pensions Agency

Teachers employed by the Council are members of the Scottish Teachers' Superannuation Scheme, administered by the Scottish Public Pensions Agency. The Scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The Scheme is financed by payments from employers and from those current employees who are members of the Scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified by the regulations.

Employers currently pay a contribution rate of 23% - about two thirds of the cost of an individual's pension. This took effect from 1 September 2019.

The Council has no liability for other employers' obligations to the multi-employer scheme. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the Scheme or withdrawal from the Scheme.

The scheme is an unfunded multi-employer defined benefit scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Authority is unable to identify its share of the underlying assets and liabilities of the scheme.

At the last valuation a shortfall of £1.3 billion was identified in the notional fund which will be repaid by a supplementary rate of 4.5% of employers' pension contributions for fifteen years from 1 April 2015. This contribution is included in the 23% employers' contribution rate.

As a proportion of the total contributions into the Teachers' Pension Scheme during the year ended 31 March 2024, the council's own contributions equate to 1.53%.

| 2022-23 |  | 2023-24 |
|---------|--|---------|
| 9,853   | Amount Paid Over (£'000)                             | 10,779  |
| 23.00%  | Rate of Contribution (%)                             | 23.00%  |
| 508     | Amount of Added Years Awarded by the Council (£'000) | 507     |

The contributions due to be paid to the Teacher's Scheme by the Council in the next financial year are estimated to be £12.707m.

## Notes to the Financial Statements

### 32 UNUSABLE RESERVES

Movements in the Council's unusable reserves are detailed in the Statement of Movement in Reserves.

#### 32.1 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

#### 32.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations which are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

#### 32.3 Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on Council Tax.

#### 32.4 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds. The credit balance on the Pensions Reserve therefore shows a surplus in the benefits earned by past and current employees and the resources the Council has set aside to meet them.

## Notes to the Financial Statements

### 32.5 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

### 33 USABLE RESERVES

Movements in the Council's usable reserves are detailed in the Statement of Movement in Reserves.

#### 33.1 Capital Funds

The Council holds two funds which make up the Capital Funds total in the Statement of Movement in Reserves, these are:

##### *Usable Capital Receipts Reserve*

During the 2006-07 financial year, and prior to the transfer of the Council's housing stock during November 2006, the receipts from the sale of council houses were transferred to the Usable Capital Receipts Reserve. The amounts held in this reserve can only be used for social housing capital expenditure.

##### *Capital Fund*

During the 2007-08 financial year the Council established a Capital Fund under Section 22 of Schedule 3 of the Local Government (Scotland) Act 1975. All receipts from capital disposals are to be paid into this fund with effect from 14 February 2008.

The movement in the Usable Capital Receipts Reserve and Capital Fund are as follows:

| Movements in 2023-24                      | Usable<br>Capital<br>Receipts<br>Reserve<br>£'000 | Capital<br>Fund<br>£'000 | Total<br>Capital<br>Funds<br>£'000 |
|---|---|--------------------------|------------------------------------|
| <b>Balance at 1 April 2023</b>            | <b>2,935</b>                                      | <b>1,568</b>             | <b>4,503</b>                       |
| Proceeds of Disposals                     | -   | 671                      | 671                                |
| Transfer to Capital Adjustment Account    | -   | (2,207)                  | (2,207)                            |
| Contribution to Capital Fund From Revenue | -   | -                        | -                                  |
| Interest Earned                           | 145   | 85                       | 230                                |
| <b>Balance at 31 March 2024</b>           | <b>3,080</b>                                      | <b>117</b>               | <b>3,197</b>                       |

#### 33.2 Repairs and Renewals Fund

The movement in the Education Repairs and Renewals Fund is as follows:

| Movements in 2023-24 | Balance at<br>1 April<br>2023<br>£'000 | Contribution<br>from<br>Revenue<br>£'000 | Interest<br>Earned<br>£'000 | Contribution<br>to Revenue<br>£'000 | Balance at<br>31 March<br>2024<br>£'000 |
|----------------------|--|--|-----------------------------|-------------------------------------|---|
| Education            | 2,916                                  | (860)                                    | 135                         | 572                                 | 2,763                                   |
| <b>Total</b>         | <b>2,916</b>                           | <b>(860)</b>                             | <b>135</b>                  | <b>572</b>                          | <b>2,763</b>                            |

## Notes to the Financial Statements

### 34 CONTINGENT LIABILITIES

#### 34.1 Equal Pay Claims

The Council settled a number of equal pay claims during 2017-18, however there are a small number remaining where the outcome of the applications are unknown and there is insufficient information to allow the potential cost of these claims to be provided for. There is also the potential for other equal pay claims whose costs may be met by the Council.

#### 34.2 Goodwin Judgement

The Social Security Act 1986 introduced changes to survivor pensions which resulted in most public service pension schemes providing survivor benefits to widowers (male survivors in opposite-sex marriages) based on the female spouse's service from 6 April 1988 onwards. Since the introduction of civil partnerships and same sex marriages, public service pension schemes have provided survivor benefits in respect of both which have been in line with those paid to widowers. An employment tribunal (the Goodwin case) concluded on 30 June 2020 that a female member in an opposite sex marriage is treated less favorably than a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. Where schemes contain provisions deemed discriminatory, those provisions must be dis-applied as being contrary to the non-discrimination rule set out in section 61 of the Equality Act 2010. In light of this ruling the Chief Secretary to the Treasury has confirmed that amendments would be made to the Teachers' Pension Scheme and other public service pension schemes so that "surviving male same-sex and female same-sex spouses and civil partners will, in certain cases, receive benefits equivalent to those received by widows of opposite sex marriages"

There is still uncertainty surrounding the potential remedy to the Goodwin judgement however the Council's actuaries have estimated the potential impact of implementing a solution to correct the past underpayment of spouses' benefits to be circa 0.1% of gross obligations. This would amount to £0.669m at 0.1% for the Council. As there is still uncertainty over the remedy and the potential impact no provision has been made in the accounts at the current time.

#### 34.3 SRC Intromissions

The Local Government (Transitional Financial Provisions) (Scotland) Order 1996, 'the Order' provided for the appointment of Glasgow City Council (GCC), as the relevant Accounting Authority for residual matters relating to the former Strathclyde Regional Council (SRC), on behalf of the successor authorities. This places a duty on GCC to account to successor authorities in respect of all expenditure and income attributable to its duties as Accounting Authority, to be shared across successor authorities on a Council Tax Band D Equivalent basis.

Actual claims to date have already been accounted for within the financial statements however an exercise has now been completed by GCC to collate known information in relation to any outstanding ex-SRC cases. This information and information already known to GCC was identified within the claims management system giving a total of 256 outstanding claims at this time. All outstanding claims has been assigned an estimated cost, however they have not yet been subject to any due diligence by the council's claim team and must therefore be considered notional. The actual settlement value remains uncertain until the legal/settlement process has been completed.

#### 34.4 Other Legal Challenges

There may be other legal challenges on-going which could result in future liabilities.

## Notes to the Financial Statements

### 35 TERMINATION BENEFITS

A number of savings options have been agreed at Council budget meetings to balance the Council budget. A number of these savings options were reliant on a reduction in the Councils staffing levels. The Council had forewarning of the level of savings required to balance the budget and had previously asked all Council employees to express an interest in voluntary redundancy. As a result of the budget savings options approved by the Council a number of employees have had their redundancy application accepted.

Redundancy costs have been incurred by the Council since the 2010-11 financial year in relation to the budget savings agreed. In each year, provision was made within the financial year for the costs of all employees who had accepted redundancy or where redundancy was probable as at 31 March ending that year, including accounting for costs for employees who confirmed redundancy by 31 March but left or were leaving after this date.

Termination costs for all Council employees who have accepted redundancy by 31 March 2024 are recognised in the Exit Packages note in 2023-24, or in previous financial years. The total cost recognised in the Exit Packages note in 2023-24 is £0.276m for 4 employees and in 2022-23 was £0.622m for 10 employees. These costs are detailed further in the Remuneration Report on page 50.

The reduction in the staffing establishment includes posts from all services across the Council and reductions were in line with the savings agreed by the Council. There will be further redundancy costs incurred as the Council is required to make further savings to balance the budget in future years and the council have earmarked monies from the loans fund one-off reprofiling gain.

### 36 TRUST FUNDS AND OTHER THIRD PARTY FUNDS

The Council acts as sole or custodian trustee for 57 trust funds. The funds do not represent assets of the Council, and as such have not been included in the Balance Sheet.

Funds for which the Council act as sole trustee:

|                           | Income<br>£'000 | Expenditure<br>£'000 | Net Assets<br>£'000 | Reserves<br>£'000 |
|---------------------------|-----------------|----------------------|---------------------|-------------------|
| Argyll Education Trust    | 23              | 17                   | 707                 | 707               |
| GM Duncan Trust           | 3               | 3                    | 67                  | 67                |
| MacDougall Trust          | 35              | -                    | 1,208               | 1,208             |
| Various Other Trust Funds | 22              | 16                   | 470                 | 470               |
| <b>Total Trust Funds</b>  | <b>83</b>       | <b>36</b>            | <b>2,452</b>        | <b>2,452</b>      |

Argyll Education Trust: this is made up of a number of small trusts to award prizes, bursaries, etc. to pupils and ex-pupils of schools within the former Argyll County Council area. GM Duncan Trust: for the provision of fuel, clothing and foodstuffs for the needy of Campbeltown. MacDougall Trust: for the provision of sheltered housing on the Ross of Mull.

Further information on the Trust Funds, administered by the Council, can be obtained from Financial Services within the Chief Executive's Unit.

A number of the trust funds administered by the Council are charitable trusts and as such are required to comply with current Office of the Scottish Charities Regulator (OSCR) financial reporting requirements. Arrangements have been put in place to ensure that all charities administered by the Council comply and will continue to comply with these requirements.

### 37 COMMON GOOD FUNDS

The Council administers the Common Good Accounts for the former Burghs of Oban, Campbeltown, Rothesay, Dunoon, Lochgilphead, Inveraray, Cove and Kilcreggan. The figures below summarise the aggregate income and expenditure for the year as well as providing a snapshot picture of the assets

## Notes to the Financial Statements

and liabilities at 31 March 2024. The Common Good Funds are for the benefit of the geographical areas of the former burghs. Further information on the Common Good Funds can be obtained from Financial Services.

### 37.1 Common Good Income and Expenditure Account for the year ended 31 March 2024

| 2022-23                |                          |                         |                                       | 2023-24                |                          |                         |
|------------------------|--------------------------|-------------------------|---------------------------------------|------------------------|--------------------------|-------------------------|
| Oban Common Good £'000 | Other Common Goods £'000 | Total Common Good £'000 |                                       | Oban Common Good £'000 | Other Common Goods £'000 | Total Common Good £'000 |
| 258                    | 74                       | 332                     | Expenditure                           | 129                    | 54                       | 183                     |
| (57)                   | (42)                     | (99)                    | Income                                | (232)                  | (150)                    | (382)                   |
| <b>201</b>             | <b>32</b>                | <b>233</b>              | <b>(Surplus)/Deficit for the Year</b> | <b>(103)</b>           | <b>(96)</b>              | <b>(199)</b>            |

### 37.2 Common Good Balance Sheet at 31 March 2024

| 2022-23                |                          |                         |                                      | 2023-24                |                          |                         |
|------------------------|--------------------------|-------------------------|--------------------------------------|------------------------|--------------------------|-------------------------|
| Oban Common Good £'000 | Other Common Goods £'000 | Total Common Good £'000 |                                      | Oban Common Good £'000 | Other Common Goods £'000 | Total Common Good £'000 |
| 5,711                  | 319                      | 6,030                   | Tangible Fixed Assets                | 5,622                  | 319                      | 5,941                   |
| 1,939                  | 1,148                    | 3,087                   | Investments                          | 2,113                  | 1,252                    | 3,365                   |
| 147                    | 183                      | 330                     | Current Assets                       | 171                    | 176                      | 347                     |
| (15)                   | -                        | (15)                    | Current Liabilities                  | (21)                   | (1)                      | (22)                    |
| <b>7,782</b>           | <b>1,650</b>             | <b>9,432</b>            | <b>Total Assets less Liabilities</b> | <b>7,885</b>           | <b>1,746</b>             | <b>9,631</b>            |
| 5,711                  | 323                      | 6,034                   | Revaluation Reserve                  | 5,622                  | 323                      | 5,945                   |
| 2,071                  | 1,327                    | 3,398                   | Common Good Fund                     | 2,263                  | 1,423                    | 3,686                   |
| <b>7,782</b>           | <b>1,650</b>             | <b>9,432</b>            | <b>Total Net Worth</b>               | <b>7,885</b>           | <b>1,746</b>             | <b>9,631</b>            |

## 38 TAX INCREMENTAL FINANCING (TIF) PROJECTS

The Council entered into an agreement with the Scottish Government in May 2014 in respect of the Lorn Arc Tax Incremental Finance (TIF) scheme. This agreement essentially allows for the repayment of debt arising from infrastructure investment from incremental Non-Domestic Rates (NDR) revenue.

The assets to be funded by the TIF project largely comprise public realm and infrastructure improvements within the Lorn Arc area of Oban. The project is for 25 years, with the first material capital investment incurred during the financial year ended 31 March 2015.

During the TIF project period, the Council is entitled to retain the TIF revenue from its NDR revenue, a pro-rata amount of NDR equal to the amount (if any) by which the collected amount exceeds the



## Notes to the Financial Statements

collectable amount. The Council is required to apply 100% of the TIF revenue towards repayment of the TIF debt. If all projects are delivered and debt is fully paid, the Council can retain 50% of the TIF revenue for further infrastructure investment until the end of the TIF period.

Net capital expenditure incurred in the year to 31 March 2024, to be funded from borrowing, in respect of TIF assets totalled £0.016m (2022-23 £0.023m). This is reflected in the "Summary of Capital Expenditure and Financing" outlined within note 15.4. The total TIF debt to be repaid over the project period, in respect of investment to 31 March 2024, has been calculated in accordance with finance circular No. 4/2014 at £1.027m (2022-23 £1.011m).

There is a retention of £0.804m of TIF income during 2023-24 (2022-23 £0.623m) to repay the notional borrowing for TIF. Principal sums accumulated by 2023-24 amount to £0.139m (2022-23 £0.137m) and cumulative interest £0.118m (2022-23 £0.117m) resulting in a net cumulative surplus of £2.551m (2022-23 £1.749m) which will be used to pay down TIF debt per the TIF agreement and the balance of £1.663m will be placed in earmarked reserves to be used in future years to repay debt costs.

### 39 CASH FLOW STATEMENT – OPERATING ACTIVITIES

The Net Cash Flows for Operating Activities can be reconciled to the Net (Surplus)/Deficit on the Provision of Services as follows:

| 2022-23<br>£'000 |  | 2023-24<br>£'000 |
|------------------|--|------------------|
| 6,047            | <b>Net (Surplus)/Deficit on Provision of Services</b>  | (9,765)          |
|                  | <b>Adjustments to Net (Surplus)/Deficit on the Provision of Service for Non Cash Movements:</b>  |                  |
| 3,356            | Statutory Adjustments through Statement of Movement in Reserves  | 16,341           |
| 322              | Transfer to/from Other Statutory Reserves  | 77               |
| 288              | Increase/(Decrease) in Inventories   | (87)             |
| 6,355            | Increase/(Decrease) in Debtors   | 12,763           |
| (6,503)          | (Increase)/Decrease in Creditors and Provisions  | (3,246)          |
| (16,041)         | Earmarked Reserves   | (1,532)          |
| (2,938)          | Capital Financed from Current Revenue  | (1,616)          |
| (4,277)          | Loans Fund Repayments  | (6,111)          |
| (1,872)          | Other Revenue Adjustments  | 4,996            |
| <b>(21,310)</b>  |  | <b>21,585</b>    |
|                  | <b>Adjustments for items included in the Net (Surplus)/Deficit on the Provision of Services that are Investing and Financing Activities:</b> |                  |
| 11,071           | Non Cash Capital   | 10,743           |
| (5,116)          | Capital Element of Finance Lease Payments  | (449)            |
| <b>5,955</b>     |  | <b>10,294</b>    |
| <b>(9,308)</b>   | <b>Net Cash Flows from Operating Activities</b>  | <b>22,114</b>    |
|                  | <b>The cash flows for Operating Activities include the following items:</b>  |                  |
| 6,742            | Interest Paid on Borrowings  | 5,097            |
| 8,887            | Interest Paid on Finance Leases  | 8,599            |
| (748)            | Interest Received on Bank Deposits   | (3,469)          |
| <b>14,881</b>    | <b>Net Cash Outflow from Servicing of Finance</b>  | <b>10,227</b>    |

## Notes to the Financial Statements

### 40 CASH FLOW STATEMENT – INVESTING ACTIVITIES

The cash flows for Investing Activities include the following items:

| 2022-23<br>£'000 |   | 2023-24<br>£'000 |
|------------------|---|------------------|
| 25,659           | Purchase of Property, Plant and Equipment, Investment Property and Intangible and Heritage Assets | 25,221           |
| (17,500)         | Investments made/(disposed of) during year  | (37,500)         |
| (568)            | Proceeds from the Sale of Property, Plant and Equipment and Investment Property                   | (671)            |
| (21,914)         | Other Receipts from Investing Activities  | (25,687)         |
| <b>(14,323)</b>  | <b>Net Cash Outflow from Investing Activities</b>   | <b>(38,637)</b>  |

### 41 CASH FLOW STATEMENT – FINANCING ACTIVITIES

The cash flows for Financing Activities include the following items:

| 2022-23<br>£'000 |  | 2023-24<br>£'000 |
|------------------|--|------------------|
| (35,228)         | Cash Receipts of Short and Long Term Borrowing   | (31,128)         |
| 2,021            | Other Receipts from Financing Activities   | (1,072)          |
| 5,116            | Cash Payments for the Reduction of the Outstanding Liabilities relating to Finance Leases and on Balance Sheet PFI Contracts | 5,280            |
| 70,627           | Repayments of Short and Long Term Borrowing  | 54,257           |
| <b>42,536</b>    | <b>Net Cash (Inflow)/Outflow from Financing Activities</b>   | <b>27,337</b>    |

## Council Tax Income Account

The Council Tax Income Account shows the gross income raised from council tax levied and deductions made under the Local Government Finance Act 1992. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement of the Council.

| 2022-23<br>Actual<br>£'000 |  | 2023-24<br>Actual<br>£'000 |
|----------------------------|--|----------------------------|
| 72,340                     | Gross Council Tax Levied and Contributions in Lieu excluding RSL Second Home Additional Income | 76,511                     |
|                            | Less:  |                            |
| (13,269)                   | Other Discounts and Reductions   | (14,008)                   |
| (4,300)                    | Cost of living contribution (grant funded)   | -                          |
| (1,411)                    | Provision for Bad and Doubtful Debts   | (1,490)                    |
| <b>53,360</b>              | <b>Total</b>   | <b>61,013</b>              |
| 540                        | Adjustment to Previous Years' Community Charge and Council Tax                                 | 896                        |
| <b>53,900</b>              | <b>Transfers to General Fund</b>   | <b>61,909</b>              |

## Notes to the Council Tax Income Account

### 1. CALCULATION OF THE COUNCIL TAX

Dwellings are valued by the Assessor and placed within a valuation band ranging from the lowest "A" to the highest "H". The Council Tax charge is calculated using the Council Tax Base, Band D equivalent as below. This value is then decreased or increased dependent upon the band of the dwelling. The charge for each band for 2023-24 was as follows:

| Band | Valuation Band      | Ratio Band D | £ per year |
|------|---------------------|--------------|------------|
| A    | Up to £27,000       | 6/9          | 986.13     |
| B    | £27,001 - £35,000   | 7/9          | 1,150.49   |
| C    | £35,001 - £45,000   | 8/9          | 1,314.84   |
| D    | £45,001 - £58,000   | 9/9          | 1,479.20   |
| E    | £58,001 - £80,000   | 473/360      | 1,943.50   |
| F    | £80,001 - £106,000  | 585/360      | 2,403.70   |
| G    | £106,001 - £212,000 | 705/360      | 2,896.77   |
| H    | Over £212,000       | 882/360      | 3,624.04   |

### 2. CALCULATION OF THE COUNCIL TAX BASE 2023-24

| Council Tax Base   | A            | B            | C            | D            | E            | F            | G            | H          | Total         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|---------------|
| Total Number of Properties   | 7,447        | 10,136       | 9,564        | 6,415        | 7,769        | 4,520        | 3,035        | 258        | 49,144        |
| <b>Less</b> - Exemptions / Deductions  | 1,036        | 792          | 1,003        | 534          | 637          | 271          | 167          | 52         | 4,491         |
| - Adjustment for Single Chargepayers   | 932          | 1,145        | 821          | 494          | 471          | 229          | 123          | 6          | 4,220         |
| <b>Effective Number of Properties</b>  | <b>5,479</b> | <b>8,199</b> | <b>7,740</b> | <b>5,388</b> | <b>6,661</b> | <b>4,021</b> | <b>2,746</b> | <b>201</b> | <b>40,434</b> |
| Band D Equivalent Factor (ratio)   | 67%          | 78%          | 89%          | 100%         | 131%         | 163%         | 196%         | 245%       |               |
| <b>Band D Equivalent Number of Properties</b>  | <b>3,653</b> | <b>6,377</b> | <b>6,880</b> | <b>5,388</b> | <b>8,752</b> | <b>6,533</b> | <b>5,378</b> | <b>491</b> | <b>43,452</b> |
| <b>Add</b> Contribution in lieu in respect of Class 18 dwellings (Band D Equivalent) |              |              |              |              |              |              |              |            | 518           |
| <b>Nominal Tax Yield</b>   |              |              |              |              |              |              |              |            | <b>43,970</b> |
| <b>Less</b> Provision for Council Tax Reduction Scheme                               |              |              |              |              | 9.08%        |              |              |            | 3,994         |
| <b>Council Tax Base 2023-24 - Number of Band D equivalents</b>                       |              |              |              |              |              |              |              |            | <b>39,976</b> |

## Non Domestic Rate Income Account

The Non-Domestic Rate Income Account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non-Domestic Rate Account. The statement shows the gross income from the rates and deductions made under the Local Government (Scotland) Act 1975 as amended by the Local Government Finance Act 1992 on non-domestic property. The net income is paid to the Scottish Government as a contribution to the national non-domestic rate pool.

| 2022-23<br>Actual<br>£'000 |  | 2023-24<br>Actual<br>£'000 |
|----------------------------|--|----------------------------|
| 56,489                     | Gross rates levied and Contributions in Lieu   | 68,224                     |
|                            | Less:  |                            |
| (17,430)                   | Reliefs and other deductions   | (21,766)                   |
| -                          | Payment of Interest  | -                          |
| (391)                      | Write-off of Uncollectable Debts and Allowance for Impairment  | (464)                      |
| <b>38,668</b>              | <b>Total Net Non-Domestic Rate Income</b>  | <b>45,994</b>              |
| (3,487)                    | Adjustments for prior years  | (858)                      |
| -                          | Business Rate Incentivisation Scheme (BRIS) NDR Income Retained  | -                          |
| (647)                      | Tax Incremental Finance (TIF) Scheme NDR Income Retained   | (804)                      |
| <b>34,534</b>              | <b>Contribution to National Non-Domestic Rate Pool</b>   | <b>44,332</b>              |
| (1,355)                    | Difference between Distributable and Contributable NDR Income amounts                                      | (6,687)                    |
| <b>33,179</b>              | <b>Distribution from Non-Domestic Rate Pool credited to Comprehensive Income and Expenditure Statement</b> | <b>37,645</b>              |

## Notes to the Non Domestic Rate Income Account

### 1. ANALYSIS OF RATEABLE VALUES

| 2022-23<br>£       |  | 2023-24<br>£       |
|--------------------|--|--------------------|
| 9,490,265          | Industrial and freight transport subjects                              | 11,125,355         |
| 74,472,465         | Miscellaneous including Telecomms, Rail, Gas and Electricity Companies | 87,231,569         |
|                    | Commercial subjects:   |                    |
| 13,921,035         | Shops  | 16,202,980         |
| 5,773,370          | Offices  | 6,187,070          |
| 8,818,450          | Hotels, Boarding Houses etc.   | 13,919,931         |
| 1,916,145          | Others   | 2,395,685          |
| <b>114,391,730</b> | <b>Total Rateable Value</b>  | <b>137,062,590</b> |

### 2. NON-DOMESTIC RATE CHARGE

| 2022-23<br>Pence |   | 2023-24<br>Pence |
|------------------|---|------------------|
| 49.8p            | Rate Per Pound  | 49.8p            |
| 1.3p             | Supplementary Rate Per Pound for Properties between £51,000 and £95,000 | 1.3p             |
| 2.6p             | Supplementary Rate Per Pound for Properties over £95,000                | 2.6p             |

### 3. CALCULATION OF RATE CHARGE FOR EACH PROPERTY

The rates charge for each subject is determined by the rateable value placed upon it by the Assessor multiplied by the Rate per £ announced each year by the Government.

## Group Accounts - Introduction

### INTRODUCTION

The Code of Practice on Local Authority Accounting in the United Kingdom 2023-24: Based on International Financial Reporting Standards, places a requirement on Councils to consider all their interests in external organisations including limited companies and other statutory bodies. Where the interest is considered to be material, the Council is required to prepare a full set of group accounts in addition to those prepared for Argyll and Bute Council. The Group Accounts are designed to show “a true and fair view” of the financial performance and position of the Council’s Group.

### THE GROUP ACCOUNTS

The Group Accounts comprise the following financial statements:

- **Group Statement of Comprehensive Income and Expenditure:** this statement shows the accounting cost in the year of providing the Council’s services and its share of the results of its associates in accordance with International Financial Reporting Standards, rather than the amount to be funded from taxation. Local authorities raise taxation to cover expenditure in accordance with regulations, and this is different from the accounting cost. The taxation position is shown in the Statement of Movement in Reserves.
- **Group Balance Sheet:** The Balance Sheet is a snapshot of the value at the 31 March 2024 of the assets and liabilities recognised by the Council and its share of the net assets or liabilities of its associates and Common Good funds. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. The net investment or liability in its associates is matched by its share of the reserves of the associates (i.e. its group reserves).
- **Group Statement of Movement in Reserves:** this statement shows the movement in the year on the reserves held by the Council plus its share of the reserves of its associates. The Common Good reserves are also fully consolidated into the Group Accounts. The Council’s reserves are analysed into those which are “Usable Reserves” (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Council’s share of the reserves of Associates is an unusable reserve (i.e. it cannot be used to fund expenditure or reduce taxation). The Council’s Statement of Movement in Reserves gives a more detailed analysis of the movement in the Council’s usable and unusable reserves during 2023-24.
- **Group Cash Flow Statement:** The Cash Flow Statement shows the changes in cash and cash equivalents of the Council and its associates Common Good Funds. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amounts of net cash flow arising from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided by the Group. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Group’s future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Group.

## Group Statement of Comprehensive Income and Expenditure

| 2022-23                    |                       |                          | Service   | 2023-24                    |                       |                          |
|----------------------------|-----------------------|--------------------------|---|----------------------------|-----------------------|--------------------------|
| Gross Expenditure<br>£'000 | Gross Income<br>£'000 | Net Expenditure<br>£'000 |   | Gross Expenditure<br>£'000 | Gross Income<br>£'000 | Net Expenditure<br>£'000 |
| 26,810                     | 18,209                | 8,601                    | Chief Executive and Financial Services  | 1,281                      | 95                    | 1,186                    |
| 160,700                    | 25,514                | 135,186                  | Executive Director - Douglas Hendry   | 159,449                    | 25,620                | 133,829                  |
| 109,504                    | 39,545                | 69,959                   | Executive Director - Kirsty Flanagan  | 137,148                    | 62,322                | 74,826                   |
| 174,434                    | 94,948                | 79,486                   | Health and Social Care Integration  | 181,285                    | 103,209               | 78,076                   |
| 10,228                     | 2,303                 | 7,925                    | Other Non-Departmental Costs  | 9,979                      | 678                   | 9,301                    |
| 1,577                      | (837)                 | 2,414                    | Associates and Joint Ventures Accounted for on an Equity Basis                          | 1,364                      | 2,716                 | (1,352)                  |
| <b>483,253</b>             | <b>179,682</b>        | <b>303,571</b>           | <b>Net Cost of Services</b>   | <b>490,506</b>             | <b>194,640</b>        | <b>295,866</b>           |
|                            |                       |                          | <b>Other Operating Income and Expenditure:</b>  |                            |                       |                          |
|                            |                       | (437)                    | Net (Gain)/loss on Disposal of Fixed Assets   |                            |                       | (262)                    |
|                            |                       | 1,643                    | Other Operating Income and Expenditure  |                            |                       | 1,670                    |
|                            |                       | <b>1,206</b>             | <b>Total Other Operating Income and Expenditure</b>                                     |                            |                       | <b>1,408</b>             |
|                            |                       |                          | <b>Financing and Investment Income and Expenditure:</b>                                 |                            |                       |                          |
|                            |                       | 10,416                   | Interest Payable and Similar charges  |                            |                       | 14,037                   |
|                            |                       | (2,966)                  | Interest and Investment Income  |                            |                       | (4,881)                  |
|                            |                       | 141                      | Net Pension Interest Expense  |                            |                       | (6,596)                  |
|                            |                       | <b>7,591</b>             | <b>Total Financing and Investment Income and Expenditure</b>                            |                            |                       | <b>2,560</b>             |
|                            |                       |                          | <b>Taxation and Non-Specific Grant Income:</b>  |                            |                       |                          |
|                            |                       | (191,775)                | General Government Grants   |                            |                       | (187,193)                |
|                            |                       | (22,549)                 | Government Capital Grants and Other Capital Contributions                               |                            |                       | (23,550)                 |
|                            |                       | (33,826)                 | Non-domestic Rates Redistribution and Retained Non-domestic Rates (TIF & BRIS)          |                            |                       | (38,449)                 |
|                            |                       | (53,900)                 | Council Tax Income  |                            |                       | (61,909)                 |
|                            |                       | <b>(302,050)</b>         | <b>Total Taxation and Non-Specific Grant Income</b>                                     |                            |                       | <b>(311,101)</b>         |
|                            |                       | <b>10,318</b>            | <b>(Surplus)/Deficit on Provision of Services</b>                                       |                            |                       | <b>(11,267)</b>          |
|                            |                       | (21,104)                 | (Surplus)/Deficit on revaluation of Fixed Assets  |                            |                       | (10,097)                 |
|                            |                       | (159,031)                | Other Post Employment Benefits (Pensions)   |                            |                       | (123,630)                |
|                            |                       | 0                        | Share of Other Comprehensive Income and Expenditure of Associates and Common Good Funds |                            |                       | 2                        |
|                            |                       | <b>(180,135)</b>         | <b>Other Comprehensive Income and Expenditure</b>                                       |                            |                       | <b>(133,725)</b>         |
|                            |                       | <b>(169,817)</b>         | <b>Total Comprehensive Income and Expenditure</b>                                       |                            |                       | <b>(144,992)</b>         |



## Group Balance Sheet

| 31 March 2023 |                  |  | 31 March 2024 |                  |
|---------------|------------------|--|---------------|------------------|
| £'000         | £'000            |  | £'000         | £'000            |
|               |                  | <b>Long Term Assets</b>                                    |               |                  |
|               |                  | <b>Property Plant &amp; Equipment</b>                      |               |                  |
| 451,018       |                  | - Other Land and Buildings                                 | 457,369       |                  |
| 10,872        |                  | - Vehicles, Plant, Furniture and Equipment                 | 11,012        |                  |
| 235,076       |                  | - Infrastructure Assets                                    | 239,372       |                  |
| 14,922        |                  | - Community Assets   | 15,051        |                  |
| 3,286         |                  | - Surplus Assets   | 4,620         |                  |
| 21,440        |                  | - Assets Under Construction                                | 35,724        |                  |
|               | <b>736,614</b>   | <b>Total Property Plant &amp; Equipment</b>                |               | <b>763,148</b>   |
|               | 2,345            | Heritage Assets  |               | 2,569            |
|               | 733              | Intangible Assets  |               | 888              |
|               | 2,553            | Investment Property  |               | 2,514            |
|               | 5,880            | Long-Term Debtors  |               | 5,816            |
|               | 8,579            | Long-Term Investments                                      |               | 3,857            |
|               | 139,014          | Other Long-Term Debtors (Pensions)                         |               | 269,216          |
|               | 296              | Investment in Associates and Joint Ventures                |               | 299              |
|               | <b>896,014</b>   | <b>Total Long Term Assets</b>                              |               | <b>1,048,307</b> |
|               |                  | <b>Current Assets</b>                                      |               |                  |
| 1,145         |                  | Inventories  | 1,059         |                  |
| 27,256        |                  | Short Term Debtors (Net of Impairment)                     | 38,544        |                  |
| 1,554         |                  | Assets Held for Sale                                       | 1,619         |                  |
| 60,000        |                  | Short Term Investments                                     | 27,500        |                  |
| 3,279         |                  | Cash and Cash Equivalents                                  | (7,923)       |                  |
| 8,927         |                  | Investment in Associates and Joint Ventures                | 10,238        |                  |
|               | <b>102,161</b>   | <b>Total Current Assets</b>                                |               | <b>71,037</b>    |
|               |                  | <b>Current Liabilities</b>                                 |               |                  |
| (11,676)      |                  | Short-term Borrowing                                       | (13,323)      |                  |
| (50,725)      |                  | Short-term Creditors                                       | (53,076)      |                  |
| (1,450)       |                  | Provisions   | (1,665)       |                  |
| (5,280)       |                  | Other Short Term Liabilities                               | (5,336)       |                  |
| (45)          |                  | Liabilities in Associates and Joint Ventures               | (6)           |                  |
|               | <b>(69,176)</b>  | <b>Total Current Liabilities</b>                           |               | <b>(73,406)</b>  |
|               |                  | <b>Long-term Liabilities</b>                               |               |                  |
| (132,155)     |                  | Borrowing Repayable within a Period in Excess of 12 Months | (107,458)     |                  |
| (107,033)     |                  | Other Long-term liabilities                                | (101,697)     |                  |
| (2,444)       |                  | Provisions   | (2,855)       |                  |
| -             |                  | Capital Grant Receipts in Advance                          | (1,564)       |                  |
| (75)          |                  | Other Long-term liabilities (Pensions)                     | -             |                  |
| -             |                  | Liabilities in Associates and Joint Ventures               | (78)          |                  |
|               | <b>(241,707)</b> | <b>Total Long-term Liabilities</b>                         |               | <b>(213,652)</b> |
|               | <b>687,292</b>   | <b>Total Assets less Liabilities</b>                       |               | <b>832,286</b>   |

## Group Balance Sheet



| 31 March 2023 |                |  | 31 March 2024 |                |
|---------------|----------------|--|---------------|----------------|
| £'000         | £'000          |  | £'000         | £'000          |
| 174,952       |                | <b>Unusable Reserves</b>                   |               |                |
| 268,788       |                | - Revaluation Reserve                      | 180,661       |                |
| (1,871)       |                | - Capital Adjustment Account               | 249,093       |                |
| 139,014       |                | - Financial Instruments Adjustment Account | (1,585)       |                |
| (7,588)       |                | - Pensions Reserve                         | 269,216       |                |
|               |                | - Accumulated Absences Account             | (8,272)       |                |
|               | <b>573,295</b> |  |               | 689,113        |
|               |                | <b>Usable Reserves</b>                     |               |                |
| 4,503         |                | - Capital Funds                            | 3,197         |                |
| 2,916         |                | - Repairs and Renewals Funds               | 2,763         |                |
| 86,356        |                | - General Fund Balance                     | 115,741       |                |
|               | <b>93,775</b>  |  |               | 121,701        |
|               | <b>10,791</b>  | <b>Group Reserves</b>                      |               | 11,846         |
|               | <b>9,431</b>   | <b>Common Good Reserves</b>                |               | 9,626          |
|               | <b>687,292</b> | <b>Total Reserves</b>                      |               | <b>832,286</b> |

The Unaudited Annual Accounts were issued on 27 June 2024.

**Kirsty Flanagan**  
**Section 95 Officer**  
**27 June 2024**

## Group Statement of Movement in Reserves



| Movements in 2023-24  | Argyll and Bute Council |                           |                |                       |                         |                               | Council's Share of Reserves of Associates | Total Live Argyll Reserves Usable | Total Live Argyll Reserves Unusable | Total Common Good Reserves | Total Reserves   |
|---|-------------------------|---------------------------|----------------|-----------------------|-------------------------|-------------------------------|---|-----------------------------------|-------------------------------------|----------------------------|------------------|
|   | Usable Reserves         |                           |                |                       | Total Unusable Reserves | Total Reserves of the Council |   |                                   |                                     |                            |                  |
|   | General Fund Balance    | Repairs and Renewals Fund | Capital Funds  | Total Usable Reserves |                         |                               |   |                                   |                                     |                            |                  |
|   | £'000                   | £'000                     | £'000          | £'000                 |                         |                               |   |                                   |                                     |                            |                  |
| <b>Balance at 31 March 2023</b>   | (86,356)                | (2,916)                   | (4,503)        | (93,775)              | (573,295)               | (667,070)                     | (9,103)                                   | (1,689)                           | -                                   | (9,431)                    | (687,293)        |
| (Surplus)/Deficit on Provision of Services                                  | (9,765)                 | -                         | -              | (9,765)               | -                       | (9,765)                       | (1,352)                                   | 49                                | -                                   | (198)                      | (11,266)         |
| Other Comprehensive Income and Expenditure                                  | (36,038)                | -                         | -              | (36,038)              | (97,939)                | (133,977)                     | 2   | 250                               | -                                   | -                          | (133,725)        |
| <b>Total Comprehensive Income and Expenditure</b>                           | <b>(45,803)</b>         | <b>-</b>                  | <b>-</b>       | <b>(45,803)</b>       | <b>(97,939)</b>         | <b>(143,743)</b>              | <b>(1,350)</b>                            | <b>299</b>                        | <b>-</b>                            | <b>(198)</b>               | <b>(144,992)</b> |
| <b>Total Statutory Adjustments (See Page 55 to 56)</b>                      | <b>20,630</b>           | <b>-</b>                  | <b>(671)</b>   | <b>19,959</b>         | <b>(19,959)</b>         | <b>-</b>                      | <b>-</b>                                  | <b>-</b>                          | <b>-</b>                            | <b>-</b>                   | <b>-</b>         |
| <b>Net (Increase)/Decrease before Transfers to Other Statutory Reserves</b> | <b>(25,173)</b>         | <b>-</b>                  | <b>(671)</b>   | <b>(25,844)</b>       | <b>(117,898)</b>        | <b>(143,743)</b>              | <b>(1,350)</b>                            | <b>299</b>                        | <b>-</b>                            | <b>(198)</b>               | <b>(144,992)</b> |
| <b>Other Transfers required by Statute</b>                                  |                         |                           |                |                       |                         |                               |   |                                   |                                     |                            |                  |
| Transfer to/from Other Statutory Reserves                                   | 77                      | 153                       | 1,977          | 2,207                 | (2,207)                 | -                             | -   | -                                 | -                                   | -                          | -                |
| Adjustments permitted by Accounting Standards                               | (4,289)                 | -                         | -              | (4,289)               | 4,289                   | -                             | -   | -                                 | -                                   | -                          | -                |
| <b>(Increase)/Decrease in Year</b>  | <b>(29,385)</b>         | <b>153</b>                | <b>1,306</b>   | <b>(27,926)</b>       | <b>(115,816)</b>        | <b>(143,743)</b>              | <b>(1,350)</b>                            | <b>299</b>                        | <b>-</b>                            | <b>(198)</b>               | <b>(144,992)</b> |
| <b>Balance at 31 March 2024 Carried Forward</b>                             | <b>(115,741)</b>        | <b>(2,763)</b>            | <b>(3,198)</b> | <b>(121,702)</b>      | <b>(689,113)</b>        | <b>(810,814)</b>              | <b>(10,453)</b>                           | <b>(1,390)</b>                    | <b>-</b>                            | <b>(9,629)</b>             | <b>(832,286)</b> |

## Group Statement of Movement in Reserves

| Comparative Movements in 2022-23  | Argyll and Bute Council |                           |                |                       |                         |                               | Council's Share of Reserves of Associates | Total Live Argyll Reserves Usable | Total Live Argyll Reserves Unusable | Total Common Good Reserves | Total Reserves   |
|---|-------------------------|---------------------------|----------------|-----------------------|-------------------------|-------------------------------|---|-----------------------------------|-------------------------------------|----------------------------|------------------|
|   | Usable Reserves         |                           |                |                       | Total Unusable Reserves | Total Reserves of the Council |   |                                   |                                     |                            |                  |
|   | General Fund Balance    | Repairs and Renewals Fund | Capital Funds  | Total Usable Reserves |                         |                               |   |                                   |                                     |                            |                  |
|   | £'000                   | £'000                     | £'000          | £'000                 | £'000                   | £'000                         |   |                                   |                                     |                            |                  |
| Balance at 31 March 2022  | (96,081)                | (2,682)                   | (4,414)        | (103,177)             | (394,483)               | (497,660)                     | (11,647)                                  | (2,055)                           | 3,550                               | (9,664)                    | (517,476)        |
| Surplus/(Deficit) on Provision of Services                                  | 6,047                   | -                         | -              | 6,047                 | -                       | 6,047                         | 2,416                                     | 1,625                             | -                                   | 233                        | 10,321           |
| Other Comprehensive Expenditure and Income                                  | -                       | -                         | -              | -                     | (175,454)               | (175,454)                     | 128                                       | (4,809)                           | -                                   | -                          | (180,136)        |
| <b>Total Comprehensive Expenditure and Income</b>                           | <b>6,047</b>            | <b>-</b>                  | <b>-</b>       | <b>6,047</b>          | <b>(175,454)</b>        | <b>(169,407)</b>              | <b>2,544</b>                              | <b>(3,184)</b>                    | <b>-</b>                            | <b>233</b>                 | <b>(169,815)</b> |
| <b>Total Statutory Adjustments (See Page 57 to 58)</b>                      | <b>6,979</b>            | <b>-</b>                  | <b>(568)</b>   | <b>6,411</b>          | <b>(6,411)</b>          | <b>-</b>                      | <b>-</b>                                  | <b>3,550</b>                      | <b>(3,550)</b>                      | <b>-</b>                   | <b>-</b>         |
| <b>Net (Increase)/Decrease before Transfers to Other Statutory Reserves</b> | <b>13,026</b>           | <b>-</b>                  | <b>(568)</b>   | <b>12,458</b>         | <b>(181,865)</b>        | <b>(169,407)</b>              | <b>2,544</b>                              | <b>366</b>                        | <b>(3,550)</b>                      | <b>233</b>                 | <b>(169,815)</b> |
| <i>Other Transfers required by Statute</i>                                  |                         |                           |                |                       |                         |                               |   |                                   |                                     |                            |                  |
| Transfer to/from Other Statutory Reserves                                   | 322                     | (234)                     | 480            | 568                   | (568)                   | -                             | -   | -                                 | -                                   | -                          | -                |
| <i>Other Transfers</i>  |                         |                           |                |                       |                         |                               |   |                                   |                                     |                            |                  |
| Adjustments permitted by Accounting Standards                               | (3,623)                 |                           |                | (3,623)               | 3,623                   |                               |   |                                   |                                     |                            |                  |
| <b>(Increase)/Decrease in Year</b>  | <b>9,725</b>            | <b>(234)</b>              | <b>(88)</b>    | <b>9,403</b>          | <b>(178,810)</b>        | <b>(169,407)</b>              | <b>2,544</b>                              | <b>366</b>                        | <b>(3,550)</b>                      | <b>233</b>                 | <b>(169,815)</b> |
| <b>Balance at 31 March 2023 Carried Forward</b>                             | <b>(86,356)</b>         | <b>(2,916)</b>            | <b>(4,503)</b> | <b>(93,775)</b>       | <b>(573,295)</b>        | <b>(667,070)</b>              | <b>(9,103)</b>                            | <b>(1,689)</b>                    | <b>0</b>                            | <b>(9,431)</b>             | <b>(687,292)</b> |

## Group Cash Flow Statement

| 2022-23<br>£'000 |   | Group Note | 2023-24<br>£'000 |
|------------------|---|------------|------------------|
| 10,318           | <b>Net Deficit on the Provision of Services</b>   |            | (11,267)         |
| (26,155)         | Adjustments to net surplus or deficit on the provision of services for non-cash movements   |            | 26,740           |
| 5,809            | Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities |            | 5,741            |
| (10,028)         | <b>Net Cash OutFlow from Operating Activities</b>   | 8          | 21,214           |
| (13,252)         | Investing Activities  | 9          | (37,362)         |
| 42,536           | Financing Activities  | 10         | 27,350           |
| 19,256           | <b>Net (Increase)/Decrease in Cash and Cash Equivalents</b>   |            | 11,202           |
| (22,535)         | Cash and Cash Equivalents at the beginning of the Reporting Period  |            | (3,279)          |
| (3,279)          | <b>Cash and Cash Equivalents at the end of the Reporting Period</b>   |            | 7,923            |

## Notes to the Group Financial Statements

### 1. GROUP ACCOUNTING POLICIES

The group accounts are prepared in accordance with the policies set out in Note 1 to the Financial Statements.

### 2. COMBINING ENTITIES

The Council has an interest in a number of Associate Entities. For the purposes of consolidation and incorporation within the Group Accounts recognition has been made of the Council's significant influence over Joint Boards and other entities.

The Associates which have been incorporated are:

- Dunbartonshire and Argyll & Bute Valuation Joint Board

Under accounting standards, the Council is required to include the results of the above organisations as "associates" because it has "significant influence" over their financial and operating policies. The Council has no shares in or ownership of any of these organisations which are entirely independent of the Council under law and for taxation.

Live Argyll is a wholly owned subsidiary of Argyll and Bute Council and is consolidated within the group accounts on a line by line basis.

The accounting period for all entities is 31 March 2024.

### 3. NON MATERIAL INTEREST IN OTHER ENTITIES

The Council has an interest in Scotland Excel. Scotland Excel took up the activities of the Authorities Buying Consortium and similar bodies across the Scottish Local Authority sector on 1 April 2008. Renfrewshire Council prepare the financial statements for Scotland Excel in its role as lead authority. Scotland Excel is a not-for-profit organisation funded mainly by the 32 participating Scottish Local Authorities. The Council contributed £0.065m towards Scotland Excel in the 2023-24 financial year.

The Council also has an interest in the Highlands and Islands Transport Partnership (HITRANS). The Partnership was established as one of the seven Scottish Regional Transport Partnerships. The Transport (Scotland) Act 2005 requires these Partnerships to prepare Transport Strategies for their regions which will enhance economic well-being; promote safety; social inclusion and equal opportunity; plan for a sustainable transport system; and integrate across boundaries with other partnerships.

The Council has an interest in 57 Trust Funds where it acts as sole or custodian trustee. The funds do not represent assets of the Council.

These entities are part of the Council's group for the purposes of Group Accounts. As such it is recognised that the nature of the relationship with these bodies should be included within these notes. However, it has been decided that the Council's share of the net worth of these entities is not material to a fair understanding of the financial position of the Council, and so they have not been consolidated into the Group Accounts.

The Council inherited its interest in these entities following the reorganisation of local government in 1996.

### 4. ARGYLL AND BUTE INTEGRATION JOINT BOARD

The Argyll and Bute Integration Joint Board was established as a body corporate by order of Scottish Ministers on 27 June 2015. The partnership between the Council and NHS Highland has been established in accordance with the provisions of the Public Bodies (Joint Working)(Scotland) Act 2014 and associated Regulations. The Integration Joint Board has responsibility for all health and social care functions relating to adults and children and will oversee the Strategic Planning and budgeting of these, together with corresponding service delivery for the residents of Argyll and Bute. The Council contributed

## Notes to the Group Financial Statements

£77.604m towards the Argyll and Bute Integration Joint Board in the 2023-24 financial year.

The Council and NHS Highland are required to treat the IJB as a Joint Venture in their annual accounts and recognise a share of the overall surplus or deficit of the IJB for the year.

### 5. FINANCIAL IMPACT OF CONSOLIDATION

The effect of inclusion of the Associates, Joint Ventures, Subsidiaries and Common Good Funds on the Group Balance Sheet is to increase both reserves and net worth by £21.472m. This gives an overall net asset position for the Group of £832.286m.

All associates and subsidiaries have prepared their accounts on a 'going concern' basis. For Strathclyde Partnership for Transport and the Joint Valuation Board funding arrangements between the Scottish Government and constituent authorities remains assured. In common with these public bodies, the Council's Group Accounts have been prepared on a 'going concern' basis as there is no reason to suggest that future funding will not continue.

### 6. FURTHER DETAILS ON CONSOLIDATION

#### Live Argyll

Live Argyll was established by Argyll and Bute Council and is limited by guarantee and was fully incorporated and commenced trading on 2 October 2017. The Trust is a charitable company registered in Scotland and provides a wide range of services within the Argyll and Bute area including libraries, leisure facilities, halls, sports development and community centres the assets of which are owned by the Council. During 2023-24 Argyll and Bute Council paid £3.835m in the form of a Management Fee to Live Argyll and increased the overall net worth of the Group Balance Sheet by £1.389m.

The board is made up of 3 independent board members, 3 Councillors and a Trade Union representative.

#### Dunbartonshire and Argyll and Bute Valuation Joint Board

This body was formed in October 1995 at Local Government reorganisation by a Statutory Instrument and is responsible for the maintenance of the electoral, council tax and non-domestic rates registers for Argyll and Bute, West Dunbartonshire and East Dunbartonshire Councils. The Board's running costs are met by the three Councils. During 2023-24 Argyll and Bute Council contributed £1.254m towards estimated running costs and accounted for £0.084m of Balance Sheet Liabilities within the Group Balance Sheet. The accounts of the Board are subject to independent audit and will be available from the Valuation Joint Board's website [www.saa.gov.uk/dab-vjb/](http://www.saa.gov.uk/dab-vjb/) and West Dunbartonshire Council's website <https://www.west-dunbarton.gov.uk/council/performance-and-spending/service-performance/financial-performance/> from 1 July 2023.

The following disclosures are also required for Dunbartonshire and Argyll and Bute Valuation Joint Board because the Council's interest exceeds the 25% threshold for accounting purposes:-

| 2022-23<br>£'m |  | 2023-24<br>£'m |
|----------------|--|----------------|
|                | Argyll and Bute Council has a 44.41% share of: |                |
| 2.851          | Gross Income                                   | 2.861          |
| 0.453          | Net (Surplus)/Deficit                          | 0.209          |
| 0.668          | Long Term Assets                               | 0.675          |
| 0.972          | Current Assets                                 | 0.670          |
| (0.101)        | Liabilities due within one year                | (0.014)        |
|                | Liabilities due over one year                  |                |
| (0.170)        | Pension Asset/(Liability)                      | (0.175)        |
| 1.369          | Capital and Revenue Reserves                   | 1.156          |

## Notes to the Group Financial Statements

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### 7. REPORTING AUTHORITY ADJUSTMENTS

A number of adjustments are required to the Council's Statement of Comprehensive Income and Expenditure (pages 51 to 52) for group accounting purposes. These can be summarised as follows:

- All intra-group transactions have been removed from the Group Accounts as part of the subsidiary consolidation process.
- The Common Good Funds described in note 37 of the Notes to the Financial Statements on pages 120 to 121 have been fully consolidated into the Group Accounts. This adjustment increases the net assets and reserves of Argyll and Bute Council's Group by £9.629m.

### 8. PRIOR PERIOD ADJUSTMENTS

Prior period errors are omissions from, and misstatements in, the authorities financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that

- a) Was available when the financial statements for those periods were authorized for issue; and
- b) Could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

In the 2022-23 Group Financial Statements the final audited accounts were not available for either the Valuation Joint Board or Live Argyll at the time of publishing the Councils Annual Accounts. These are now available therefore the 2022-23 Group Accounts have been restated to reflect any changes. Any amendments relate to changes in the Pension Asset/Liability.



## Notes to the Group Financial Statements

## 9. GROUP CASH FLOW STATEMENT – OPERATING ACTIVITIES

| 2022-23<br>£'000 |  | 2023-24<br>£'000 |
|------------------|--|------------------|
| 10,318           | <b>Net (Surplus)/Deficit on Provision of Services</b>  | (11,267)         |
|                  | <b>Adjustments to Net (Surplus)/Deficit on the Provision of Service for Non Cash Movements:</b>  |                  |
| 11,819           | Statutory Adjustments through Statement of Movement in Reserves  | 16,341           |
| 322              | Transfer to/from Other Statutory Reserves  | 77               |
| (13,230)         | Transfer Group Other Comprehensive Income and Expenditure  |                  |
| 282              | Increase/(Decrease) in Inventories   | (86)             |
| 6,306            | Increase/(Decrease) in Debtors   | 12,869           |
| (6,433)          | (Increase)/Decrease in Creditors and Provisions  | (916)            |
| (16,041)         | Earmarked Reserves   | (1,532)          |
| (2,938)          | Capital Financed from Current Revenue  | (1,616)          |
| (2,477)          | Loans Fund Repayments  | (6,111)          |
| (3,765)          | Other Revenue Adjustments  | 7,714            |
| (26,155)         |  | 26,740           |
|                  | <b>Adjustments for items included in the Net (Surplus)/Deficit on the Provision of Services that are Investing and Financing Activities:</b> |                  |
| 10,925           | Non Cash Capital   | 11,021           |
| (5,116)          | Capital Element of Finance Lease Payments  | (5,280)          |
| 5,809            |  | 5,741            |
| (10,028)         | <b>Net Cash Flows from Operating Activities</b>  | 21,214           |
|                  | <b>The cash flows for Operating Activities include the following items:</b>  |                  |
| 6,742            | Interest Paid on Borrowings  | 5,097            |
| 8,887            | Interest Paid on Finance Leases  | 8,599            |
| (748)            | Interest Received on Bank Deposits   | (3,469)          |
| 14,881           | <b>Net Cash Outflow from Servicing of Finance</b>  | 10,227           |

## 10. GROUP CASH FLOW STATEMENT – INVESTING ACTIVITIES

| 2022-23<br>£'000 |   | 2023-24<br>£'000 |
|------------------|---|------------------|
| 25,637           | Purchase of Property, Plant and Equipment, Investment Property and Intangible and Heritage Assets | 25,221           |
| (17,500)         | Investments made/(disposed of) during year  | (37,500)         |
| (568)            | Proceeds from the Sale of Property, Plant and Equipment and Investment Property                   | (671)            |
| 1,093            | Net Receipts from Investment in Associates and Joint Ventures                                     | 1,275            |
| (21,914)         | Other Receipts from Investing Activities  | (25,687)         |
| (13,252)         | <b>Net Cash Outflow from Investing Activities</b>   | (37,362)         |

## Notes to the Group Financial Statements

### 11. GROUP CASH FLOW STATEMENT – FINANCING ACTIVITIES

| 2022-23<br>£'000 |  | 2023-24<br>£'000 |
|------------------|--|------------------|
| (35,228)         | Cash Receipts of Short and Long Term Borrowing   | (31,128)         |
| 2,021            | Other Receipts from Financing Activities   | (1,072)          |
| 5,116            | Cash Payments for the Reduction of the Outstanding Liabilities relating to Finance Leases and on Balance Sheet PFI Contracts | 5,280            |
| 70,627           | Repayments of Short and Long Term Borrowing  | 54,257           |
| -                | Other Payments from Financing Activities   | 13               |
| <b>42,536</b>    | <b>Net Cash (Inflow)/Outflow from Financing Activities</b>   | <b>27,350</b>    |

## Glossary of Terms

**Existing Use Value.** The market value of a particular Council property, less the difference between the average rental income between public and private sector properties.

**Expected Rate of Return on Pension Assets.** The average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the Scheme.

**Fair Value.** This is the price at which an asset could be exchanged in an arm's length transaction less any grants receivable towards the purchase or use of the asset.

**Financial Asset.** A right to future economic benefits controlled by the Council that is represented by cash, an equity instrument of another entity, a contractual right to receive cash from another entity or a financial right to exchange financial instruments under conditions that are potentially favourable to the Council.

**Financial Instrument.** Any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another.

**Financial Instruments Adjustment Account.** This holds the accumulated difference between the financing costs included in the Income and Expenditure Account and the accumulated financing costs required in accordance with regulations to be charged to the General Fund Balance.

**Financial Liability.** An obligation to transfer economic benefits controlled by the Council that is represented by a contractual obligation to deliver cash or another financial asset to another entity or a contractual obligation to exchange financial instruments under conditions which are potentially unfavourable to the Council.

**Financial Reporting Standard (FRS).** Financial Reporting Standards are issued by the Accounting Standard Board and define proper accounting practice for a given transaction or event.

**Fixed Assets.** Tangible assets that yield benefits to the Council and the services it provides for a period of more than one year.

**Gains/losses on settlements and curtailments.** The result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees. This is charged or credited to Non Distributed costs in the Comprehensive Income and Expenditure Statement.

**General Fund Balance.** This contains the net surplus on the provision of Council services combined with any balances from previous years and any contributions to other funds or reserves made during the year.

**Group Accounts.** The purpose of group accounts is to show the Council's interest in organisations and companies within the Financial Statements. The Council's shares of the assets and liabilities of these other entities are shown in the Group Movement in Reserves Statement, Comprehensive Income and Expenditure Statement and Group Balance Sheet.

**Government Grants.** Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past, or future, compliance with certain conditions relating to the activities of the Council.

**Heritage Assets.** Assets which are intended to be preserved in trust for future generations because of their cultural, environmental and historical associations and are held by the Council of the maintenance of heritage.

**International Accounting Standards (IAS).** International Accounting Standards are issued by the International Accounting Standards Board and define proper accounting practice for a given transaction or event. IAS's take precedence over other accounting standards in the hierarchy of technical accounting standards.

**International Public Sector Accounting Standards (IPSAS),** a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements.

**Impairment.** A reduction in the value of fixed or financial asset below the valuation held on the balance sheet.

**Infrastructure Assets.** Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

**Intangible Assets.** Non-financial assets which do not have physical substance but are identifiable and are controlled by the Council.

**Interest Cost (Pensions).** The expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

**Inventories.** Inventories may comprise the following: goods or other assets purchased for re-sale; consumable stores; raw materials and components purchased for incorporation into products for sale; products and services in intermediate stages of completion; long term contract balances; and finished goods.

**Liquid Resources.** Current asset investments that are readily disposable by the Council without disrupting its business and are either readily convertible to known amounts of cash at or close to the carrying amount, or traded on the active market.

## Glossary of Terms

**Materiality.** Information is included where the information is of such significance as to justify its inclusion, and omission or misstatement could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements.

**National Non-Domestic Rates Pool.** All non-domestic rates collected by Council's are remitted to the national pool and, thereafter, distributed to Councils by the Scottish Government.

**Net Book Value.** The amount at which fixed assets are included in the Balance Sheet, i.e. their historical cost or current value less cumulative amounts provided for depreciation.

**Net Realisable Value.** The open market value of the asset in its existing use, or open market value in the case of non-operational assets, less the expenses to be incurred in realising the asset.

**Non-Current Assets.** Non-current assets are not expected to be realised within 12 months and are held to provide future economic benefits to the Council.

**Non-operational assets.** Are assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

**Officers' Remuneration.** All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are subject to UK Income Tax).

**Operating Leases.** A lease other than a finance lease, i.e. a lease which does not transfer the risks and rewards of ownership to the lessee.

**Operating Assets.** All items which derive from events or transactions that fall within the ordinary activities of the Council and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

**Past Service Costs (Pensions).** The increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

**Pensions Reserve.** The Pensions Reserve absorbs the timing differences arising from different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

**Prior Period Adjustments.** Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

**Public Private Partnerships (PPP).** Those partnerships enable the Council to purchase services from the private sector and pay a fee based on pre-defined output criteria. The private sector uses this fee to repay loans taken out to finance the building or refurbishment of the assets.

**Residual Value.** The net realisable value of an asset at the end of its useful life.

**Related Party Transactions.** A related party transaction is the transfer of assets or liabilities, or the performance of services by, to or for a related party irrespective of whether a charge is made.

**Renewal and Repairs fund.** This contains funds credited at the Council's discretion from the General Fund and is available for use on capital or revenue expenditure on Council assets.

**Revaluation Reserve.** Records unrealised gains arising since 1 April 2007 from holding fixed assets not yet realised through sales.

**Service Expenditure Analysis (SEA).** An analysis which groups together expenditure on services within headings or divisions as defined in the Service Reporting Code of Practice (SeRCOP).

**Specific Government Grants.** These are grants received from Central Government in respect of a specific purpose or service.

**Unusable Reserves.** Those reserves which hold unrealised gains and losses where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences.

**Usable Reserve.** Those reserves which the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.

**Useful Life.** The period over which the Council will derive benefits from the use of a fixed asset.

## Appendix A

### Trade Union Facility Time Statement 2023-24

*This information is published under the Trade Union (Facility Time Publication Requirements) Regulations 2017*

*Schedule 2 (Regulation 8)*

## 1. Relevant union officials

Total number of employees who were relevant union officials during the relevant period.

| Number of employees who were relevant union officials during the relevant period |    | Full time equivalent employee number |
|--|----|--------------------------------------|
| Central Function   | 21 | 20.8                                 |
| Education Function   | 7  | 7                                    |

Note: The headcount figure for relevant union officials includes all stewards and school-based reps who are elected by their peers to provide first line support for members.

## 2. Percentage of time spent on facility time

Number of employees who were relevant union officials employed during the relevant period spent who spent 0%, 1%-50%, 51% - 99% or 100% of their working hours on facility time.

| Percentage of time | Number of employees |                    |
|--------------------|---------------------|--------------------|
|                    | Central Function    | Education Function |
| 0%                 | 0                   | 3                  |
| 1% - 50%           | 19                  | 2                  |
| 51% - 99%          | 2                   | 2                  |
| 100%               | 0                   | 0                  |

### 3. Percentage of pay bill spent on facility time

The percentage of the total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

|   | Central Function | Education Function |
|---|------------------|--------------------|
| The total cost of facility time                             | £171,701         | £71,016            |
| The total pay bill (Finance figures)                        | £123,318,713     | £64,175,618        |
| The percentage of the total pay bill spent on facility time | 0.14%            | 0.11%              |

### 4. Paid Trade Union activities

Percentage of total paid facility time hours spent by employees who were relevant union officials during the relevant period on paid trade union activities.

|  | Central Function | Education Function |
|--|------------------|--------------------|
| Time spent on paid trade union activities as percentage of total paid facility time hours calculated as:<br><br>(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100 | 0%               | 0%                 |

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**ARGYLL AND BUTE COUNCIL**  
**FINANCIAL SERVICES**

**COUNCIL**  
**27 JUNE 2024**

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**REVENUE BUDGET MONITORING – FOR THE YEAR 2023-24**

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**1. EXECUTIVE SUMMARY**

- 1.1 The main purpose of this report is to advise Members of the revenue budget position of the Council as at the end of financial year 2023-24. The report also summarises the movement in the General Fund balance.
- 1.2 The performance against budget for the financial year 2023-24 was an overall overspend, before considering the Loans Fund position, of £1.004m (0.32%). The favourable position from the Loans Fund budget of £5.932m resulted in an overall underspend, before earmarking requests, of £4.928m (1.57%). The new unspent budget earmarking requests amount to £3.200m and, if approved, will result in an overall underspend of £1.728m (0.55%).
- 1.3 The underspend within the Loans Fund was a result of effective Treasury Management combined with increased interest rates on investments and a reduced need to borrow due to significant slippage in the capital programme. Much of our capital programme was able to be financed from cash balances held rather than taking borrowing particularly when interest rates were so high. There was also an opportunity to realise a one-off gain of £0.870m on the early repayment of loans. Note that the favourable position within Loans Fund is not expected to be recurring as outlined in paragraph 4.4.1.
- 1.4 Social Work, managed by the Health and Social Care Partnership (HSCP), was overspent by £0.165m and this amount was covered from their creditor balance which created a nil variance on the revenue monitoring.
- 1.5 The General Fund Balance has moved from £86.356m at the end of financial year 2022-23 to £115.741m at the end of 2023-24. The movement represents an increase of £29.385m as there has been a high amount of new earmarkings this year from the Service Concessions one-off gain.
- 1.6 There is a separate report that details the earmarked reserves which outlines proposals to earmark a total of £107.443m from the General Fund balance, leaving £8.298m unallocated. Of this £6.039m is required to be held as the General Fund contingency, leaving an unallocated balance of £2.259m.
- 1.7 There have been 5 virements of revenue budget over £0.200m in the period January to March 2024 for approval.

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**REVENUE BUDGET MONITORING – FOR THE YEAR 2023-24**

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**2. INTRODUCTION**

- 2.1 This report summarises the revenue budget position of the Council as at the end of the financial year 2023-24. The overall revenue budget monitoring statement for the Council is attached as Appendix 1 and departmental outturn summaries are attached as Appendix 2.

**3. RECOMMENDATIONS**

- 3.1 Members to consider the revenue budget monitoring position as at the end of financial year 2023-24.
- 3.2 Members to note that the unallocated balance within the General Fund as at 31 March 2024, after taking into account the contingency, amounts to £2.259m.
- 3.3 Members to approve the revenue virements over £0.200m between January and March 2024.

**4. DETAIL****4.1 Final Outturn Variance (Un-audited)**

- 4.1.1 The performance against budget for the financial year 2023-24 was an overall overspend, before considering the Loans Fund position, of £1.004m (0.32%). The favourable position from the Loans Fund budget of £5.932m resulted in an overall underspend, before earmarking requests, of £4.928m (1.57%). Note that the favourable position within Loans Fund is not expected to be recurring as outlined in paragraph 4.4.1.
- 4.1.2 There are new unspent budget earmarking requests amounting to £3.200m and, if approved, will result in an overall underspend of £1.728m (0.55%). A summary of the final outturn position is noted within the table below.



| Final Outturn Variance (Un-audited)                     |                    |                    |                           |                |
|---|--------------------|--------------------|---------------------------|----------------|
| 2023/24   |                    |                    |                           |                |
| Department  | Actuals            | Budget             | Variance                  | Percentage     |
|   |                    |                    | (Overspend)<br>Underspend |                |
|   | £                  | £                  | £                         | %              |
| Chief Executive's Unit                                  | 1,155,011          | 1,161,208          | 6,197                     | 0.53%          |
| Executive Director (Douglas Hendry)                     | 139,307,911        | 139,998,734        | 690,823                   | 0.49%          |
| Executive Director (Kirsty Flanagan)                    | 58,610,514         | 57,258,349         | (1,352,165)               | (2.36%)        |
| Weather related incident costs (not covered by Bellwin) | 839,000            | 0                  | (839,000)                 | 0.00%          |
| Joint Boards  | 1,318,703          | 1,396,371          | 77,668                    | 5.56%          |
| Other   | 11,584,462         | 11,583,993         | (470)                     | (0.00%)        |
| Service Concessions                                     | (40,869,000)       | (40,489,000)       | 380,000                   | (0.94%)        |
| Social Work   | 77,604,909         | 77,604,909         | (0)                       | 0.00%          |
| <b>Net Expenditure</b>                                  | <b>249,551,510</b> | <b>248,514,563</b> | <b>(1,036,947)</b>        | <b>(0.42%)</b> |
| Total Funding   | 314,826,700        | 314,793,907        | 32,793                    | 0.01%          |
| <b>OVERSPEND BEFORE LOANS FUND</b>                      |                    |                    | <b>(1,004,154)</b>        | <b>(0.32%)</b> |
| Loans Fund  | 8,614,463          | 14,546,979         | 5,932,516                 | 40.78%         |
| <b>UNDERSPEND BEFORE EARMARKINGS</b>                    |                    |                    | <b>4,928,361</b>          | <b>1.57%</b>   |
| NEW Unspent Budget Proposals                            |                    |                    | 3,200,000                 |                |
| <b>UNDERSPEND AFTER EARMARKINGS</b>                     |                    |                    | <b>1,728,361</b>          | <b>0.55%</b>   |

## 4.2 Net Expenditure Budget Outturn

- 4.2.1 The performance against budget shows net expenditure (excluding Loans Fund) being £1.037m (0.42%) over budget.
- 4.2.2 Within the Chief Executive's Unit (Community Planning) there was a small underspend (£0.006m) resulting within travel codes due to staff travel costs coming in under budget due to increased digital working and less face to face meetings.
- 4.2.3 Within the remit of Executive Director Douglas Hendry (Education, Legal and Regulatory Support and Commercial Services), there was an operational underspend after accounting for automatic earmarkings of £0.691m. The main underspends were due to:
- Receipt of one-off historic water rate refunds.
  - Staffing underspends due to delays in recruitment and staffing underspends within Cleaning, ELC and Legal and Regulatory Support.
  - Underspends within the Scheme of Devolved School Management where previous carry forwards were not fully utilised.
- 4.2.4 Within the remit of Executive Director Kirsty Flanagan (Roads and Infrastructure, Development and Economic Growth and Customer Support Services), there was an operational overspend of £1.352m after accounting for automatic earmarkings. The key overspends include:

- Reduction in income within Piers and Harbours
- Additional fleet costs across the service
- Increased staff costs for Pupil Transport
- An unrealised Depot saving
- Increased electricity costs for street lighting
- Additional Car Parking maintenance costs
- Reduction in TRO income in Roads.

- 4.2.5 There was £0.839m of costs related to the weather incident that could not be claimed through the Scottish Government Bellwin scheme so this added to the overall overspend.
- 4.2.6 Within Joint Boards, SLA payments were £0.078m lower than available budget.
- 4.2.7 Other costs include non-controllable and central costs which balanced to budget.
- 4.2.8 As part of the budget setting process on 22 February 2024, Council made the decision to transfer £0.380m from the Service Concessions one off gain (Priorities Investment Fund) to the unallocated general fund. This is contributing to the overall underspend and will therefore automatically go into the General Fund as part of year end processes.
- 4.2.9 Social Work Services, managed by the HSCP, were overspent by £0.165m (0.21%). Under CIPFA LASAAC Guidance, this amount has been drawn from the creditor on the Council's balance sheet. The overspend of £0.165m before drawing from the creditor was as a result of ongoing demand for older people care services, both residential and non-residential.

### **4.3 Funding Budget Outturn**

- 4.3.1 The performance against budget for funding was a net underspend/over-recovery of income of £0.033m. Included in this outturn position is an adjustment to update the 2023-24 budget to reflect the new automatic earmarking at the year-end, these new earmarkings total £3.363m and relate to the Strategic Housing Fund and TIF income.
- 4.3.2 There is a year-end favourable position in relation to Council Tax of £0.033m which is due to Council Tax debt recovery after court summons being more than anticipated.

### **4.4 Loans Fund Budget Outturn**

- 4.4.1 The performance against budget for Loans Fund was a net underspend of £5.932m (40.78%). This underspend within the Loans Fund is not expected to be recurring and was a result of effective Treasury Management combined with increased interest rates on investments and a reduced need to borrow due to significant slippage in the capital programme. Much of our capital programme was able to be financed from cash balances held rather than taking borrowing

particularly when interest rates were so high. There was also an opportunity to realise a one-off gain of £0.870m on the early repayment of loans.

#### 4.5 Unspent Budget Proposals

4.5.2 The overall favourable position has provided the opportunity to propose earmarking of unspent budget for specific purposes and these are included in the 'Earmarked Reserves – 2023-24 Year End' report on this agenda. Unspent budget earmarkings will only be considered when the purpose is aligned to the objectives, priorities and targets of the Council, there is a business case to justify the expenditure and the general reserve contingency is met. The detail of the proposed unspent budget earmarkings and their associated business cases can be found in the Earmarked Reserves report.

#### 4.6 Impact on the General Fund

4.6.1 The movement in the General Fund balance is different to the underspend noted above, as it also reflects earmarked reserve withdrawals and contributions. The General Fund balance at 31 March 2023 was £86.356m and has increased by £29.385m to £115.741 as at 31 March 2024. The movement in the balance is summarised in the table below.

|   | £m             |
|---|----------------|
| Balance on General Fund 31 March 2023                             | 86.356         |
| Revenue Budget 23-24 - transfer to general fund                   | 0.019          |
| Released earmarked sums to service budgets 2023-24                | (27.286)       |
| Contributions to earmarked reserves 2023-24 – Service Concessions | 35.658         |
| Contributions to earmarked reserves 2023-24                       | 19.275         |
| Supplementary Estimate  | (0.008)        |
| Overall budget underspend as above                                | 1.728          |
| Rounding  | (0.001)        |
| <b>Balance on General Fund 31 March 2024</b>                      | <b>115.741</b> |

4.6.2 The balance on the General Fund has increased from last year. The movement represents an increase of £29.385m as new earmarkings have been particularly high this year due to the one-off gain from the accounting for Service Concessions materialising and being earmarked for the agreed commitments.

4.6.3 The closing balance on the General Fund as at 31 March 2024 is £115.741m. Of this, £107.443m is earmarked for specific purposes and £6.039m is required to be held as the General Fund contingency, leaving an unallocated balance of £2.259m as shown in the table below.

|  | £m           |
|--|--------------|
| Balance on General Fund 31 March 2024                                  | 115.741      |
| Earmarked balances at 31 March 2024 (as per Earmarked Reserves report) | (107.443)    |
| Contingency balance (2.0% of net expenditure)                          | (6.039)      |
| <b>Unallocated balance as at 31 March 2024</b>                         | <b>2.259</b> |

4.6.4 The £2.259m unallocated balance as at 31 March 2024 represents an increase of £1.060m on the £1.199m unallocated balance as at 31 March 2023.

#### **4.7 VIREMENTS OVER £0.200M (REVENUE)**

4.7.1 Virement is the process of transferring budget between cost centres, services or departments or between capital projects. The Council's constitution notes that virements over £0.200m require approval by Council. This section of the report will be used to outline revenue virements in the period that require approval. Capital virements are included within the capital monitoring report.

4.7.2 For the period January to March 2024, there are 5 virements over £0.200m requiring authorisation:

- £4.831m from Head of Legal & Regulatory Support to Loans Fund to recode the service concession saving.
- £0.930m moved from Other Income and Expenditure to Executive Director Douglas Hendry £0.786m and Executive Director Kirsty Flanagan £0.146m to right size utilities budgets.
- £0.422m from Roads to Loans Fund to recognise Piers and Harbours Loans Charges.
- £0.319m from Other Operating Income and Expenditure to Roads to allocate the agreed Winter Pressure funding.
- £0.216m from Education to the Loans Fund to recognise Energy Efficiency Savings.

### **5. CONCLUSION**

5.1 The performance against budget for financial year 2023-24 was an overall underspend of £1.728m (0.55%). The General Fund balance has increased by £29.385m as there has been a high amount of new earmarkings this year from the Service Concessions one off gain.

### **6. IMPLICATIONS**

6.1 Policy Automatic earmarking as per the policy have been taken into consideration with the final reported outturn position.

|       |                                 |   |
|-------|---------------------------------|---|
| 6.2   | Financial                       | Report notes the underspend against budget during 2023-24 and the movement in the General Fund balance. |
| 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   | Climate Change                  | None  |
| 6.7   | Risk                            | None  |
| 6.8   | Customer Services               | None  |
| 6.9   | The Rights of the child (UNCRC) | None  |

**Kirsty Flanagan**  
**Section 95 Officer**  
**4 June 2024**

**Councillor Ross Moreland, Policy Lead for Finance and Commercial Services**

#### **APPENDICES**

Appendix 1 – Overall Revenue Budget Monitoring Statement 2023-24  
Appendix 2 – Department 2023-24 Outturn Summaries

For further information contact Anne Blue, Head of Financial Services  
[anne.blue@argyll-bute.gov.uk](mailto:anne.blue@argyll-bute.gov.uk)

|  | Actual<br>2023/24  | Budget<br>2023/24  | Adjustment for Funds Earmarked in General Fund Reserve |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   |   | Adjusted<br>Budget<br>2023/24 | "Real<br>Variance"<br>(Over)/<br>Underspend | Comment   |   |
|--|--------------------|--------------------|--|-------------------------|------------------------------|----------------|---------------------------------|---------------------------------|-------------------------------|---------------------------------------|------------------------------|----------------------------------|--|-------------------------|-------------------|---|-------------------------------|---|---|---|
|  |                    |                    | Council Tax<br>Income<br>Ringfenced for<br>SHF         | Unspent Grant<br>monies | Third Party<br>Contributions | CHORD          | DMR School<br>Carry<br>Forwards | Previous<br>Council<br>Decision | Existing Legal<br>Commitments | Scottish<br>Government<br>Initiatives | Energy<br>Efficiency<br>Fund | Piers and<br>Harbours<br>Surplus | Electric<br>Vehicle<br>Charging<br>Surplus | Fleet - Timing<br>Delay | Hermitage<br>Park | NEW Unspent<br>Budget<br>Previously<br>agreed |                               |   |   |   |
| Expenditure  | £                  | £                  | £  | £                       | £                            | £              | £                               | £                               | £                             | £                                     | £                            | £                                | £  | £                       | £                 | £   | £                             | £   | £   |   |
| Chief Executive's Unit   | 1,155,011          | 1,168,944          |  | 7,736                   | 0                            |                |                                 | 0                               |                               |                                       |                              |                                  |  |                         |                   |   |                               | 1,161,208                                   | 6,197   | Outwith reporting criteria  |
| Executive Director (Douglas Hendry)  | 139,307,911        | 143,099,843        |  | 1,167,084               | 0                            |                | 644,837                         | 57,176                          |                               | 1,212,012                             | 20,000                       |                                  |  |                         |                   |   |                               | 139,998,734                                 | 690,823   | Underspend is largely due to one off historic water rate refunds. There were also delays in recruitment and staffing underspends within Cleaning, ELC and across Legal and Regulatory Support. Within the Scheme of Develoved School Management, previous amounts carried forward were not fully utilised. These are partially offset by overspends within Commercial Cafes and Residential School Accommodation. |
| Executive Director (Kirsty Flanagan)                                       | 58,610,514         | 61,562,691         |  | 2,235,569               | 232,604                      | 120,596        |                                 |                                 |                               |                                       |                              | 1,335,720                        |  |                         | 37,445            | 342,408                                       | 57,258,349                    | (1,352,165)                                 | Overspend due to reduction in income in Piers & Harbours, additional Fleet costs across the service, increased staff costs for Pupil Transport, unrealised Depot Saving, increased electricity costs for Street Lighting, additional Car Parking Maintenance costs and a reduction in TRO income in Roads. These overspends have been partially offset by an over-recovery of vacancy savings due to delays in recruitment combined with funding for ferries previously internally funded and slippage on Route Optimisation Project. |   |
| Weather related incident costs (not covered by Bellwin)                    | 839,000            | 0                  |  |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   |   |                               | 0   | (839,000)   | Costs associated with weather incident that could not be claimed through the Scottish Government Bellwin Scheme.  |
| Joint Boards   | 1,318,703          | 1,396,371          |  |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   |   |                               | 1,396,371                                   | 77,668  | SLA payments to Joint Boards for 2023/24 were lower than available budget   |
| Other  | 11,584,462         | 11,708,484         | 0  | 124,491                 | 0                            | 0              | 0                               | 0                               | 0                             | 0                                     | 0                            | 0                                | 0  | 0                       | 0                 | 0   | 0                             | 11,583,993                                  | (470)   | Outwith reporting criteria  |
| Service Concessions  | (40,869,000)       | (4,831,000)        |  |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   |   | 35,658,000                    | (40,489,000)                                | 380,000   | Council agreed on 22 February 24 to transfer £0.380m from the Service Concessions one off gain (Priorities Investment Fund) to the unallocated general fund.  |
| Social Work  | 77,604,909         | 77,604,909         |  |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   |   |                               | 77,604,909                                  | (0)   | Outwith reporting criteria.   |
| <b>Total Expenditure</b>   | <b>249,551,510</b> | <b>291,710,241</b> | <b>0</b>   | <b>3,534,880</b>        | <b>232,604</b>               | <b>120,596</b> | <b>644,837</b>                  | <b>57,176</b>                   | <b>0</b>                      | <b>1,212,012</b>                      | <b>20,000</b>                | <b>1,335,720</b>                 | <b>0</b>                                   | <b>0</b>                | <b>37,445</b>     | <b>36,000,408</b>                             | <b>248,514,563</b>            | <b>(1,036,947)</b>                          |   |   |
| <b>Funding</b>   |                    |                    |  |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   |   |                               |   |   |   |
| AEF & NDR Income   | 225,642,006        | 224,854,386        |  |                         |                              |                |                                 | 787,620                         |                               |                                       |                              |                                  |  |                         |                   |   |                               | 225,642,006                                 | 0   |   |
| Council Tax  | 61,908,860         | 59,301,000         | 2,575,067  |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   |   |                               | 61,876,067                                  | 32,793  | The level of Council Tax debt recovered after court summons was £33k more than anticipated.   |
| Budgeted/withdrawn from Earmarked Reserves                                 | 27,286,334         | 27,286,334         |  |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   |   |                               | 27,286,334                                  | 0   |   |
| Supplementary Estimates Approved   | 8,000              | 8,000              |  |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   |   |                               | 8,000                                       | 0   |   |
| Budgeted Contribution to General Fund Balance                              | (18,500)           | (18,500)           |  |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   |   |                               | (18,500)                                    | 0   |   |
| <b>Total Funding</b>   | <b>314,826,700</b> | <b>311,431,220</b> | <b>2,575,067</b>                                       | <b>0</b>                | <b>0</b>                     | <b>0</b>       | <b>0</b>                        | <b>787,620</b>                  | <b>0</b>                      | <b>0</b>                              | <b>0</b>                     | <b>0</b>                         | <b>0</b>                                   | <b>0</b>                | <b>0</b>          | <b>0</b>                                      | <b>0</b>                      | <b>314,793,907</b>                          | <b>32,793</b>   |   |
| <b>Under/(Overspend) before Loans Fund</b>                                 | <b>65,275,189</b>  | <b>19,720,979</b>  | <b>2,575,067</b>                                       | <b>3,534,880</b>        | <b>232,604</b>               | <b>120,596</b> | <b>644,837</b>                  | <b>57,176</b>                   | <b>0</b>                      | <b>1,212,012</b>                      | <b>20,000</b>                | <b>1,335,720</b>                 | <b>0</b>                                   | <b>0</b>                | <b>37,445</b>     | <b>36,000,408</b>                             | <b>66,279,344</b>             | <b>(1,004,154)</b>                          |   |   |
| Loans Fund   | 8,614,463          | 19,720,979         |  |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   | 5,174,000                                     | 14,546,979                    | 5,932,516                                   |   | Increased level of interest received on investments combined with reduced borrowing costs resulted in an improved position in excess of £3m compared to previous year. Significant slippage in the capital programme in 2022-23 resulted in lower principal repayments in 2023-24 than anticipated. There was also a one-off gain of £0.870m as a result of a discount received on the early repayment of loans.  |
| <b>Overall Under/(Overspend)</b>   | <b>56,660,726</b>  | <b>0</b>           | <b>2,575,067</b>                                       | <b>3,534,880</b>        | <b>232,604</b>               | <b>120,596</b> | <b>644,837</b>                  | <b>57,176</b>                   | <b>0</b>                      | <b>1,212,012</b>                      | <b>20,000</b>                | <b>1,335,720</b>                 | <b>0</b>                                   | <b>0</b>                | <b>37,445</b>     | <b>41,174,408</b>                             | <b>51,732,365</b>             | <b>4,928,361</b>                            |   |   |
| <b>NEW Unspent Budget Proposals</b>  |                    |                    |  |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   |   |                               |   | 3,200,000   |   |
| <b>Revised Under/(Overspend) after proposed unspent budget earmarkings</b> |                    |                    |  |                         |                              |                |                                 |                                 |                               |                                       |                              |                                  |  |                         |                   |   |                               |   | <b>1,728,361</b>  |   |

| Department  | Service                                 | Actual 2023/24     | Budget 2023/24     | Council Tax Income Ringfenced for SHF | Unspent Grant monies | Third Party Contributions | CHORD          | Funds carried forward to 2024/25 |                           |                            |                                 |                        |                            |                                   | Fleet - Timing Delay | Hermitage Park | NEW Unspent Budget Previously agreed | Adjusted Budget 2023/24 | (Over)/ Underspend | Variance %age  | Comment |
|---|---|--------------------|--------------------|---------------------------------------|----------------------|---------------------------|----------------|----------------------------------|---------------------------|----------------------------|---------------------------------|------------------------|----------------------------|-----------------------------------|----------------------|----------------|--------------------------------------|-------------------------|--------------------|--|---------|
|   |   |                    |                    |                                       |                      |                           |                | DMR School Carry Forwards        | Previous Council Decision | Existing Legal Commitments | Scottish Government Initiatives | Energy Efficiency Fund | Piers and Harbours Surplus | Electric Vehicle Charging Surplus |                      |                |                                      |                         |                    |  |         |
| Expenditure                                       |   | £                  | £                  | £                                     | £                    | £                         | £              | £                                | £                         | £                          | £                               | £                      | £                          | £                                 | £                    | £              | £                                    | £                       | £                  | £  | £       |
| Chief Executive's Unit                            | Chief Executive                         | 1,155,011          | 1,168,944          |                                       | 7,736                |                           |                |                                  |                           |                            |                                 |                        |                            |                                   |                      |                | 1,161,208                            | 6,197                   | 0.53%              | Outwith reporting criteria   |         |
| <b>Chief Executive's Unit Total</b>               |   | <b>1,155,011</b>   | <b>1,168,944</b>   | <b>0</b>                              | <b>7,736</b>         | <b>0</b>                  | <b>0</b>       | <b>0</b>                         | <b>0</b>                  | <b>0</b>                   | <b>0</b>                        | <b>0</b>               | <b>0</b>                   | <b>0</b>                          | <b>0</b>             | <b>0</b>       | <b>1,161,208</b>                     | <b>6,197</b>            | <b>0.53%</b>       |  |         |
| Executive Director (Douglas Hendry)               | Executive Director (Douglas Hendry)     | 423,043            | 526,689            |                                       |                      |                           |                |                                  |                           |                            |                                 |                        |                            |                                   |                      |                | 526,689                              | 103,646                 | 19.68%             | Over-recovery of vacancy savings due to delays in recruitment.   |         |
| Executive Director (Douglas Hendry)               | Head of Commercial Services             | 11,769,965         | 11,992,862         |                                       | 7,114                |                           |                |                                  | 0                         |                            |                                 | 20,000                 |                            |                                   |                      |                | 11,965,748                           | 195,783                 | 1.64%              | One off historic water rate refunds and staffing underspends within Cleaning service, partially offset by overspends within Commercial Cafes and Surplus Properties.   |         |
| Executive Director (Douglas Hendry)               | Head of Education                       | 106,648,921        | 109,781,816        |                                       | 1,116,210            | 0                         |                | 644,837                          |                           |                            | 1,212,012                       |                        |                            |                                   |                      |                | 106,808,757                          | 159,836                 | 0.15%              | Underspend within ELC and unspent DSM carry-forward, offset by overspends within Schools and Residential Accommodation.  |         |
| Executive Director (Douglas Hendry)               | Head of Legal & Regulatory Support      | 20,465,983         | 20,798,477         |                                       | 43,760               |                           |                |                                  |                           | 57,176                     |                                 |                        |                            |                                   |                      |                | 20,697,541                           | 231,558                 | 1.12%              | One off historic water rate refunds, staffing underspends within Procurement and Legal services.   |         |
| <b>Executive Director (Douglas Hendry) Total</b>  |   | <b>139,307,911</b> | <b>143,099,843</b> | <b>0</b>                              | <b>1,167,084</b>     | <b>0</b>                  | <b>0</b>       | <b>644,837</b>                   | <b>57,176</b>             | <b>0</b>                   | <b>1,212,012</b>                | <b>20,000</b>          | <b>0</b>                   | <b>0</b>                          | <b>0</b>             | <b>0</b>       | <b>139,998,734</b>                   | <b>690,823</b>          | <b>0.49%</b>       |  |         |
| Executive Director (Kirsty Flanagan)              | Executive Director (Kirsty Flanagan)    | 237,787            | 1,011,720          |                                       |                      |                           |                |                                  |                           |                            |                                 |                        |                            |                                   |                      |                | 1,011,720                            | 773,933                 | 76.50%             | Over-recovery of vacancy savings due to delays in recruitment combined with funding for ferries previously internally funded and slippage on Route Optimisation Project.   |         |
| Executive Director (Kirsty Flanagan)              | Head of Customer Support Services       | 9,212,172          | 9,366,051          |                                       | 12,800               |                           |                |                                  |                           |                            |                                 |                        |                            |                                   |                      |                | 9,353,251                            | 141,079                 | 1.51%              | Staffing underspends combined with underspends on software maintenance.  |         |
| Executive Director (Kirsty Flanagan)              | Head of Development & Economic Growth   | 8,864,853          | 11,237,380         |                                       | 2,195,179            | 232,604                   | 120,596        |                                  |                           |                            |                                 |                        |                            |                                   |                      |                | 8,689,001                            | (175,852)               | -2.02%             | Overspend on homeless accommodation and costs of enforcement action in Environmental Health combined with income under-recovery for Fish Exports partially offset by additional income in Transportation policy.   |         |
| Executive Director (Kirsty Flanagan)              | Head of Financial Services              | 6,837,595          | 7,070,849          |                                       | 27,580               |                           |                |                                  |                           |                            |                                 |                        |                            |                                   |                      | 144,408        | 6,898,851                            | 61,256                  | 0.89%              | The underspend is mainly due to underspend in staffing costs.  |         |
| Executive Director (Kirsty Flanagan)              | Head of Roads & Infrastructure Services | 33,458,106         | 32,876,691         |                                       |                      |                           |                |                                  |                           |                            |                                 | 1,335,720              |                            |                                   | 37,445               | 198,000        | 31,305,526                           | (2,152,580)             | -6.88%             | Overspend due to reduction in income in Piers & Harbours, additional Fleet costs across the service, increased staff costs for Pupil Transport, unrealised Depot Saving, increased electricity costs for Street Lighting, additional Car Parking Maintenance costs and a reduction in TRO income in Roads. |         |
| <b>Executive Director (Kirsty Flanagan) Total</b> |   | <b>58,610,514</b>  | <b>61,562,691</b>  | <b>0</b>                              | <b>2,235,569</b>     | <b>232,604</b>            | <b>120,596</b> | <b>0</b>                         | <b>0</b>                  | <b>0</b>                   | <b>0</b>                        | <b>1,335,720</b>       | <b>0</b>                   | <b>0</b>                          | <b>37,445</b>        | <b>342,408</b> | <b>57,258,349</b>                    | <b>(1,352,165)</b>      | <b>-2.36%</b>      |  |         |
| <b>Total Departmental Expenditure</b>             |   | <b>199,073,436</b> | <b>205,831,478</b> | <b>0</b>                              | <b>3,410,389</b>     | <b>232,604</b>            | <b>120,596</b> | <b>644,837</b>                   | <b>57,176</b>             | <b>0</b>                   | <b>1,212,012</b>                | <b>20,000</b>          | <b>1,335,720</b>           | <b>0</b>                          | <b>37,445</b>        | <b>342,408</b> | <b>198,418,291</b>                   | <b>(655,149)</b>        | <b>-0.33%</b>      |  |         |

| Department  | Service                                  | Actual 2023/24     | Budget 2023/24     | Council Tax Income Ringfenced for SHF | Unspent Grant monies | Third Party Contributions | CHORD          | DMR School Carry Forwards | Previous Council Decision | Existing Legal Commitments | Scottish Government Initiatives | Energy Efficiency Fund | Piers and Harbours Surplus | Electric Vehicle Charging Surplus | Fleet - Timing Delay | Hermitage Park | NEW Unspent Budget Previously agreed | Adjusted Budget 2023/24 | (Over)/ Underspend | Variance %age | Comment   |
|---|--|--------------------|--------------------|---------------------------------------|----------------------|---------------------------|----------------|---------------------------|---------------------------|----------------------------|---------------------------------|------------------------|----------------------------|-----------------------------------|----------------------|----------------|--------------------------------------|-------------------------|--------------------|---------------|---|
| Social Work   | Chief Officer Integration                | (22,453)           | 711,310            |                                       |                      |                           |                |                           |                           |                            |                                 |                        |                            |                                   |                      |                |                                      | 711,310                 | 733,763            | 103.16%       | The underspend is due to an over-recovery on vacancy savings combined with underspends on centrally held funds, printing & stationery and postages. The final reserve transfer of £165k to balance overall budget position for Social Work is included within this service area.  |
| Social Work   | Head of Acute and Complex Care           | 19,692,853         | 19,829,884         |                                       |                      |                           |                |                           |                           |                            |                                 |                        |                            |                                   |                      |                |                                      | 19,829,884              | 137,032            | 0.69%         | The forecast underspend reflects known demand for Residential Placements in the Learning Disability (LD) service and staff vacancies in Addictions and Mental Health teams. This is partially offset by overspends on LD Supported Living and Respite and MH Supported Living and Residential Placement budgets.            |
| Social Work   | Head of Health and Community Care        | 41,385,226         | 39,660,364         |                                       |                      |                           |                |                           |                           |                            |                                 |                        |                            |                                   |                      |                |                                      | 39,660,364              | (1,724,861)        | -4.35%        | The overspend reflects the demand for external and internal care home placements and homecare. This is offset by underspends within the progressive care centres and assessment and care management teams due to staff vacancies.   |
| Social Work   | Head of Children & Families              | 16,083,935         | 16,929,013         |                                       |                      |                           |                |                           |                           |                            |                                 |                        |                            |                                   |                      |                |                                      | 16,929,013              | 845,078            | 4.99%         | Underspend due to reduced demand for Fostering, Adoption and staff vacancies in the area teams. This is combined with additional income received from the Home Office for Unaccompanied Asylum Seeking Children. This is all partially offset by overspends in the Children's Houses and demand for residential placements. |
| Social Work   | Head of Strategic Planning & Performance | 465,349            | 474,337            |                                       |                      |                           |                |                           |                           |                            |                                 |                        |                            |                                   |                      |                |                                      | 474,337                 | 8,989              | 1.90%         | Outwith reporting criteria  |
| <b>Total Social Work Expenditure</b>                    |  | <b>77,604,909</b>  | <b>77,604,909</b>  | <b>0</b>                              | <b>0</b>             | <b>0</b>                  | <b>0</b>       | <b>0</b>                  | <b>0</b>                  | <b>0</b>                   | <b>0</b>                        | <b>0</b>               | <b>0</b>                   | <b>0</b>                          | <b>0</b>             | <b>0</b>       | <b>0</b>                             | <b>77,604,909</b>       | <b>(0)</b>         | <b>0.00%</b>  |   |
| Weather related incident costs (not covered by Bellwin) |  | 839,000            | 0                  |                                       |                      |                           |                |                           |                           |                            |                                 |                        |                            |                                   |                      |                |                                      | 0                       | (839,000)          | 0.00%         | Costs associated with weather incident that could not be claimed through the Scottish Government Bellwin Scheme.  |
| <b>Total Expenditure</b>                                |  | <b>277,517,345</b> | <b>283,436,387</b> | <b>0</b>                              | <b>3,410,389</b>     | <b>232,604</b>            | <b>120,596</b> | <b>644,837</b>            | <b>57,176</b>             | <b>0</b>                   | <b>1,212,012</b>                | <b>20,000</b>          | <b>1,335,720</b>           | <b>0</b>                          | <b>0</b>             | <b>37,445</b>  | <b>342,408</b>                       | <b>276,023,200</b>      | <b>(1,494,145)</b> | <b>-0.54%</b> |   |



ARGYLL AND BUTE COUNCIL

COUNCIL

FINANCIAL SERVICES

27 JUNE 2024

**EARMARKED RESERVES – 2023-24 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 2023-24 that qualify for automatic carry forward or have been previously agreed. It also presents proposals to earmark two new areas of unspent budget which require approval.
- 1.2 The earmarked balance in the General Fund as at 31 March 2023 was £79.466m. Of this £27.286m has been spent during 2023-24 and £2.352m will be transferred back to the General Fund. The remainder is planned to be utilised in future years.
- 1.3 There are two new unspent budget earmarking proposals totalling £3.200m with business cases for approval. These are noted in Appendix 2.1 and the associated business case are in Appendices 2.1a and 2.1b.

| <b>Department</b> | <b>Description</b>        | <b>Appendix</b> | <b>£000</b>  |
|-------------------|---------------------------|-----------------|--------------|
| Non Departmental  | Pay inflation contingency | 2.1a            | 1,700        |
| Non Departmental  | Redundancy provision      | 2.1b            | 1,500        |
| <b>Total</b>      |                           |                 | <b>3,200</b> |

- 1.4 There are further unspent budget carry forwards totalling £41.174m that have previously been agreed by Council in relation to commitments to specific areas of spend. These include Service Concessions, allocations from the Loans Fund Review to Capital Projects and a Treasury Gain to fund an agreed Management/Operational Saving for 2024-25.
- 1.5 There are new balances totalling £10.558m that qualify for automatic carry forward at the end of 2023-24. These include £3.535m of unspent grants; £2.575m relating to the Strategic Housing Fund; £1.336m for the Piers and Harbours Investment Fund; £1.212m of Scottish Government Initiatives, including 100 day promise and expansion of free school meals; and £0.645m of carry forwards for the schools as part of their Devolved Management of Resources (DMR).
- 1.6 The new earmarked balance as at 31 March 2024 amounts to £107.443m. The most significant elements of this balance relate to Capital Projects £37.958m, Unspent Budget £18.509m, Unspent Grant £15.786m, Strategic Housing Fund £8.765m and Priorities Investment Fund £4.742m.
- 1.7 There are historic earmarked reserves in relation to Social Work of £0.054m contained within this report (£0.040m against Unspent Third Party Contributions and

£0.014m against Scottish Government Initiatives). For any new reserves, CIPFA LASAAC Guidance dictates that any reserves relating to the HSCP should be held as a creditor on the Balance Sheet as money owed to the HSCP from the Council. It should be noted that as at 31 March 2024, the balance being held on behalf of the HSCP in this manner is £3.389m.

**EARMARKED RESERVES - 2023-24 YEAR-END**

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**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 2023-24 that qualify for automatic carry forward or have been previously agreed. It also presents a proposal to earmark two new areas of unspent budget which require approval.

**3. RECOMMENDATIONS**

- 3.1 The Council is asked to:

a) review and approve the revised Policy on Year End Flexibility included as Appendix 1.

b) approve the two new unspent budget earmarked reserve proposals totalling £3.2m as supported by submitted business cases and note that there are a further 23 unspent budget earmarkings amounting to £41.174m that have been previously approved, as outlined in Appendices 2.1 and 2.2.

c) note the new balances of £10.558m at the end of 2023-24 that qualify for automatic carry-forward as outlined in Appendix 3.

d) note the previously approved earmarked reserves of £52.510m and the justification for continuing to earmark these as outlined in Appendix 4.

e) note that £0.140m of no longer required earmarked balances will be released back into the General Fund.

f) note that £2.212m of no longer required earmarked balances have been redirected to the Capital Budget as per Council decision on 22 February 2024.

g) note that £3.389m relating to Social Work reserves are recognised on the Balance Sheet and is outwith the scope of this report.

## **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.
- Hermitage Park - 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.
- One Council Property – to invest in the Council's property portfolio to ensure it remains fit for purpose.
- Fleet Timing Delay – will be used where an order has been committed to be spent from revenue budget but supplier issues prevent delivery within the financial year.
- Electric Vehicle Charging – to allow earmarking of any surplus from chargers to be used for the installation and maintenance of electric vehicle charging points throughout Argyll.

4.1.2 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 two new unspent budget proposals at the end of the 2023-24 financial year totalling £3.2m. Members are asked to review these new proposed earmarked reserves together with the business cases included at Appendices 2.1a and 2.1b.

- 4.2.2 Appendix 2.2 provides detail of the new unspent budget proposals that have previously been agreed by Council in relation to commitments to specific areas of spend. The amounts agreed are as follows:
- Service Concessions £36.038m – initial commitments from this fund were agreed by Council on 23 February 2023 with further amendments made at Council on 22 February 2024. Note £0.380m of the commitment was agreed to be transferred to the Unallocated General Fund and has increased the revenue underspend for 2023-24 by £0.380m which will automatically go into the General Fund.
  - At the Council meeting on 27 February 2020, an allocation of £2.619m towards the Funding Gap in the Capital Programme and £2.157m for Significant Strategic Change Projects were agreed from the Loans Fund Review. This amount is being released to reserves to be utilised. Some drawdowns have already taken place in 2023-24.
  - As part of the 2024-25 budget setting, it was agreed by Council on 22 February 2024 that a saving of £0.294m be made from the Loans Fund (reference 202425 003) as a result of a discount received on the early repayment of loans. This was to be funded from an expected underspend from the 2023-24 outturn.
  - The budget pack for Council on 22 February 2024 included provision for £0.839m of Bellwin Costs being accounted for from the unallocated general fund. As only £0.641m was through by the end of 2023-24, an earmarking for the balance of £0.198m has been created.
  - Earmarking of £0.104m 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 2023-24. This is already committed for a Commercial Investment Manager post and specialist consultant technical resource as previously agreed by Executive Leadership Team (ELT).
  - On 23 February 2023, the Council agreed to the implementation of savings option FIS2324-002 in relation to the Revenue and Benefits - Income Generation and Business Process Review. This included additional staff resource to undertake the work. Delays in recruitment have caused slippage in the allocated budget resulting in an earmarking of £0.087m.
  - As agreed by Council on 22 February 24, a £0.057m underspend from the Scotland Loves Local scheme to be allocated to support measures to help with the cost of living.

4.2.3 There are new earmarked balances for the 2023-34 financial year which qualify for automatic carry forward in line with the conditions outlined in paragraphs 4.1.1. The new automatic carry forwards amount to £10.558m and are outlined in Appendix 3. These include £3.535m of unspent grants; £2.575m relating to the Strategic Housing Fund; £1.336m for the Piers and Harbours Investment Fund; £1.212m of Scottish Government Initiatives, including 100 day promise and expansion of free school meals; and £0.645m of carry forwards for the schools as part of their Devolved Management of Resources (DMR).

### **4.3 Previously Approved Balances**

4.3.1 Appendix 4 outlines the previously agreed earmarked balances of £52.510m with a note on the plans for use and, in some instances, further justification for why the amounts remain earmarked. A review of these has been undertaken by Financial Services and is currently being scrutinised by ELT to ensure there are clear spending plans in place and that the purpose of the earmarking is in line with Council priorities. The outcome of this exercise will be reported to Members during 2024-25.

4.3.3 The new earmarking agreed at the Council Budget Meeting on 22 February 2024 is summarised below:

- Capital Budget - £2.212m (this is the earmarking created from the release of various reserves outlined at Section 4.4.2)
- Capital Contract Increases - £0.297m
- CHARTS (Culture, Heritage and Arts Assembly) - £0.075m
- Mid Argyll Community Pool - £0.030m
- MacTaggart Leisure Islay - £0.030m
- Screen Machine - £0.028m
- International Eight Metre Association World Cup - £0.010m

#### **4.4 Balances released back to the General Fund**

4.4.1 The funds totalling £2.352m that will be un-earmarked are detailed in the paragraphs that follow. Note £2.212m is being redirected to the Capital Budget and £0.140m is being released to the general fund.

4.4.2 Due to pressure on the capital programme, Council agreed on 22 February 2024, that the total of £2.212m released from the undernoted reserves should be directed to the gap in the capital programme :

- Rothesay Academy – Demolition and Waste Disposal - £0.880m
- One Council Property - £0.566m
- Contingent Liability – Capital Project - £0.439m
- Tackling Digital Exclusion - £0.178m
- Island Post - £0.050m
- Levelling up Fund Bids - £0.099m

4.4.3 £0.139m from Investment in Affordable Housing. This earmarked reserve provides cash backed reserves for the loans to registered social landlords and the revised balance of £3.024m reflects the balance on those loans at 31 March 2024.

#### **4.5 General Fund Balance**

4.5.1 The General Fund balance at 31 March 2023 was £86.356m. Of this £79.466m 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 2024.

4.5.2 A total of £107.443m is earmarked to be carried forward into 2024-25. The most significant elements of this balance relate to Capital Projects £37.958m, Unspent Budget £18.509m, Unspent Grant £15.786m, Strategic Housing Fund £8.765m and Priorities Investment Fund £4.742m.

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

#### **4.6 Movement in Earmarked Balances**

| Earmarking Category                   | Balance at 31 March 2023 £000 | Transfers Between Categories £000 | New Earmarking from 2023-24 Outturn £000 | New Earmarking Agreed by Council during 2023-24 £000 | Actual Spend 2023-24 £000 | Released back to General Fund £000 | Balance Carried Forward to 2024-25 £000 |
|---------------------------------------|-------------------------------|-----------------------------------|--|--|---------------------------|------------------------------------|---|
| Strategic Housing Fund                | 7,247                         | 0                                 | 2,575                                    | 0  | 1,057                     | 0                                  | 8,765                                   |
| Investment in Affordable Housing      | 3,163                         | 0                                 | 0  | 0  | 0                         | 139                                | 3,024                                   |
| Capital Projects                      | 16,059                        | 2,327                             | 29,442                                   | 2,509  | 12,379                    | 0                                  | 37,958                                  |
| Lochgilthead and Tarbert Regeneration | 1,460                         | 0                                 | 0  | 0  | 410                       | 0                                  | 1,050                                   |
| Support for Rural Growth Deal         | 756                           | 0                                 | 0  | 0  | 215                       | 0                                  | 541                                     |
| Asset Management Investment           | 2,098                         | (2,070)                           | 0  | 0  | 28                        | 0                                  | 0                                       |
| Piers and Harbours Investment Fund    | 2,789                         | 0                                 | 1,336                                    | 0  | 0                         | 0                                  | 4,125                                   |
| Scottish Government Initiatives       | 2,834                         | 0                                 | 1,219                                    | 0  | 1,274                     | 0                                  | 2,779                                   |
| CHORD                                 | 378                           | 0                                 | 120                                      | 0  | 89                        | 0                                  | 409                                     |
| DMR Schools                           | 1,394                         | 0                                 | 645                                      | 0  | 1,300                     | 0                                  | 739                                     |
| Energy Efficiency Fund                | 218                           | 0                                 | 20                                       | 0  | 0                         | 0                                  | 238                                     |
| Existing Legal Commitments            | 476                           | (38)                              | 0  | 0  | 0                         | 438                                | 0                                       |
| Unspent Grant                         | 13,179                        | 5,293                             | 3,528                                    | 0  | 5,937                     | 277                                | 15,786                                  |
| Unspent Third Party Contribution      | 265                           | 0                                 | 233                                      | 0  | 44                        | 0                                  | 454                                     |
| Previous Council Decision - Other     | 3,808                         | 0                                 | 845                                      | 0  | 513                       | 0                                  | 4,140                                   |
| Redundancy Provision                  | 1,578                         | 0                                 | 1,500                                    | 0  | 115                       | 0                                  | 2,963                                   |
| Connect for Success Fund              | 1,426                         | 0                                 | 0  | 0  | 745                       | 0                                  | 681                                     |
| One Council Property Team             | 566                           | 0                                 | 0  | 0  | 0                         | 566                                | 0                                       |
| Fleet - Timing Delay                  | 658                           | 0                                 | 0  | 0  | 174                       | 0                                  | 484                                     |
| Hermitage Park                        | 19                            | 0                                 | 37                                       | 0  | 0                         | 0                                  | 56                                      |
| Electric Vehicle Chargers             | 17                            | 0                                 | 0  | 0  | 17                        | 0                                  | 0                                       |
| Priorities Investment Fund            | 0                             | 0                                 | 4,742                                    | 0  | 0                         | 0                                  | 4,742                                   |
| COVID-19                              | 5,512                         | (5,512)                           | 0  | 0  | 0                         | 0                                  | 0                                       |
| Unspent Budget                        | 13,566                        | 0                                 | 8,690                                    | 173  | 2,989                     | 931                                | 18,509                                  |
| <b>Totals</b>                         | <b>79,466</b>                 | <b>0</b>                          | <b>54,932</b>                            | <b>2,682</b>   | <b>27,286</b>             | <b>2,351</b>                       | <b>107,443</b>                          |

4.6.1 Within the Actual Spend 2023-24 against the Connect for Success Fund, there was a drawdown of £0.493m which helped balance the revenue budget in relation to an underfunding for the 2023-24 pay award. The funding will come in 2024-25 year so will be reinstated to the earmarked reserve once received.

#### 4.7 Health and Social Care Partnership

4.7.1 There are historic earmarked reserves in relation to Social Work of £0.054m contained within this report (£0.040m against Unspent Third Party Contributions and £0.014m against Scottish Government Initiatives) and can be found in Appendix 4, references 157 and 158.

- 4.7.2 For any new reserves, CIPFA LASAAC Guidance dictates that any reserves relating to the HSCP should be held as a creditor on the Balance Sheet as money owed to the HSCP from the Council. It should be noted that the balance being held on behalf of the HSCP in this manner is £3.389m.

## 5. CONCLUSION

- 5.1 A total of £2.352m of earmarked balances will be released from current earmarkings with £2.212m of this being re-earmarked for Capital Budget, leaving £0.140m being released into the General Fund.
- 5.2 Services have submitted their new proposed unspent budget earmarked reserves balances for the 2023-24 year-end for consideration by Members together with business cases to support the requests, these proposals total £3.2m. In addition there is a further £41.174m unspent budget earmarking previously approved.
- 5.3 There are a number of previously approved unspent budget earmarked reserves balances where there are plans to spend in future years. A review of these has been undertaken by Financial Services and is currently being scrutinised by ELT to confirm there is clear justification for these to continue to be earmarked. The outcome of this exercise will be reported to Members during 2024-25.
- 5.4 There are new balances totalling £10.558m that qualify for automatic carry forward for the Council at the end of 2023-24.

## 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   | Climate Change                | None  |
| 6.7   | Risk                          | None  |
| 6.8   | Customer Service              | None  |
| 6.9   | The Rights of the child UNCRC | None  |

**Kirsty Flanagan**  
Executive Director/Section 95 Officer

**Councillor Ross Moreland– Policy Lead for Finance and Commercial Services**  
4 June 2024

## APPENDICES



Appendix 1 – Policy on End of Year Flexibility

Appendix 2.1 – New Unspent Budget Proposals 2023-24 (New Business Cases)

Appendix 2.1a – Business Case – Pay Inflation Contingency

Appendix 2.1b – Business Case – Redundancy Costs

Appendix 2.2 – New Unspent Budget Proposals 2023-24 (Previously Agreed)

Appendix 3 – New Automatic Carry Forward Earmarkings 2023-24

Appendix 4 – Previously Agreed Earmarked Balances

For further information contact Anne Blue, Head of Financial Services  
[anne.blue@argyll-bute.gov.uk](mailto:anne.blue@argyll-bute.gov.uk)

## 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 twelve 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 twelve 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.

**APPENDIX 1****FINANCIAL SERVICES  
POLICY ON END OF YEAR FLEXIBILITY**

- 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, any unspent income generated by the park is retained for future years requirements.
  - One Council Property Team. The corporate approach to managing property has been in place since 2018 and historically any surplus above budget will have been absorbed by the Service and ultimately gone to the general fund. This ring-fenced fund for One Council Property will enable investment in the Council's property portfolio to ensure it remains fit for purpose.
  - Fleet - Timing Delay. In 2020-21 year, there was a particular problem with orders not being delivered because of manufacturing issues due to the COVID-19 pandemic. This earmarking allows the value of fleet orders submitted but not delivered due to supplier issues to be automatically earmarked to offset the invoice when the order is received.
  - Electric Vehicle Charging Surplus – the fee was set in order to create a surplus in order to allow future investment in charging points. A new automatic earmarking category is proposed to allow future electronic vehicle charging points to be installed and maintained.
- 3.4 Outwith these twelve 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.

**APPENDIX 1**

**FINANCIAL SERVICES  
POLICY ON END OF YEAR FLEXIBILITY**



- 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.

**Kirsty Flanagan  
Executive Director /Section 95 Officer  
29 May 2024**

| Ref                     | Service          | Description               | New Earmarking   | Reason for Carry Forward | Plans for Use   | Spending profile                      |   |   |
|-------------------------|------------------|---------------------------|------------------|--------------------------|---|---------------------------------------|---|---|
|                         |                  |                           |                  |                          |   | Amount Planned to be Spent in 2024/25 | Amount Planned to be Spent from 2025/26 onwards | Amount Planned to be Spent from 2026/27 onwards |
| <b>NON DEPARTMENTAL</b> |                  |                           |                  |                          |   |                                       |   |   |
| 001                     | Non Departmental | Pay Inflation Contingency | 1,700,000        | Unspent Budget           | Negotiations for the 2024/25 pay award are ongoing but initial discussions suggest it will be beyond the 3% increase currently built into the budget outlook. £1.7m equates to approximately a 1% pay rise therefore providing a contingency at this level is prudent | 1,700,000                             | 0   | 0   |
| 002                     | Non Departmental | Redundancy Costs          | 1,500,000        | Unspent Budget           | Given the budget gap over the next 5 years and 61% of our costs being staff costs, redundancy costs are likely to increase and there is a need to provide for possibility of covering those costs.  | 0                                     | 1,500,000                                       | 0   |
|                         |                  |                           | <b>3,200,000</b> |                          |   | <b>1,700,000</b>                      | <b>1,500,000</b>                                | <b>0</b>  |

|              |                             |                          |                       |
|--------------|-----------------------------|--------------------------|-----------------------|
| Tick One Box | <b>For Information Only</b> | <b>For Decision Only</b> | <b>For Discussion</b> |
|              |                             | x                        |                       |

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**ARGYLL AND BUTE COUNCIL**
**COUNCIL****REPORT BY EXECUTIVE DIRECTOR KIRSTY FLANAGAN****27 JUNE 2024**


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**PROPOSAL TO EARMARK FUNDS FROM GENERAL FUND RESERVE**
**PAY CONTINGENCY**


---

**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 £1.7m be earmarked from the revenue budget underspend within the Loans Fund in 2023-24 to create a 1% contingency for the pay award.

**2.2 Business Case**

- 2.2.1 Negotiations for the 2024-25 pay award are ongoing but the initial offer has been rejected by the Unions.
- 2.2.2 A 3% pay award has been built into the budget outlook for 2024-25 (2% in future years) and given how negotiations are progressing there is a high likelihood that this will not be sufficient therefore it would be prudent to create a contingency of £1.7m which equates to approximately a 1% pay rise.

**2.3 Expenditure Profile**

The sum of £1.7m will be spent during 2024-25.

**KIRSTY FLANAGAN**  
**S95 OFFICER/EXECUTIVE DIRECTOR**

|              |                             |                          |                       |
|--------------|-----------------------------|--------------------------|-----------------------|
| Tick One Box | <b>For Information Only</b> | <b>For Decision Only</b> | <b>For Discussion</b> |
|              |                             | x                        |                       |

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**ARGYLL AND BUTE COUNCIL**
**COUNCIL****REPORT BY EXECUTIVE DIRECTOR KIRSTY FLANAGAN****27 JUNE 2024**


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**PROPOSAL TO EARMARK FUNDS FROM GENERAL FUND RESERVE**
**REDUNDANCY COSTS**


---

**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 £1.5m be earmarked from the revenue budget underspend within the Loans Fund in 2023-24 to provide for possible redundancy costs.

**2.2 Business Case**

- 2.2.1 The current reported budget gap in 2025-26 is £8.315m rising to £23.849m over the next 5 years. As approximately 60% of our costs relate to staff it is likely that redundancies will be unavoidable in order to bridge this gap therefore there is a need to provide for associated redundancy costs.
- 2.2.2 It would be prudent to earmark an additional £1.5m to provide for possible redundancy costs.

**2.3 Expenditure Profile**

The sum of £1.5m will be spent from 2025/26 onwards.

**KIRSTY FLANAGAN**  
**EXECUTIVE DIRECTOR**



| Ref   | Service                           | Description  | New Earmarking | Reason for Carry Forward | Plans for Use   | Spending profile                      |   |   |
|---|-----------------------------------|--|----------------|--------------------------|---|---------------------------------------|---|---|
|   |                                   |  |                |                          |   | Amount Planned to be Spent in 2024/25 | Amount Planned to be Spent from 2025/26 onwards | Amount Planned to be Spent from 2026/27 onwards |
| <b>CHIEF EXECUTIVES UNIT</b>                |                                   |  |                |                          |   |                                       |   |   |
| 001   | Community Planning                | Service Concessions - Priorities Investment Fund (Area Plans)  | 200,000        | Unspent Budget           | As agreed by Policy and Resources Committee on 23 October 23 - drawdown of £200,000 from the Priorities Investment Fund to fund two temporary posts and associated costs to produce meaningful area plans   | 100,000                               | 100,000   | 0   |
| <b>EXECUTIVE DIRECTOR (DOUGLAS HENDRY)</b>  |                                   |  |                |                          |   |                                       |   |   |
| 002   | Commercial Services               | Commercial Investment Manager post and specialist consultant technical resource (previously Asset Management Fund) | 104,000        | Unspent Budget           | The Asset Management Fund has been redirected to Capital going forward but the interest for 2023-24 is to be used towards a Commercial Investment Manager Post. This is because funding of £200k from the Asset Management Fund was agreed at ELT in June 22 for the post, along with specialist consultancy and technical resources that will be required to support early projects. Note, the £104k represents the balance of the £200k commitment.   | 104,000                               | 0   | 0   |
| <b>EXECUTIVE DIRECTOR (KIRSTY FLANAGAN)</b> |                                   |  |                |                          |   |                                       |   |   |
| 003   | Development and Economic Growth   | Service Concessions - Priorities Investment Fund (Project Officer for Housing Emergency)                           | 200,000        | Unspent Budget           | As agreed by Policy and Resources Committee on 15 February 2024 - drawdown of £200,000 from the Priorities Investment Fund to fund a Project Officer to assist in accelerating the work of the Housing Emergency.   | 70,000                                | 130,000   | 0   |
| 004   | Financial Services                | Revenue and Benefits BPR - extra staff to implement savings targets  | 86,955         | Unspent Budget           | On 23 February 2023, the Council agreed to the implementation of savings option FIS2324-002 in relation to the Revenue and Benefits - Income Generation and Business Process Review. This included an extra 4 FTE of staff. Delays in recruitment have caused slippage in the allocated budget for these posts.   | 86,955                                | 0   | 0   |
| 005   | Financial Services                | Scotland Loves Local   | 57,453         | Unspent Budget           | As agreed by Council 22 February 24, a £57,453 underspend from the Scotland Loves Local scheme to be allocated to support measures to help with the costs of living by funding member organisations of the Community Food Forum, ALI Energy, Argyll and Bute Citizens Advice Bureau and Bute Advice Centre, with detailed proposals to be agreed by the Executive Director with responsibility for Finance, in consultation with the Leader, Depute Leader and Leader of the Largest Opposition Group. Details of the agreed spend are to be reported to elected members. | 57,453                                | 0   | 0   |
| 006   | Roads & Infrastructure            | Service Concessions - Biodegradable Municipal Waste (BMW) Ban  | 3,500,000      | Unspent Budget           | As agreed at Council meeting 23 February 2023 - Ensuring Argyll and Bute is able to better address the challenges faced by a remote/rural/ island region in complying with the forthcoming national BMW ban.  | 0                                     | 3,500,000                                       | 0   |
| 007   | Roads & Infrastructure            | Service Concessions - Priorities Investment Fund (Strategic Development Framework)                                 | 450,000        | Unspent Budget           | As agreed by Policy and Resources Committee on 15 February 2024 - drawdown of £450,000 to procure consultancy support to assist in driving forward the Strategic Development Frameworks.  | 225,000                               | 225,000   | 0   |
| 008   | Roads and Infrastructure Services | Weather Incident costs not covered by Bellwin claim.   | 198,000        | Unspent Budget           | £839k was set aside at budget meeting in February 2024 as part of the unallocated general fund balance workings to cover the weather incident costs not covered by the Bellwin Claim. As £641k was utilised during 23-24, the balance of £0.198m is being earmarked for costs expected in 24-25.  | 198,000                               | 0   | 0   |
| <b>NON DEPARTMENTAL</b>                     |                                   |  |                |                          |   |                                       |   |   |

| Ref | Service          | Description   | New Earmarking | Reason for Carry Forward | Plans for Use  | Spending profile                      |   |   |
|-----|------------------|---|----------------|--------------------------|--|---------------------------------------|---|---|
|     |                  |   |                |                          |  | Amount Planned to be Spent in 2024/25 | Amount Planned to be Spent from 2025/26 onwards | Amount Planned to be Spent from 2026/27 onwards |
| 009 | Non Departmental | Service Concessions - Learning Estate Investment Strategy                     | 8,000,000      | Unspent Budget           | As agreed at Council meeting 23 February 2023 - Signalling council's commitment to working in partnership to secure new schools for Argyll and Bute, through substantial investment to support future-proofing of Argyll and Bute's schools estate.  | 0                                     | 8,000,000                                       | 0   |
| 010 | Non Departmental | Service Concessions - Replace previous loans fund principal repayment holiday | 5,400,000      | Unspent Budget           | As agreed at Council meeting 23 February 2023 - The one-off retrospective benefit will be used to replace exercising the principal repayment holiday that was previously agreed by Council.  | 5,400,000                             | 0   | 0   |
| 011 | Non Departmental | Service Concessions - Rothesay Pavilion                                       | 4,772,000      | Unspent Budget           | As agreed at Council meeting 23 February 2023 - Building on previous commitments to securing a future for this building of international, national and local significance with additional contribution to the overall funding target which requires collective action; helping project to progress towards success with funding that supports completion of certain work stages and securing wind/watertight status. | 0                                     | 4,772,000                                       | 0   |
| 012 | Non Departmental | Service Concessions - Priorities Investment Fund                              | 4,742,000      | Unspent Budget           | As agreed at Council meeting 23 February 2023 - Safeguarding future investment in Priorities for Argyll and Bute by making long-term use of service concession gain to establish dedicated fund to lever in, secure and support key strategic investments in this year and future years.   | 0                                     | 4,742,000                                       | 0   |
| 013 | Non Departmental | Service Concessions - Roads Investment to Capital                             | 3,546,000      | Unspent Budget           | As agreed at Council meeting 23 February 2023 - Augmenting overall allocation for roads repair and maintenance programme with additional funds to bring up to £8m total investment for 2024/25.  | 0                                     | 3,546,000                                       | 0   |
| 014 | Non Departmental | Funding Gap in Capital Programme  | 2,619,000      | Unspent Budget           | Funding agreed as part of the Loans Fund Review towards the Funding Gap in Capital Programme   | 2,619,000                             | 0   | 0   |
| 015 | Non Departmental | Significant Strategic Change Projects   | 2,157,000      | Unspent Budget           | Funding agreed as part of the Loans Fund Review for Significant Strategic Change Projects  | 2,157,000                             | 0   | 0   |
| 016 | Non Departmental | Service Concessions - Capital Projects Inflation Pressures                    | 2,000,000      | Unspent Budget           | As agreed at Council meeting 23 February 2023 -Boosting resilience of Capital Programme and providing added support as required for key capital/infrastructure projects.   | 0                                     | 2,000,000                                       | 0   |
| 017 | Non Departmental | Service Concessions - Priorities Investment Fund (Capital Programme)          | 1,028,000      | Unspent Budget           | As agreed by Council on 22 February 2024- transfer of £1,028,000 from the Priorities Investment Fund to the Capital plan   |                                       | 1,028,000                                       | 0   |
| 018 | Non Departmental | Service Concessions - New refuse collection vehicles                          | 700,000        | Unspent Budget           | As agreed at Council meeting 23 February 2023 - Enhancing waste and recycling uplift arrangements through placing orders for new refuse vehicles.  | 700,000                               | 0   | 0   |
| 019 | Non Departmental | Service Concessions - Climate Change  | 640,000        | Unspent Budget           | As agreed at Council meeting 23 February 2023 - Continuing our track record of investing in climate change with funding to further enhance school estate climate change measures, with allocations for primary and secondary schools across the area in Campbeltown, Dunoon, Helensburgh, Lochgilphead, Oban and Rothesay.   | 0                                     | 640,000   | 0   |
| 020 | Non Departmental | Treasury Gain   | 294,000        | Unspent Budget           | To fund one off operational saving 202425 003 as agreed by Council when setting 2024/25 budget in February 2024.   | 294,000                               | 0   | 0   |

| Ref               | Service          | Description                                    | New Earmarking | Reason for Carry Forward | Plans for Use  | Spending profile                      |   |   |
|-------------------|------------------|--|----------------|--------------------------|--|---------------------------------------|---|---|
|                   |                  |  |                |                          |  | Amount Planned to be Spent in 2024/25 | Amount Planned to be Spent from 2025/26 onwards | Amount Planned to be Spent from 2026/27 onwards |
| 021               | Non Departmental | Service Concessions - New Jet Patcher Vehicle  | 250,000        | Unspent Budget           | As agreed at Council meeting 23 February 2023 - Complementing multi-million pound capital investment in roads repair and maintenance with new jet patcher order to support delivery of programme.                        | 250,000                               | 0   | 0   |
| 022               | Non Departmental | Service Concessions - New Road Marking Vehicle | 230,000        | Unspent Budget           | As agreed at Council meeting 23 February 2023 - Completing suite of investments in new fleet procurement, to support delivery of roads repair and maintenance programme, with order for additional road marking vehicle. | 0                                     | 230,000   | 0   |
| <b>41,174,408</b> |                  |  |                |                          |  | <b>12,261,408</b>                     | <b>28,913,000</b>                               | <b>0</b>  |

| Ref  | Service             | Description  | New Earmarking | Reason for Carry Forward        | Plans for Use   | Spending profile                      |   |   |
|--|---------------------|--|----------------|---------------------------------|---|---------------------------------------|---|---|
|  |                     |  |                |                                 |   | Amount Planned to be Spent in 2024/25 | Amount Planned to be Spent from 2025/26 onwards | Amount Planned to be Spent from 2026/27 onwards |
| <b>CHIEF EXECUTIVES UNIT</b>               |                     |  |                |                                 |   |                                       |   |   |
| 001  | Community Planning  | Gaelic Development   | 7,736          | Unspent Grant                   | To fund Gaelic specific work and project work of the Community Planning Partnership including the development of the new 10 year Outcome Improvement Plan   | 7,736                                 |   |   |
| <b>EXECUTIVE DIRECTOR (DOUGLAS HENDRY)</b> |                     |  |                |                                 |   |                                       |   |   |
| 002  | Commercial Services | Energy Efficiency Fund   | 20,000         | Energy Efficiency Fund          | Additional funds from over recovery of Renewable Energy Income. The CEEF funding will help fund further renewable energy projects.  | 20,000                                |   |   |
| 003  | Commercial Services | Free Sanitary Provision Scheme   | 7,114          | Unspent Grant                   | To fund the continued implementation of the scheme through increased provision of reusable products, improved provision in rural communities by working in partnership with Education and improving the storage of products in toilets so that they are more readily available. A dedicated officer was appointed in November 2022 to develop the scheme and increase provision across Argyll and Bute including a postage facility.                                    | 7,114                                 |   |   |
| 004  | Education           | 100 Day Promise - Increase Teacher and Pupil Support Assistant Numbers | 732,164        | Scottish Government Initiatives | Scottish Government initiative to increase the number of teachers and support assistants in schools. Required to fund teachers to end of academic year.   | 732,164                               |   |   |
| 005  | Education           | DSM - Devolved School Management Scheme                                | 644,837        | DMR Schools                     | To be spent in accordance with DSM regulations.   | 644,837                               |   |   |
| 006  | Education           | Early Learning and Childcare - 1140 Hours (2023/24)                    | 603,977        | Unspent Grant                   | Continued provision of high quality early learning and childcare experiences to children eligible for 1140 hours, in accordance with Funding Follows the Child and the associated National Standard.  | 603,977                               |   |   |
| 007  | Education           | Expansion of Universal Free School Meals                               | 395,985        | Scottish Government Initiatives | To support the continued phased implementation of Universal Free School Meals for Primary children.   | 395,985                               |   |   |
| 008  | Education           | Pupil Equity Fund Carry Forward  | 303,820        | Unspent Grant                   | To provide targeted support for children and young people affected by poverty to achieve their full potential. Funding is used over the academic year.  | 303,820                               |   |   |
| 009  | Education           | Strategic Equity Fund  | 94,712         | Unspent Grant                   | Strategic Equity Funding must provide targeted support for children and young people (and their families if appropriate) affected by poverty to achieve their full potential, focusing on targeted improvement activity in literacy, numeracy and health and wellbeing. The Strategic Equity Fund Spending Plan will enhance staffing, provide teacher cover and support to schools not in receipt of PEF funding, to be spent by the end of the 2024-25 academic year. | 94,712                                |   |   |
| 010  | Education           | Scottish Milk and Healthy Snack Scheme (SMHSS)                         | 68,061         | Unspent Grant                   | The Scottish Milk and Healthy Snack Scheme funds a daily portion of plain fresh cow's milk (or specified alternative) and a healthy snack (fruit or vegetables) for pre-school children spending 2 hours or more in the care of a regulated day care provider and/or childminders that has registered for the Scheme. The unspent grant from 2023/24 will contribute towards the cost of the scheme in 2024/25.   | 68,061                                |   |   |

| Ref   | Service                       | Description   | New Earmarking | Reason for Carry Forward          | Plans for Use  | Spending profile                      |   |   |
|---|-------------------------------|---|----------------|-----------------------------------|--|---------------------------------------|---|---|
|   |                               |   |                |                                   |  | Amount Planned to be Spent in 2024/25 | Amount Planned to be Spent from 2025/26 onwards | Amount Planned to be Spent from 2026/27 onwards |
| 011   | Education                     | EDU - Music Instructors                               | 36,094         | Scottish Government Initiatives   | Scottish Government Initiative to support music tuition. Unspent amount designated for expansion of the service within the 2023-24 academic year.  | 36,094                                |   |   |
| 012   | Education                     | Access to Counsellors in Schools                      | 35,769         | 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. | 35,769                                |   |   |
| 013   | Education                     | Youth Music Initiative                                | 34,348         | Unspent Grant                     | To fund YMI projects across the remainder of the academic year 2023/24.  | 34,348                                |   |   |
| 014   | Education                     | Training of Support Staff in Schools                  | 12,000         | Scottish Government Initiatives   | To fund training of support staff in schools in light of the findings of the Behaviour in Scottish Schools Research 2023   | 12,000                                |   |   |
| 015   | Education                     | Planet Youth Funding                                  | 4,350          | Unspent Grant                     | Balance of 23-24 grant funding to be used for drama production within schools taking place in September 2024.  | 4,350                                 |   |   |
| 016   | Education                     | EDU - Support Fund for Service Children               | 3,557          | Unspent Grant                     | This grant is provided by the Armed Forces Covenant Trust and will be used to provide continuing support and resources for Service Children within the Helensburgh and Lomond Area in academic year 23-24.   | 3,557                                 |   |   |
| 017   | Education                     | Play on Pedals  | 1,584          | Unspent Grant                     | Unspent Play On Pedals grant to allow the procurement of a fleet of cycles and helmets to support delivery across up to 19 nurseries, as well as other equipment and maintenance.  | 1,584                                 |   |   |
| 018   | Education                     | Food for Thought                                      | 1,203          | Unspent Grant                     | Ardrishaig Primary £800 and Gigha Primary & ELC £403 have orders pending and plans for the remaining balance of the Food for Thought Grant. Will be spent in 2024-25   | 1,203                                 |   |   |
| 019   | Education                     | Developing The Young Workforce                        | 598            | Unspent Grant                     | The Developing the Young Workforce Grant claim had to be made in advance and at the end of the financial year there was surplus of £598 which requires to be carried forward.  | 598                                   |   |   |
| 020   | Education                     | Transport for 'Smoke Free Me' Drama Production        | 0              | Unspent Third Party Contribution  | NHS funding contribution towards the cost of school transport for pupils attending the Smoke Free Me drama production which was delivered across Argyll and Bute.  | 0                                     |   |   |
| 021   | Legal & Regulatory Support    | Meridian BCMS (Business Continuity Management System) | 57,176         | Previous Council Decision - Other | Meridian BCMS (Business Continuity Management System)<br>For period covering: 19th February 2024 – 18th February 2027<br>Civil Contingencies System, this earmarking will be used over the next 6 years for maintenance costs for Meridian BCMS  | 19,800                                | 19,800  | 17,576  |
| 022   | Legal & Regulatory Support    | LRS - Housing Services - Welfare Rights               | 43,760         | Unspent Grant                     | Grant agreement between the Improvement Service and Argyll and Bute Council for participation in the Welfare Advice and Health Partnerships- 'Test and Learn' Programme  | 43,760                                |   |   |
| <b>EXECUTIVE DIRECTOR (KIRSTY FLANAGAN)</b> |                               |   |                |                                   |  |                                       |   |   |
| 023   | Customer Support Services     | Bord na Gaidhlig                                      | 12,800         | Unspent Grant                     | Grant funding from Bord na Gaidhlig. Ongoing spend ad hoc to deliver on commitments in the Gaelic Language Plan. Grant income from GLAIF continues to be added to this total and then paid out to projects.  | 0                                     | 0   | 12,800  |
| 024   | Development & Economic Growth | Coastal Communities Fund (Crown Estates)              | 838,000        | Unspent Grant                     | 2023-24 grant funding for Coastal Communities Fund (Crown Estates).  | 0                                     | 838,000   | 0   |

| Ref                     | Service                                | Description  | New Earmarking    | Reason for Carry Forward           | Plans for Use  | Spending profile                      |   |   |
|-------------------------|--|--|-------------------|------------------------------------|--|---------------------------------------|---|---|
|                         |  |  |                   |                                    |  | Amount Planned to be Spent in 2024/25 | Amount Planned to be Spent from 2025/26 onwards | Amount Planned to be Spent from 2026/27 onwards |
| 025                     | Development & Economic Growth          | Scottish Government Islands Programme                      | 646,045           | Unspent Grant                      | 2023-24 grant funding for Scottish Govt Islands Programme.   | 646,045                               | 0   | 0   |
| 026                     | Development & Economic Growth          | Place based investment programme                           | 407,741           | Unspent Grant                      | 2023-24 grant funding for Place Based Investment Programme.  | 407,741                               | 0   | 0   |
| 027                     | Development & Economic Growth          | UK Shared Prosperity Fund (UKSPF)                          | 294,440           | Unspent Grant                      | 2023-24 grant funding for UK Shared Prosperity Fund (UKSPF).   | 294,440                               | 0   | 0   |
| 028                     | Development & Economic Growth          | Short Term Lets  | 232,604           | Unspent Third Party Contribution   | These monies are to fund the STL licensing scheme until the renewal period of 27/28 as the majority for the licences will have renewal dates of 2027. There will also be ongoing staffing costs, maintenance fees for ICT systems and ongoing fees associated with short-term let licensing. Income from the scheme is intended to be directed to delivering the licensing scheme  | 0                                     | 0   | 232,604   |
| 029                     | Development & Economic Growth          | Rothsay Pavilion   | 120,596           | CHORD                              | Build up a provision towards future Council commitment to provide up to £150,000 per annum running costs for Rothsay Pavilion.   | 0                                     | 0   | 120,596   |
| 030                     | Development & Economic Growth          | Island Skills and Repopulation                             | 8,953             | Unspent Grant                      | 2023-24 grant funding for Island Skills and Repopulation   | 8,953                                 | 0   | 0   |
| 031                     | Financial Services                     | FIS - BEIS Energy Grants                                   | 27,590            | Unspent Grant                      | Grant monies which would have to be repaid if not utilised for intended purpose, Additional staff to cover pressures of administering double charge of council tax in 2nd homes £28k   | 27,590                                |   |   |
| 032                     | Roads and Infrastructure Services      | Piers and Harbours Investment Fund                         | 1,335,720         | Piers and Harbours Investment Fund | Income from P&H to be used to pay of Prudential Borrowing costs for Harbour Investment Programme.  |                                       |   | 1,335,720                                       |
| 033                     | Roads and Infrastructure Services      | Hermitage Park   | 37,445            | 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, any unspent income generated by the park is retained for future years requirements. | 0                                     | 11,858  | 25,587  |
| <b>NON DEPARTMENTAL</b> |  |  |                   |                                    |  |                                       |   |   |
| 034                     | Non Departmental                       | Strategic Housing Fund                                     | 2,575,067         | Strategic Housing Fund             | Strategic Housing Fund. Council tax collected during 2023-24 from the second homes discount on properties. Requires to be earmarked as part of the Strategic Housing Fund balance.   |                                       |   | 2,575,067                                       |
| 035                     | Non Departmental                       | Oban TIF   | 787,620           | Previous Council Decision - Other  | Will be used to fund the TIF Programme office for a further 3 years as well as the programme office for Rural Growth Deal beyond the funding that was agreed at Council for this in February 2021.   |                                       |   | 787,620   |
| 036                     | Other Operating Income and Expenditure | Educational Support to Ukrainian Children and Young People | 124,491           | Unspent Grant                      | This funding will be used to provide childcare and education support to Ukrainian children and young people.   | 124,491                               |   |   |
|                         |  |  | <b>10,557,957</b> |                                    |  | <b>4,580,729</b>                      | <b>869,658</b>                                  | <b>5,107,570</b>                                |

Previously Agreed Earmarked Balances

Appendix 4

| Ref                                      | Service                               | Description  | Amount Earmarked at 31 March 2023 | Actual Spend 2023/24 | Funds Unearmarked | New Earmarking Agreed by Council During 2023/24 | Closing Balance at 31 March 2024 | Reason for Carry Forward          | Plans for Use  | Spending profile                      |                                       |   |
|--|---------------------------------------|--|-----------------------------------|----------------------|-------------------|---|----------------------------------|-----------------------------------|--|---------------------------------------|---------------------------------------|---|
|  |                                       |  |                                   |                      |                   |   |                                  |                                   |  | Amount Planned to be Spent in 2024/25 | Amount Planned to be Spent in 2025/26 | Amount Planned to be Spent from 2026/27 onwards |
|  |                                       | Completed projects during 2023/24  | 1,771,000                         | 1,771,000            |                   |   | 0                                | Capital Projects                  |  | 0                                     | 0                                     | 0   |
|  |                                       | Completed projects during 2023/24  | 51,371                            | 51,371               |                   |   | 0                                | Unspent Grant                     |  | 0                                     | 0                                     | 0   |
|  |                                       | Completed projects during 2023/24  | 1,129,677                         | 1,129,677            |                   |   | 0                                | DMR Schools                       |  | 0                                     | 0                                     | 0   |
|  |                                       | Completed projects during 2023/24  | 16,560                            | 16,560               |                   |   | 0                                | Electric Vehicle Charging Surplus |  | 0                                     | 0                                     | 0   |
|  |                                       | Completed projects during 2023/24  | 91,461                            | 91,461               |                   |   | 0                                | Previous Council Decision         |  | 0                                     | 0                                     | 0   |
|  |                                       | Completed projects during 2023/24  | 1,495,000                         | 1,495,000            |                   |   | 0                                | Previous Council Decision - Other |  | 0                                     | 0                                     | 0   |
|  |                                       | Completed projects during 2023/24  | 1,028,668                         | 1,028,668            |                   |   | 0                                | Scottish Government Initiatives   |  | 0                                     | 0                                     | 0   |
|  |                                       | Completed projects during 2023/24  | 1,464,802                         | 1,464,802            |                   |   | 0                                | Unspent Budget                    |  | 0                                     | 0                                     | 0   |
|  |                                       | Completed projects during 2023/24  | 900,181                           | 900,181              |                   |   | 0                                | Unspent Grant                     |  | 0                                     | 0                                     | 0   |
| <b>CHIEF EXECUTIVE'S UNIT</b>            |                                       |  |                                   |                      |                   |   |                                  |                                   |  |                                       |                                       |   |
| 001                                      | Community Planning                    | NHS Highland and other CPP Partners Contribution Towards the CPP Running and Project Costs | 113,368                           | 30,000               |                   |   | 83,368                           | Unspent Third Party Contribution  | Will be deployed as required in the day-to-day running of the Community Planning Partnership's operations.   | 83,368                                | 0                                     | 0   |
| 002                                      | Community Planning                    | Community Planning - temp post to support communities                                      | 55,000                            | 0                    |                   |   | 55,000                           | Unspent Grant                     | Post relating to the supporting communities fund, will be used in 2024-25  | 55,000                                | 0                                     | 0   |
| 003                                      | Community Planning                    | Covid impacts – support to communities'  | 49,147                            | 21,221               |                   |   | 27,926                           | Unspent Grant                     | Funding provided in relation to the Local Self-isolation Assistance Service. The Community Planning and Development Team will work with community groups to support their community response and resiliency to Test and Protect and the longer term impacts of COVID-19 on local community organisations.  | 27,926                                | 0                                     | 0   |
| 004                                      | Community Planning                    | Gaelic Development   | 19,754                            | 0                    |                   |   | 19,754                           | Unspent Grant                     | To fund Gaelic specific work and project work of the Community Planning Partnership including the development of the new 10 year Outcome Improvement Plan.   | 19,754                                | 0                                     | 0   |
| 005                                      | Community Planning                    | Recovered unspent third sector grant funding.  | 10,846                            | 7,909                |                   |   | 2,937                            | Previous Council Decision - Other | To be distributed through the Supporting Communities Fund for communities based projects across Argyll and Bute.   | 2,937                                 | 0                                     | 0   |
| 006                                      | Community Planning                    | Communities and Partnership Team   | 8,855                             | 0                    |                   |   | 8,855                            | Unspent Budget                    | The funds have originated from externally sourced income due to an employee being seconded to the Scottish Community Development Centre (SCDC). The funds will be used to support the team in relation to meeting its priorities of Building Back Better (Communities), Climate Change and the review of the Argyll and Bute Outcome Improvement Plan.   | 8,855                                 | 0                                     | 0   |
| <b>EXECUTIVE DIRECTOR DOUGLAS HENDRY</b> |                                       |  |                                   |                      |                   |   |                                  |                                   |  |                                       |                                       |   |
| 007                                      | Across Services / Commercial Services | Information Management (Estates Survey Work)   | 12,697                            | 0                    |                   |   | 12,697                           | 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 E122k, Digitalisation of Title Deeds E92k, document management and workflow system for Planning, Building Standards and Environmental Health E77k and a balance of funding to explore information management solutions in a strategic and coherent way E209k. This balance relates to Estates Survey Work. Having a procured supplier to provide floor plans at short notice is required to be able to react quickly to requests. If this isn't available Estates would need to go through the procurement process again which would delay any projects by several months. There isn't a detailed plan to use this resource it is more about being able to react quickly and not delay projects. | 12,697                                | 0                                     | 0   |
| 008                                      | Across Services / Education           | Digital Projects (Supply Staff Booking System)   | 25,100                            | 9,900                |                   |   | 15,200                           | Unspent Budget                    | To deliver a number of Digital Service Transformation Projects with a commitment of E0.035m towards a Supply Staff Booking system. Phase 1 of the project is nearing completion.   | 9,900                                 | 5,300                                 | 0   |

| Ref | Service             | Description   | Amount Earmarked at 31 March 2023 | Actual Spend 2023/24 | Funds Unearmarked | New Earmarking Agreed by Council During 2023/24 | Closing Balance at 31 March 2024 | Reason for Carry Forward   | Plans for Use  | Amount Planned to be Spent in 2024/25 | Amount Planned to be Spent in 2025/26 | Amount Planned to be Spent from 2026/27 onwards |
|-----|---------------------|---|-----------------------------------|----------------------|-------------------|---|----------------------------------|----------------------------|--|---------------------------------------|---------------------------------------|---|
| 009 | Commercial Services | Rothesay Academy - Demolition and Waste Disposal        | 953,875                           | 73,655               | 880,220           |   | 0                                | Unspent Budget             | Since Rothesay Academy was vacated over 15 years ago no site clearance has taken place and there are potential Health and Safety and insurance cover implications due to deterioration of the building. £55,000 earmarking has allowed clearance of remaining materials and debris. Also £840,000 to fund estimated future costs of demolition (subject to removal of listed status) to be added to an existing earmarking. There are potential Health and Safety and insurance cover implications due to deterioration of the building. Balance of earmarking being released towards Capital Budget pressures.  | 0                                     | 0                                     | 0   |
| 010 | Commercial Services | Rothesay Pavilion Charity                               | 750,000                           | 0                    |                   |   | 750,000                          | Previous Council Decision  | 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. This funding is to support Rothesay Pavilion Charity in the first 2 years of the building being operational.   | 0                                     | 750,000                               | 0   |
| 011 | Commercial Services | One Council Property                                    | 565,971                           | 0                    | 565,971           |   | 0                                | One Council Property Team  | It was agreed in 2020/21 to retain revenue generated from commercial activity in One Council Property for future investment across the Council's property portfolio to ensure it remains fit for purpose.  | 0                                     | 0                                     | 0   |
| 012 | Commercial Services | Climate Change Programme                                | 500,000                           | 50,000               |                   |   | 450,000                          | Previous Council Decision  | At the Council Budget meeting on 24 February 2022, the Council committed to additional investments with £0.500m for Climate Change, building on previous £1.1m investments, including projects within Argyll and Bute's schools. Expenditure in 23/24, draw down in 24/25.   | 450,000                               | 0                                     | 0   |
| 013 | Commercial Services | Contingent Liability - Capital Project                  | 438,691                           | 0                    | 438,691           |   | 0                                | Existing Legal Commitments | There is a contingent liability in respect of Helensburgh capital projects with future costs expected for fees relative to court proceedings and remedial works required to be carried out, the extent of which are still unknown.   | 0                                     | 0                                     | 0   |
| 014 | Commercial Services | Rothesay Pavilion Essential repairs                     | 306,400                           | 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.  | 0                                     | 306,400                               | 0   |
| 015 | Commercial Services | Energy Efficiency Fund                                  | 218,351                           | 0                    |                   |   | 218,351                          | Energy Efficiency Fund     | The Central Energy Efficiency Fund (CEEF) was launched by SG in 2004 to support the delivery of energy efficiency and renewable energy measures. The original allocation of funding was £286k and part of the stipulation of the funding was that any savings from energy efficiencies were reinvested into the fund 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. Projects expected to commence in 24-25 are Drainage Adaptations, Water Efficiency Works within PCs and Schools and Remote Energy Monitoring Systems. | 218,351                               | 0                                     | 0   |
| 016 | Commercial Services | Estates - NDR Revaluation Appeals                       | 84,688                            | 24,750               |                   |   | 59,938                           | Unspent Budget             | The Council agreed to make provision to meet the cost of appealing Non Domestic Rates (NDR) revaluations which were imposed from April 2017. The remaining funds were carried forward to the 2023/24 revaluation cycle however a recent change in position by the Scottish Government may restrict the appeals which can be made. This is still under discussion and Gerald Eve Surveyors have been appointed as specialist advisers on this matter, who are progressing 2023-26 appeals. In the event that appeals are limited there may be an opportunity to utilise Gerald Eve for more general valuation advice subject to Procurement approval.   | 29,969                                | 29,969                                | 0   |
| 017 | Commercial Services | Site Investigation Works                                | 21,013                            | 0                    |                   |   | 21,013                           | Unspent Budget             | For Site Investigation works in relation to Tweeddale Street Car Park and Oban Airport Business Park, exploring commercial opportunities to develop the sites and raise revenue income for Argyll and Bute Council. HUB North were instructed to procure contractors to undertake the site investigations these are now complete. The remainder of the budget is intended to be utilised for other site investigation and pre-development works to further develop commercial opportunities across the council area.   | 21,013                                | 0                                     | 0   |
| 018 | Commercial Services | Mid Argyll Community Pool                               | 0                                 | 0                    |                   | 30,000  | 30,000                           | Unspent Budget             | At the Council Budget meeting on 22 February 2024, the Council committed to a one-off investment of £0.030m to Mid Argyll Community Pool in response to an external funding request.   | 30,000                                | 0                                     | 0   |
| 019 | Commercial Services | MacTaggart Leisure Islay                                | 0                                 | 0                    |                   | 30,000  | 30,000                           | Unspent Budget             | At the Council Budget meeting on 22 February 2024, the Council committed to a one-off investment of £0.030m to MacTaggart Leisure, Islay in response to an external funding request.   | 30,000                                | 0                                     | 0   |
| 020 | Education           | EDU - Early Learning & Childcare - 1140 Hours Expansion | 5,531,378                         | 1,396,358            |                   |   | 4,135,020                        | Unspent Grant              | The funds will be utilised to improve and expand 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. There is a detailed plan of spend which has been shared with S95 officer and Head of Finance. The Scottish Government were happy for us to move ahead with plan instead of losing funding. For 2024-25 the ring fencing has been removed, however the wording of the letter states funds must still be used for Early Years.  | 1,769,739                             | 2,365,281                             | 0   |



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|-----|-----------|---|-----------------------------------|----------------------|-------------------|---|----------------------------------|---------------------------------|--|---------------------------------------|---------------------------------------|---|
| 021 | Education | ASN Review  | 1,255,000                         | 0                    |                   |   | 1,255,000                        | Unspent Budget                  | To fund capital costs of ASN adaptations as part of ASN Review to increase equity of provision across Argyll and Bute. This will be subject to a business case as part of the wider ASN review. Update: Business case now approved and working group set up with quotes for works being carried out Jan 2024.  | 1,255,000                             | 0                                     | 0   |
| 022 | Education | Provision for Learning Estate Investment Programme  | 1,000,000                         | 0                    |                   |   | 1,000,000                        | Previous Council Decision       | At the Council Budget meeting on 24 February 2022, the Council committed to additional investments - £1m to help safeguard and support future learning for Argyll and Bute's Learning Estate Investment programme. Update: The LEIP funding bid was approved by SG late 2023. Council approval granted at 25th April 2024 meeting to commence business case, undertake engagement exercises and site selection process.  | 1,000,000                             | 0                                     | 0   |
| 023 | Education | Expansion of Universal Free School Meals  | 876,208                           | 43,530               |                   |   | 832,678                          | Scottish Government Initiatives | To support the continued phased implementation of Universal Free School Meals for Primary children.  | 0                                     | 832,678                               | 0   |
| 024 | Education | Reduced Teacher Staffing Costs - Strike Action  | 800,000                           | 0                    |                   |   | 800,000                          | Unspent Budget                  | To fund one off savings in 2024-25 from the underspend in staffing from strike action.   | 800,000                               | 0                                     | 0   |
| 025 | Education | Logistics Funding - Safe Opening of Schools   | 699,036                           | 199,036              |                   |   | 500,000                          | Unspent Grant                   | Scottish Government funding to ensure the safe opening and operation of schools. Includes transport, PPE, cleaning, ventilation and expansion of estate. It is likely that any unused balances would have to be returned to the Scottish Government. Window replacement programme in schools with windows that do not open, this will improve ventilation. £500k to fund one off savings 2024-25.  | 500,000                               | 0                                     | 0   |
| 026 | Education | Pupil Equity Fund Carry Forward   | 565,097                           | 558,701              |                   |   | 6,396                            | Unspent Grant                   | To provide targeted support for children and young people affected by poverty to achieve their full potential. Funding is used over the academic year.   | 6,396                                 | 0                                     | 0   |
| 027 | Education | Additional Support Needs - Additional Support for Learning Project                                    | 510,142                           | 202,274              |                   |   | 307,868                          | Scottish Government Initiatives | Government initiative to support the provision of support staff in schools as part of 'Support for Additional Support for Learning Implementation'. The funding will be used to supplement the ASN Assistants budget 24-25 by funding additional support need hours required due to a lack of local specialist provision in some areas, as well as for vital training for visual and hearing impairment specialists which a significant number of Argyll and Bute's children require.  | 307,868                               | 0                                     | 0   |
| 028 | Education | Additional Teaching/Support in Schools/Digital Devices/Family Home Learning Support Fund - £45m Grant | 421,198                           | 70,024               |                   |   | 351,174                          | Unspent Grant                   | Continuation of funding for additional staffing, teachers, support staff, additional devices for pupils and additional family/home learning programmes.  | 42,552                                | 308,622                               | 0   |
| 029 | Education | Access to Counsellors in Schools  | 339,482                           | 0                    |                   |   | 339,482                          | 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. The service is currently seeking the views of head teachers around the need for increased counselling for under 10s. Service is also engaged in multi-agency discussions around the development of a single point of access and the School Counselling monies will help support the development of this in collaboration with HSCP. | 339,482                               | 0                                     | 0   |
| 030 | Education | 21-22 Unspent Budget within DSM Earmarkings   | 264,037                           | 170,743              |                   |   | 93,294                           | DMR Schools                     | Additional unspent budget earmarkings included within 21-22 DSM balance. Remaining balance will fund ASN adaptations and Lead Teacher/Virtual Head Teacher post.   | 93,294                                | 0                                     | 0   |
| 031 | Education | (2023 Digital Projects) School WiFi Upgrades  | 200,000                           | 33,076               |                   |   | 166,924                          | Unspent Budget                  | To extend WiFi coverage within school settings through the purchase of additional hardware such as access points, switches and other networking hardware. This will result in more flexible learning spaces and support the growing number of devices within schools. Project now underway and if budget not fully utilised it is hoped that the balance could be diverted to assist with Capital costs of Education Network Paper.  | 166,924                               | 0                                     | 0   |
| 032 | Education | Education to Support Young People   | 191,042                           | 136,225              |                   |   | 54,817                           | Unspent Grant                   | As agreed at the Council Meeting on 25 February 2021 with an original allocation of £0.600m. Agreed to fund a package of measures to boost the wellbeing and build back the resilience of young people, in particular those most vulnerable, following the Covid-19 pandemic, including counselling and increased provision of childcare for children under three. Remaining balance is funding a teaching post, an outreach worker and training to support schools in 24-25.  | 54,817                                | 0                                     | 0   |
| 033 | Education | Education Transformation Fund   | 146,579                           | 1,942                |                   |   | 144,637                          | Unspent Budget                  | At the Council meeting on 27 February 2020, it was agreed to input £400k into Education Digital Learning. The additional funds have been spent in 20/21, 21/22 and 22/23 as part of the ongoing transformation work in the Education service, focussing on digital and virtual learning technology and the development of learning clusters.   | 0                                     | 144,637                               | 0   |
| 034 | Education | MCR Pathways Pilot  | 80,000                            | 0                    |                   |   | 80,000                           | Unspent Budget                  | Funding to support implementation of MCR Pathways mentoring programme within three secondary schools for 2023-24 academic year. Funding will allow the employment of a dedicated Co-ordinator within each setting to develop and implement the programme which is designed to benefit care experienced and other disadvantaged pupils through targeted mentoring support.  | 80,000                                | 0                                     | 0   |

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| 035 | Education                    | Scottish Government Initiatives: Developing the Young Workforce GIRFEC Languages 1+2 | 37,478                            | 0                    |                   |   | 37,478                           | 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. | 0                                     | 37,478                                | 0   |
| 036 | Education                    | Scottish Attainment Challenge - Care Experienced CYP Funding                         | 34,541                            | 20,660               |                   |   | 13,881                           | Unspent Grant                    | To provide targeted support for care experienced children and young people to achieve their full potential. The balance funds a Virtual Head Teacher and Health and Wellbeing Family Support Workers. Earmarked funding is allowing the Virtual HT to create impact both within Education but also to drive forward work around The Promise across partners and other services.  | 13,881                                | 0                                     | 0   |
| 037 | Education                    | Gaelic Specific Grant / Languages 1+2  | 30,000                            | 0                    |                   |   | 30,000                           | Unspent Budget                   | Gaelic Specific Grant £30k - This earmarking refers to the Council contribution towards the Gaelic grant for 22-23 and will fund the costs of Gaelic Language Principal Teacher in 24-25 academic year.  | 30,000                                | 0                                     | 0   |
| 038 | Education                    | (2023 Digital Projects) Cashless Catering  | 30,000                            | 0                    |                   |   | 30,000                           | Unspent Budget                   | To support the ongoing implementation of the new cashless catering system during the testing and roll out phase.   | 10,000                                | 20,000                                | 0   |
| 039 | Education                    | Languages 1 + 2  | 28,056                            | 0                    |                   |   | 28,056                           | 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 and will fund the costs of Gaelic Language Principal Teacher in 24-25 academic year.   | 0                                     | 28,056                                | 0   |
| 040 | Education                    | Schools ADP Grant  | 19,000                            | 0                    |                   |   | 19,000                           | Unspent Grant                    | Providing social and emotional support to pupils who are affected by drugs and alcohol. Funding previously provided by NHS for ADP work - we now have agreement from them to use the funding towards the Planet Youth project which will be opened up to secondary schools in 2024-25.   | 19,000                                | 0                                     | 0   |
| 041 | Education                    | Bord Na Gaidhlig - Parental/Community Gaelic Upskilling Project                      | 12,720                            | 0                    |                   |   | 12,720                           | Unspent Third Party Contribution | This funding was used for Gaelic Classes and Support being delivered in the academic year 21/22. An issue with invoicing at the supplier end has delayed the payment for this project and discussions are ongoing between the service and the supplier to resolve. A new invoice has been requested by the end of 23/24. If there is an underspend, the balance of grant will be returned or utilised for something else if permitted.   | 12,720                                | 0                                     | 0   |
| 042 | Education                    | Skype for Business for Education / Digital Projects (Skype for Business)             | 10,000                            | 0                    |                   |   | 10,000                           | 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.   | 0                                     | 10,000                                | 0   |
| 043 | Education                    | Transport for 'Smoke Free Me' Drama Production                                       | 2,000                             | 1,395                |                   |   | 605                              | Unspent Third Party Contribution | NHS funding contribution towards the cost of school transport for pupils attending the Smoke Free Me drama production which was delivered across Argyll and Bute. Balance to be put towards Sept 2024 production.  | 605                                   | 0                                     | 0   |
| 044 | Education                    | Education Learning Estate Condition Surveys  | 1,815                             | 0                    |                   |   | 1,815                            | Unspent Budget                   | To fund the delivery of School Core Facts (SCF) compliant Condition Surveys for prioritised School Buildings.  | 1,815                                 | 0                                     | 0   |
| 045 | Education                    | COVID 19 - CO2 Monitors  | 97                                | 0                    | 97                |   | 0                                | Unspent Grant                    | To continue the work of providing CO2 monitoring in schools and day care settings to mitigate against the risks of airborne transmission of COVID-19.  | 0                                     | 0                                     | 0   |
| 046 | Legal and Regulatory Support | Education Purchasing Officers  | 210,000                           | 0                    |                   |   | 210,000                          | Unspent Budget                   | The earmarked funds will be used to fund an education purchasing team within the Procurement Service for two years. The team will embed good procurement practice, train headteachers on current procurement process requirements, develop spend plans that evidence best value.   | 168,000                               | 42,000                                | 0   |
| 047 | Legal and Regulatory Support | Welfare Rights Support   | 131,634                           | 64,906               |                   |   | 66,728                           | Unspent Grant                    | As agreed at the Council Meeting on 25 February 2021 - an allocation of £0.172m. As part of our focus on Improving Opportunities for People and Communities, agrees to provide additional resources to proactively support people experiencing poverty and hardship, by investing in two additional Welfare Rights support staff for two years.  | 66,728                                | 0                                     | 0   |
| 048 | Legal and Regulatory Support | (2023 Digital Projects) Replacement of Council Chambers Online Meeting Equipment     | 130,000                           | 79,929               |                   |   | 50,071                           | Unspent Budget                   | Current online meeting system is less than resilient and has failed on a number of occasions, leading to issues at strategic committees. A condition assessment by the incumbent maintenance contractor has highlighted that the current equipment is now at end of life and unsupportable due to the obsolescence of the system. Discussions with ICT have taken place to identify a simpler more robust solution to be procured.<br><br>NUWAY system and maintenance, system installed, ongoing maintenance contract to 2030   | 5,353                                 | 44,718                                | 0   |

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| 049                                       | Legal and Regulatory Support                      | CCTV Maintenance  | 99,570                            | 4,239                |                   |   | 95,331                           | 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. Merged with funds from Community Safety Partnership to be used for Community Safety Partnership purposes.  | 47,500                                | 47,831                                | 0   |
| 050                                       | Legal and Regulatory Support                      | Information Management (Digitalisation of Title Deeds)  | 92,000                            | 0                    |                   |   | 92,000                           | 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 (delay on spending due to COVID-19), 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 £20k | 92,000                                | 0                                     | 0   |
| 051                                       | Legal and Regulatory Support                      | Councillor IT Equipment   | 44,557                            | 0                    |                   |   | 44,557                           | Unspent Budget                    | There is currently no budget for the provision and renewal of IT equipment for members. The earmarking identifies a resource to utilise spend for that purpose to ensure that members have continued support in maintaining and replacing vital IT equipment.   | 22,000                                | 22,557                                | 0   |
| 052                                       | Legal and Regulatory Support                      | Digital Projects: Hybrid Council meetings   | 43,302                            | 0                    |                   |   | 43,302                           | Unspent Budget                    | The funding will be used to maintain the ICT equipment used to support the provision of on-line and hybrid Council meetings. Will be used to fund Public-1 licence over 3 years - for livestreaming Council meetings.   | 11,639                                | 31,663                                | 0   |
| 053                                       | Legal and Regulatory Support                      | Debt Counselling & Welfare Rights   | 21,452                            | 0                    |                   |   | 21,452                           | Unspent Budget                    | To meet the cost of a Debt Counselling and Welfare Rights Management System.  | 5,265                                 | 16,187                                | 0   |
| 054                                       | Non Departmental / Legal and Regulatory Services  | Community Resilience Fund   | 76,447                            | 4,448                |                   |   | 71,999                           | 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. Used to cover the costs of emergency phone lines and a contract with Aggreko for generators if required in an Emergency Planning/Civil contingencies incident. These costs amount to approximately £5k per year.  | 5,000                                 | 66,999                                | 0   |
| <b>EXECUTIVE DIRECTOR KIRSTY FLANAGAN</b> |   |   |                                   |                      |                   |   |                                  |                                   |   |                                       |                                       |   |
| 055                                       | Across Services / Customer Support Services       | Digital Projects (Increase in Schools Bandwidth)  | 63,455                            | 0                    | 0                 |   | 63,455                           | Unspent Budget                    | To complete one of a number of Digital Service Transformation projects with a commitment of £0.064m to increase Schools Bandwidth.  | 63,455                                | 0                                     | 0   |
| 056                                       | Across Services / Customer Support Services       | Digital Projects (Replacement Learning Management System)   | 11,470                            | 0                    |                   |   | 11,470                           | Unspent Budget                    | To deliver a number of Digital Service Transformation Projects with an original commitment of £0.030m towards a replacement Learning Management System £0.030m. This money will be used to pay for consultancy for an interface between itrent and totara. Profiled for 24/25 based on decision to do a phased implementation of itrent.  | 11,470                                | 0                                     | 0   |
| 057                                       | Across Services / Development and Economic Growth | Information Management (Document Management and Workflow for Planning, Building Standards and Environmental Health) | 21,177                            | 0                    |                   |   | 21,177                           | Unspent Budget                    | Hoping to implement the replacement for IDOX in March 2024 but there have been severe issues/delays with the new programme  | 21,177                                | 0                                     | 0   |
| 058                                       | Customer Support Services                         | Microsoft Licensing Costs   | 912,888                           | 112,373              |                   |   | 800,515                          | Previous Council Decision - Other | To meet licensing and set-up costs for the Microsoft 365 rollout. The spend is profiled and reported to MS365 board each month. Currently projecting £50k 23/24, 189k 24/25, 193k 25/26 and 367k in 26/27 but all subject to change if licence upgrades are required for Power BI or Teams Telephony.   | 189,000                               | 611,515                               | 0   |
| 059                                       | Customer Support Services                         | ICT computer replacement  | 531,000                           | 0                    |                   |   | 531,000                          | Previous Council Decision         | At the Council Budget meeting on 23 February 2023, the Council committed to supporting the council's digital resilience and overall efficiency with investment in ICT assets. £88k will be drawn down in 24-25 for expenditure incurred in 23-24, £323k drawn down in 25-26 for expenditure planned in 24-25 with the balance of £120k drawn down in 26-27.   | 88,000                                | 443,000                               | 0   |
| 060                                       | Customer Support Services                         | (2023 Digital Projects) iTrent Project  | 332,000                           | 11,445               |                   |   | 320,555                          | Unspent Budget                    | Combination of parallel running of the new iTrent system alongside the legacy systems for up to 18 months whilst iTrent is implemented and additional staffing resource to implement iTrent in late June 2024 and support staff for the first 3 months of operation through summer 2024. Total includes £73k from Financial services for funding additional staffing resource to implement the payroll components of the iTrent HR and Payroll System by the end of June 2024 and support staff for the first 3 months of operation during summer 2024.     | 320,555                               | 0                                     | 0   |
| 061                                       | Customer Support Services                         | Skills Development Scotland   | 150,936                           | 0                    |                   |   | 150,936                          | Unspent Grant                     | We receive the money from Skills Development Scotland (SDS) to enable us to deliver Foundation and Modern Apprenticeship programmes. The money covers the salaries of the two Tutors we employ and also any materials we require to deliver the programmes. Update: This is being spent on contract overlaps around the move from Resourcelink, Crown, Iken to iTrent. Spend reprofiled for 2024/25 following delays in itrent project.   | 100,936                               | 50,000                                | 0   |
| 062                                       | Customer Support Services                         | Security Operations Centre Subscription   | 113,594                           | 42,406               |                   |   | 71,188                           | Unspent Budget                    | There is a requirement to pay for a 3-year subscription at £60,000 per annum with a cost pressure being added to the ICT revenue budget to cover the costs from 2025-26 onwards.  | 71,188                                | 0                                     | 0   |

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| 063 | Customer Support Services     | Growing our Own and Modern Apprentices                        | 109,150                           | 0                    |                   |   | 109,150                          | Unspent Budget            | Funding earmarked to support trainee development and modern apprenticeship opportunities based on priority workforce risk areas. A Trainee Regulatory Services post has been proposed by the manager who was unable to secure a suitable candidate for the original advert. The spend would be spread over 24/25 and 25/26 once a suitable candidate is in post   | 44,000                                | 65,150                                | 0   |
| 064 | Customer Support Services     | Self Isolated Support / Self Isolated Support Grant (HR)      | 65,250                            | 49,750               |                   |   | 15,500                           | Unspent Grant             | The funds are being used for a number of Customer Service and Business efficiency related projects including a system and consultancy of RPA (robotic process automation) and application development. A full corporate website upgrade and renewal using specialist web resources and the Digital Reception Project. Specific commitments from the balance are: £3,600 PD issued for additional consultancy with Netcall on Oban Airport Payments project and £11,900 will be spent on procurement of Digital Registration Platform with contract award due FQ1, 24-25.                      | 15,500                                | 0                                     | 0   |
| 065 | Customer Support Services     | (2023 Digital Projects) Digital Project Officer               | 60,000                            | 25,879               |                   |   | 34,121                           | Unspent Budget            | Employ a temporary Digital Project Officer as part of OD changes - additional member of staff required to action changes, unable to recruit so existing staff increasing hours.   | 34,121                                | 0                                     | 0   |
| 066 | Customer Support Services     | (2023 Digital Projects) Resilient Website Project             | 60,000                            | 0                    |                   |   | 60,000                           | Unspent Budget            | Cybersecurity action to move to a cloud based website platform that would improve resilience and enable service continuity in the event of a cyber attack. Procurement in progress for resilient website solution and Scotgov Cloud Services Project providing input. Contract Award expected by end 2023. Procurement in progress for resilient website solution. Contract Award expected FQ1 2024-5 and full £60k spend in that year. Payment milestones in CARR will be 25% on Contract Award, 25% on Cloud Site Provisioning, 25% on Site migration and 25% on full go live cutover.      | 60,000                                | 0                                     | 0   |
| 067 | Customer Support Services     | Implementation of Gaelic Language Plan                        | 30,000                            | 0                    |                   |   | 30,000                           | Previous Council Decision | Agreed at Council Meeting February 2021. Provision of funding for delivery and implementation of the council's Gaelic Language Plan in recognition of the contribution that Gaelic makes to economic growth and to the tourism sector, and to enable delivery of key activities within the plan which currently receive no revenue funding. In discussion with Bord na Gaidhlig about a 3-year Gaelic Plan funding programme as opposed to individual grant applications for specific projects. This earmarking would be used to provide match funding for that 3 year programme of projects. | 10,000                                | 20,000                                | 0   |
| 068 | Customer Support Services     | (2023 Digital Projects) Digital Engagement Services Developer | 28,000                            | 12,323               |                   |   | 15,677                           | Unspent Budget            | To fund 50% of a new temporary LGE10 post. The post is a Digital Engagement Services Developer that will be provide capacity to deliver service efficiencies through the use of the new CREATE/RPA software. The other 50% of the post can be funded from a current vacancy.  | 15,677                                | 0                                     | 0   |
| 069 | Customer Support Services     | Business Development Training                                 | 27,601                            | 576                  |                   |   | 27,025                           | Unspent Budget            | £27k budget from original Business Development Training earmarking remaining at 31/03/24. This budget is funding ongoing leadership development, coaching, action learning sets and commissioned training including Priority Management.  | 10,000                                | 17,025                                | 0   |
| 070 | Customer Support Services     | Learning and Development                                      | 19,436                            | 0                    |                   |   | 19,436                           | Unspent Budget            | In order to maximise the opportunities and efficiencies of digital learning, this funding will be used to support the extension of digital learning in order to deliver the Digital Learning Strategy, which was approved in FQ4 20/21. This money is to support the additional digital learning capacity required to build online elements of AB365 and other key digital learning as we increase our digital learning offering linked to the digital skills survey and review of corporate training. Delays in recruitment meant this has been reprofiled for spend in 24/25                | 10,000                                | 9,436                                 | 0   |
| 071 | Customer Support Services     | Establishing HR Service Centre                                | 13,824                            | 0                    |                   |   | 13,824                           | Unspent Budget            | To facilitate the implementation of technical efficiency improvements and new processes. This money will be used to support phase two of the irent project. Spend reprofiled for 2024/25 following delays in irent project.   | 13,824                                | 0                                     | 0   |
| 072 | Customer Support Services     | Bord na Gaidhlig  | 13,596                            | 675                  |                   |   | 12,921                           | Unspent Grant             | Grant funding from Bord na Gaidhlig. Ongoing spend ad hoc to deliver on commitments in the Gaelic Language Plan. Grant income from GLAIF continues to be added to this total and then paid out to projects.   | 1,000                                 | 11,921                                | 0   |
| 073 | Development & Economic Growth | Crown Estates   | 1,261,200                         | 280,651              |                   |   | 980,549                          | Unspent grant             | 2022-23 grant funding for Coastal Communities Fund (Crown Estates). Balance remaining at 23-24 year end £980,549. Projects ongoing with anticipated spend in 24-25 - Rockfield Centre (£60k), Campbelltown War Memorial (£17k) and Bowmore Hall (£53k). The remaining projects are underway with no confirmed spend - Jura Passenger Ferry (£100k), Pier Feasibility Studies (£100k), Airport Resilience (£100k), Cemetery Maintenance (£300k), Kilmartin Car Park (£50k) and Electric Charging Points (£200k - work ongoing with contractor on this project, spend anticipated for 24-25).   | 430,549                               | 550,000                               | 0   |
| 074 | Development & Economic Growth | UK Shared Prosperity Fund (UKSPF)                             | 559,291                           | 0                    |                   |   | 559,291                          | Unspent grant             | 2022-23 grant funding for UK Shared Prosperity Fund (UKSPF). Funding can be spent up to end of March 2025   | 559,291                               | 0                                     | 0   |
| 075 | Development & Economic Growth | Islands Infrastructure Fund                                   | 265,258                           | 209,647              |                   |   | 55,611                           | Unspent grant             | 2022-23 grant funding for Islands Infrastructure Fund. To be spent in 23-24 with some slippage in 24/25   | 55,611                                | 0                                     | 0   |
| 076 | Development & Economic Growth | Scottish Govt Islands Programme                               | 100,000                           | 98,945               |                   |   | 1,055                            | Unspent grant             | 2022-23 grant funding for Scottish Govt Islands Programme. mostly spent in 23/24, remaining £1055 to be spent on travel in 24/25  | 0                                     | 1,055                                 | 0   |

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| 077 | Development & Economic Growth   | LHEES (Local Heat & Energy Strategy)     | 75,000                            | 0                    |                   |   | 75,000                           | Unspent Grant                     | This is used to finance the delivery of the Local Heat and Energy Strategy, involving resourcing a full time member of staff and use of external consultants. This is fulfilling a statutory requirement for the Council. Production of the LHEES will be instrumental in achieving funding for the decarbonisation of heat and energy use in Argyll and Bute's Buildings.   | 50,000                                | 25,000                                | 0   |
| 078 | Development & Economic Growth   | Planning Income                          | 60,000                            | 0                    |                   |   | 60,000                           | Unspent Budget                    | To fund additional resources to support and develop the Council's planning service. Whilst recruitment issues within Argyll and Bute were largely been resolved during 2022/23, the requirement for the operation of the DM Service with reduced staffing levels over an extended period of time, coupled with the increasing demand for development post-Covid, and uncertainty caused by the introduction of National Planning Framework 4 has given rise to a substantial backlog of case work and has had a significant adverse impact on processing times for planning applications.<br><br>Plans to utilise this on additional staff costs in 24-25 in order to reduce the backlog.  | 60,000                                | 0                                     | 0   |
| 079 | Development & Economic Growth   | Shelter Scotland Housing Funding         | 54,000                            | 12,348               |                   |   | 41,652                           | Unspent third party contribution  | Contribution from Shelter Scotland to fund 50% of a 2 year temporary Empty Homes Officer. Post holder now in place with remainder of costs to be incurred and earmarking drawn down in 24/25.  | 41,652                                | 0                                     | 0   |
| 080 | Development and Economic Growth | Crown Estates / Coastal Communities Fund | 1,634,604                         | 777,665              |                   |   | 856,939                          | Unspent Grant                     | 2021/22 Crown Estate Funding (Coastal Communities Fund) of £1.635m. Projects approved at 17 February 2022 P&R Committee totalling £1.191M, further report required to allocate remaining £444k. £778k has been drawn down.<br><br>The remaining projects are underway with no confirmed spend - Tarbert Public Realm (£196k - contract in place, spend during 24-25), Kilmory Industrial Estate (£150k - no indication of when will be needed), Rothesay Kiddies Corner (£44k, no indication of when will be drawn down at present), Jura Community Gigsbit Programme (£50k, no indication of when will be spent), Dunoon Cycle Bothy (£145k, work ongoing to progress this project, hopefully will be spent 24-25), Dunoon STEM hub (£150k, work ongoing to progress this project, hopefully will be spent 24-25), Glenmorag Caravan Site (£100k, works are starting with spend expected during 24-25), £22k contingency. | 856,939                               | 0                                     | 0   |
| 081 | Development and Economic Growth | Coastal Communities (Capital)            | 489,000                           | 149,781              |                   |   | 339,219                          | Unspent Grant                     | 2020/21 Crown Estate Funding (Coastal Communities Fund) totalling £1.504m. Expenditure/allocation to projects delayed due to covid, now allocated as per report to P&R on 18 Feb 2021. Projects include Dunoon STEM Hub 100k, Dunoon Cycle Bothy 249k, Ardrishaig North Project 50k and Arrochar car park £90k.  | 249,219                               | 90,000                                | 0   |
| 082 | Development and Economic Growth | Coastal Communities                      | 418,803                           | 0                    |                   |   | 418,803                          | Unspent Grant                     | 2020/21 Crown Estate Funding (Coastal Communities Fund) with original balance of £1.504m. Expenditure/allocation to projects delayed due to covid, now allocated as per report to P&R on 18 Feb 2021. £680k relates to works within the current capital programme, moved to line Coastal Communities (Capital). Remaining balance for Campbeltown Community Action Plan (£50k), Helensburgh Clyde Street (£350k), Bute Community Land Bike Transfer Station (£10k) Modular Hub Lochgilphead (£5k) and Tarbert Public Realm (£4k) to be spent in 24-25.   | 418,803                               | 0                                     | 0   |
| 083 | Development and Economic Growth | Staycation and Marketing Argyll and Bute | 389,992                           | 172,606              |                   |   | 217,386                          | Unspent Grant                     | As agreed at the Council Meeting on 25 February 2021 with an original allocation of £0.800m. This will include provision of additional waste disposal facilities and other facilities that will be informed by the Motorhome and Informal Camping Survey.<br>As agreed at Council on 24 February 2022, Staycation investment £0.100m. Augments the 2021/22 £0.5m staycation initiative with an additional investment of £100k, including support for community groups and partners in the provision of facilities which can support increasing staycation visitor numbers during the tourist periods. A further £155k committed for 24-25 across Clipper Race (£30k), Road Signs (£50k) and Marketing (£75k).  | 155,000                               | 62,386                                | 0   |
| 084 | Development and Economic Growth | Oban TIF (Tax Incremental Financing)     | 385,193                           | 171,035              |                   |   | 214,158                          | Previous Council Decision         | Will be used to fund the TIF Programme office for a further 3 years as well as the programme office for Rural Growth Deal beyond the funding that was agreed at Council for this in February 2021.   | 214,158                               | 0                                     | 0   |
| 085 | Development and Economic Growth | Rothesay Pavilion - Revenue contribution | 377,707                           | 89,099               |                   |   | 288,608                          | CHORD                             | Build up a provision towards future Council commitment to provide additional financial support up to £150,000 per annum towards Rothesay Pavilion running costs.   | 0                                     | 288,608                               | 0   |
| 086 | Development and Economic Growth | Helensburgh CARS                         | 327,000                           | 196,514              |                   |   | 130,486                          | Previous Council Decision - Other | 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.  | 65,243                                | 65,243                                | 0   |
| 087 | Development and Economic Growth | Place Based Investment Programme         | 312,275                           | 203,112              |                   |   | 109,163                          | Unspent Grant                     | Projects approved at 12 August 2021 P&R Committee totalling £821k, Remaining funds committed and will be spent during 24/25.   | 109,163                               | 0                                     | 0   |

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| 088 | Development and Economic Growth | Tackling Digital Exclusion Top-Up Fund                        | 217,600                           | 0                    | 177,600           |   | 40,000                           | Unspent Grant                     | As agreed at the Council Meeting on 25 February 2021 to support communities and in some cases individuals that are missing out on national programmes due to logistics and economies of scale. Earmarking was originally £217,600 but £177,600 has been released back to the general fund. The balance is committed for Mobile Mapping (£25k) with expenditure expected during 24-25 and the current Kerrera project (£15k) in 25-26.  | 25,000                                | 15,000                                | 0   |
| 089 | Development and Economic Growth | Lochgilthead CARS   | 200,000                           | 0                    |                   |   | 200,000                          | Previous Council Decision - Other | Conservation Area Regeneration Scheme for Lochgilthead Grants awarded to upgrade conservation areas in Lochgilthead such as shop fronts, town centre accommodation and other priority buildings. No drawdown required in 23/24. These are multi year projects with spend generally increasing towards the end of the project life. Spend committed for 2024-25 and beyond. Project runs until March 2026   | 100,000                               | 100,000                               | 0   |
| 090 | Development and Economic Growth | LACER Funding (Sector Support Grant)                          | 95,398                            | 76,488               |                   |   | 18,910                           | Unspent Grant                     | Local Authority COVID Economic Recovery Fund grant. This will provide funding, either part of the small business development grant or standalone, to help micros and small business to implement projects that contribute to the sector as well as benefitting the business, for example: Tourism and hospitality, food and drink or retail. With option to provide additional business support to hard hit areas including Bute and Kintyre where unemployment remains higher than average - support via specialist advice, locally tailored grants to meet local priorities and targeted marketing activity, to be split £115,000 for Shop fronts and £35,000 Business support via Business Gateway. As at 31/03/2024 Shop fronts have £7760 remaining and Bus support £11,150. The Bus support element along with ER refs 122 & 124 (totalling 36130) are to be spent on Digital Reviews as agreed at P&R committee on 09.05.2024. We expect to commit all the spend in this FY 24-25, but as suppliers are paid for work only after it has been completed, some of the costs may not actually be defrayed until Q1 25-26 | 18,910                                | 0                                     | 0   |
| 091 | Development and Economic Growth | Strategic Events & Festivals                                  | 80,664                            | 39,404               |                   |   | 41,260                           | Unspent Budget                    | At the Council meeting on 25 February 21, a decision was taken to agree £90k funding for Events and Festivals for 22/23, in order that the application process can commence during 21/22 and that this agreed figure be augmented by any underspend remaining from the 20/21 financial year. At 24 February 22, decision made to agree £90k for 23/24, in order that the application process can commence during 22/23 and that this agreed figure be augmented by any underspend remaining from the 21/22 financial year. Applications have been received and payments will be made in 23-24. Final balance (£41,260) to be spent in 24/25  | 41,260                                | 0                                     | 0   |
| 092 | Development and Economic Growth | Economic Development - temp post to support economic recovery | 55,000                            | 19,105               |                   |   | 35,895                           | Unspent Grant                     | As agreed at Policy & Resources committee on 9 December 2021, allocation of £0.055m to a post to support the economic and social recovery together with the building back stronger themes. To be used to fund Settlement Project Support Officer during 23-24. Post holder resigned Dec 23. Discussions on going on whether to fill the post to Sept 24.   | 35,895                                | 0                                     | 0   |
| 093 | Development and Economic Growth | Island Post   | 50,461                            | 0                    | 50,461            |   | 0                                | Unspent Budget                    | To fund a temporary post at LGE11 to assist with the National Islands Plan Implementation Route Map 2020-2025.   | 0                                     | 0                                     | 0   |
| 094 | Development and Economic Growth | EH Covid Posts  | 37,775                            | 20,078               |                   |   | 17,697                           | Unspent Grant                     | Funding initially for 2 posts for 2 years. Posts were initially recruited to with one leaving and the other going on maternity leave resulting in delays in expenditure. One employee is now back from maternity leave and earmarked reserve have drawn down to cover their costs in 23-24 (20,078) These monies are being used to fund additional costs related to the review and assessment of site investigation reports and support the Senior Clerical post which is currently advertised. It could support consultants given that there are 8 vacancies across the team  | 17,697                                | 0                                     | 0   |
| 095 | Development and Economic Growth | Digital Boost   | 33,840                            | 0                    |                   |   | 33,840                           | Unspent Grant                     | To provide funding for Digital Boost program. Initially was to be used to help fund the programme in 21/22 but additional income was received by the service. Spend planned as 6k on digital surgeries and £9k on digital events and workshops. The remaining £18, 840 will be used to fund c25 digital reviews, All funds will be committed by end of 24/25 but as suppliers are paid for work only after it has been completed, some of the costs may not actually be defrayed until Q1 25-26.   | 33,840                                | 0                                     | 0   |
| 096 | Development and Economic Growth | Gypsy Traveller Grant/LACER Funding (Gypsy Travellers)        | 32,826                            | 0                    |                   |   | 32,826                           | Unspent Grant                     | Local Authority COVID Economic Recovery Fund grant. This funding would pay for MECOPP (Minority Ethnic Carers of People Project) to engage with the Gypsy Travellers community on the important subject of the cost of living increases, fuel poverty and the impact of factors such as their remote rural locations and the facilities available to them for everyday living have on their livelihoods. This was originally LACER and additional funding routed through SG for Gypsy Traveller sites received on behalf of ACHA (the sites have been transferred to ACHA). This therefore isn't all a Council budget. The ACHA element of funding was for site improvements - hence the planned roadway improvements  | 32,826                                | 0                                     | 0   |

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| 097 | Development and Economic Growth | LACER Funding (New Enterprise Support Grant)     | 31,159                            | 18,830               |                   |   | 12,329                           | Unspent Grant                     | Local Authority COVID Economic Recovery Fund grant. This funding would provide £3,000 grants to help new businesses start up and establish. This along with ER 115 & 124 (totalling 36130) are to be spent on Digital Reviews as agreed at P&R committee on 09.05.2024 We expect to commit all the spend in this FY 24-25, but as suppliers are paid for work only after it has been completed, some of the costs may not actually be defrayed until Q1 25-26  | 12,329                                | 0                                     | 0   |
| 098 | Development and Economic Growth | LACER Funding (Shop Local)                       | 26,793                            | 12,123               |                   |   | 14,670                           | Unspent Grant                     | Local Authority COVID Economic Recovery Fund grant. This funding would provide funding to continue the Shop Local scheme into 2023/24 and 2024/25, buying additional cards and allow the cards to gather momentum and support local businesses.  | 14,670                                | 0                                     | 0   |
| 099 | Development and Economic Growth | LACER Funding (Small Business Development Grant) | 24,988                            | 12,337               |                   |   | 12,651                           | Unspent Grant                     | Local Authority COVID Economic Recovery Fund grant. This funding will provide funding of between £500 and £5,000 to help existing micro and small businesses to improve their resilience or growth via projects to implement green initiatives, implement digital development, implement marketing improvements and improve efficiency/innovation. This along with ER 115 & 122 (totalling 36130) are to be spent on Digital Reviews as agreed at P&R committee on 09.05.2024 We expect to commit all the spend in this FY 24-25, but as suppliers are paid for work only after it has been completed, some of the costs may not actually be defrayed until Q1 25-26   | 12,651                                | 0                                     | 0   |
| 100 | Development and Economic Growth | Kilmartin Museum                                 | 19,999                            | 0                    |                   |   | 19,999                           | Previous Council Decision - Other | 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. £20k retention due to be paid out in 23/24, however ongoing legal negotiations between Kilmartin & the contractors may mean we are not able to pay this retention payment in 23/24   | 19,999                                | 0                                     | 0   |
| 101 | Development and Economic Growth | Proposed Local Development Plan 2                | 19,910                            | 0                    |                   |   | 19,910                           | 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. The work carried out has taken longer than planned and a draft report has only been received in Mid-march 24. It will take some time to review and agree a finalised report and as a result funds identified for this work will need to be carried forward into 24/25 but will be drawn down very early in the year.   | 19,910                                | 0                                     | 0   |
| 102 | Development and Economic Growth | UK Levelling Up Fund                             | 19,465                            | 0                    | 19,465            |   | 0                                | Unspent Grant                     | Development funding to help prepare UK Levelling Up Fund bids for 2 projects proposed by the Council, received from Scottish Government. Remaining funds will be drawn down in 23/24 for Consultant costs/ admin costs   | 0                                     | 0                                     | 0   |
| 103 | Development and Economic Growth | International Eight Metre Association World Cup  | 0                                 | 0                    |                   | 10,000  | 10,000                           | Unspent Budget                    | At the Council Budget meeting on 22 February 2024, the Council committed to a one-off investment of £0.010m to the International Eight Metre World Cup in response to an external funding request.   | 10,000                                | 0                                     | 0   |
| 104 | Development and Economic Growth | Screen Machine                                   | 0                                 | 0                    |                   | 28,000  | 28,000                           | Unspent Budget                    | At the Council Budget meeting on 22 February 2024, the Council committed to a one-off investment of £0.028m to Screen Machine in response to an external funding request.  | 28,000                                | 0                                     | 0   |
| 105 | Financial Services              | Housing Benefits Private                         | 321,524                           | 179,430              |                   |   | 142,094                          | Unspent Grant                     | Specific funding allocation for Housing Benefit including DHP. Funds will be used to continue to support vulnerable people initially financially affected by the COVID-19 outbreak but now facing the cost of living crisis to sustain their tenancies. This earmarking will help offset potential overspends in the DHP/ Scottish Welfare Fund budget going forward.  | 142,094                               | 0                                     | 0   |
| 106 | Financial Services              | Flexible Food Fund                               | 194,156                           | 103,675              |                   |   | 90,481                           | Unspent Grant                     | Financial Insecurity funding from Scottish Government routed into the Argyll and Bute Flexible Food and Fuel Fund (ABFFFF) is aimed at tackling financial insecurity for adults and families across Argyll and Bute. Working in partnership with the Community Food Forum, Bute Advice Centre and ALenergy, households with low incomes and no access to cash savings can apply for immediate financial support. The Fund helps support daily living expenses. Since inception in January 2021 until March 2023 client gain in extra benefits income for families was £3.8 million with 2,500 families had been supported. The project has been extended to 31 March 2025 with funding coming from the UK Shared Prosperity Fund and this earmarking to support it. The Council's Financial Inclusion and Advice Group have proposed that monies from the Flexible Funding for Supporting People at tier 4 COVID earmarking should be used to support this project to ensure it can continue to the contract end date of 31 March 2025. The Scottish Government have provided this funding and have endorsed this award winning project promoting it as part of the solution to end the need for foodbanks nationally. | 90,481                                | 0                                     | 0   |

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| 107 | Financial Services     | Benefit Admin Grant  | 170,879                           | 0                    |                   |   | 170,879                          | 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 22/23, 23/24 and 24/25 when it is now expected that the full migration of working age Housing Benefit caseload to Universal Credit will be complete. Monies will be used to implement the recommended changes from the recent Revs and Bens BPR including ongoing improvements to the Council's debt recovery policies (£50,000), build resilience including staff overtime, outsourcing of Housing Benefit processing during the transition and cover casual staff for the Universal Credit migration (£20,500). Monies also set aside for additional works to the value of £40,000 with the software suppliers around enhancing the Revs and Bens system, automating processes and transitioning customers to use digital gateways to contact the service. | 170,879                               | 0                                     | 0   |
| 108 | Financial Services     | Flexible Funding for Supporting People while at Tier 4 COVID | 76,357                            | 17,376               |                   |   | 58,981                           | Unspent Grant                      | Funding from SG to strengthen local authority responses to meet emerging needs and support people in their communities struggling with the restrictions and guidance at all protection levels re COVID, particularly those at risk through health and social inequalities. This support could cover the same types of support. In June 2021 the Council agreed to support 20 projects led by a range of Council officers, officers from the HSCP and members of the third sector to deliver wide ranging support across our region. A report will be presented to members in due course.  | 58,981                                | 0                                     | 0   |
| 109 | Financial Services     | Cost of Living Payments - Admin funding                      | 72,550                            | 0                    |                   |   | 72,550                           | Unspent Grant                      | Administration funding associated with Scottish Government schemes to issue monies to Low income Households for the Cost of Living Payments. To provide additional staffing to help with the backlog and to support the administration of the double charges on second homes in 2024/2025. We continue to receive a large number of enquiries from this customer profile particularly given upcoming changes being made by the Assessor at DABVJB   | 72,550                                | 0                                     | 0   |
| 110 | Financial Services     | Pandemic Support Payments (CTR - Admin)                      | 51,968                            | 0                    |                   |   | 51,968                           | Unspent Grant                      | Administration funding associated with Scottish Government schemes to issue monies to CTR recipients. Provide additional staffing to support the recovery from backlog of Council Tax administration caused by Pandemic Support Payment process, further administration duties related to LACER fund and also to support any further Scottish Government funding initiatives that occur during 24/25  | 51,968                                | 0                                     | 0   |
| 111 | Financial Services     | Financial Systems  | 33,748                            | 0                    |                   |   | 33,748                           | Unspent Budget                     | The council is required to implement the IFRS16 Leases accounting standard from the 1st April 2024.   | 33,748                                | 0                                     | 0   |
| 112 | Financial Services     | Accounting and Budgeting Team Resilience                     | 30,664                            | 0                    |                   |   | 30,664                           | Unspent Budget                     | Training and examination fees for 6 staff who are currently undertaking their professional CIPFA/ACCA training. In addition funding the further training of 1 of our auditors and providing finance business partner training to a group of our existing professional staff.  | 15,332                                | 15,332                                | 0   |
| 113 | Financial Services     | CIPFA  | 24,040                            | 6,821                |                   |   | 17,219                           | Unspent Budget                     | Training and examination fees for 6 staff who are currently undertaking their professional CIPFA/ACCA training. In addition funding the further training of 1 of our auditors and providing finance business partner training to a group of our existing professional staff.  | 8,610                                 | 8,609                                 | 0   |
| 114 | Financial Services     | Self Isolated Support Grant                                  | 5,316                             | 0                    |                   |   | 5,316                            | Unspent Grant                      | Unspent admin funding for processing Self isolation Support Grants.   | 5,316                                 | 0                                     | 0   |
| 115 | Roads & Infrastructure | Roads Reconstruction programme                               | 6,206,000                         | 5,041,000            |                   |   | 1,165,000                        | Capital Projects                   | At the Council Budget meeting on 23 February 2023, the Council committed to augmenting overall allocation for the roads repair and maintenance programme with additional funds to bring up to £8m total investment for 2023/24 and 2024/25. This will be drawn down to the capital plan during 24-25 and 25-26.   | 285,000                               | 880,000                               | 0   |
| 116 | Roads & Infrastructure | Piers and Harbours   | 2,789,311                         | 0                    |                   |   | 2,789,311                        | 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. Reserve will not be needed until circa 2026-27 when borrowing costs will exceed the additional income received in revenue and reserve will then be used to pay borrowing costs.  | 0                                     | 2,789,311                             | 0   |



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| 117 | Roads & Infrastructure | Waste Variation Monies   | 1,967,056                         | 725,304              |                   |   | 1,241,752                        | Unspent Budget                   | Waste Variation Monies - £1.242m balance at 31/03/24: This will be used to fund/part-fund various waste infrastructure projects that will support the council's compliance with the 2026 ban on the Landfill of Biodegradable Municipal Waste.<br>£725K in 2023-24 consisting of:- Gartbreck Cell, Blackhill road repairs and design works, Composition Analysis, weighbridge equipment, capping study and restoration study.<br>£570K in 2024-25 consisting of :- Island restoration/capping, transfer design and recycling improve. fund (island sites) design costs, technology trial on blue bin recycling participation, consultancy costs relating to additional monitoring data for SEPA and waste PPP site conversion.<br>£672K in 2025-26 consisting of:- Island restoration/capping, transfer station design cost during construction, consultancy costs relating to additional monitoring data for SEPA and waste PPP site conversion. | 569,752                               | 672,000                               | 0   |
| 118 | Roads & Infrastructure | Footpath improvements  | 750,000                           | 0                    |                   |   | 750,000                          | Previous Council Decision        | At the Council Budget meeting on 23 February 2023, the Council committed to providing additional funding for footpath improvements across Argyll and Bute. Spend forecast for 23/24, draw down in 24/25.  | 750,000                               | 0                                     | 0   |
| 119 | Roads & Infrastructure | Vehicle Replacement  | 657,921                           | 174,260              |                   |   | 483,661                          | Fleet - Timing Delay             | Timing delay in fleet replacement causing one-off saving. Vehicles purchased and received in 22/23 for £174k, draw down to capital will be processed in 23/24. remainder has been spent in 23-24 and will be drawn down in 24-25.   | 483,661                               | 0                                     | 0   |
| 120 | Roads & Infrastructure | Active Travel  | 500,000                           | 130,000              |                   |   | 370,000                          | Previous Council Decision        | At the Council Budget meeting on 24 February 2022, the Council committed to additional investments. For Active Travel £0.500m for further improvements for footpaths and pavements and supporting safer routes to schools across Argyll and Bute. Some capital expenditure to be incurred in 22-23 and drawn down in 23-24, remainder planned to be spent in 23-24 and drawn down in 24-25.   | 370,000                               | 0                                     | 0   |
| 121 | Roads & Infrastructure | 3G pitches / Tarbert Sports Pitches                            | 375,022                           | 87,187               |                   |   | 287,835                          | 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. There is the potential to extend the continued upkeep of the pitches until 2026-27 given the earmarking available will not be fully utilised by the end of 2025-26. However, there will be potential redundancy costs for 2 employees that will need to be covered from the remaining balance.   | 87,835                                | 200,000                               | 0   |
| 122 | Roads & Infrastructure | Street Lighting  | 300,000                           | 0                    |                   |   | 300,000                          | Previous Council Decision        | At the Council Budget meeting on 24 February 2022, the Council committed to additional investments. For Street Lighting, £0.300m to deliver a programme of street lighting column replacement and improvement across Argyll and Bute, prioritised based on condition, with funding for at least 260 lighting columns. Expenditure planned for 23-24, draw down in 24-25 (capital expenditure).  | 300,000                               | 0                                     | 0   |
| 123 | Roads & Infrastructure | Green Transport Initiatives                                    | 140,000                           | 0                    |                   |   | 140,000                          | Unspent Budget                   | At the Council meeting on 27 February 2020, it was agreed to input £400k in Green transport, investment in footway and cycle path maintenance supporting the healthy wellbeing and green agenda. Spend has been delayed due to COVID and this will be taken forward in 23/24. £260k Footways Reconstruction programme now spent and will be drawn down against capital programme during 23/24. £140k Ardrishaig North Project spent in 22/23 and drawn down in 24/25 (capital expenditure).   | 140,000                               | 0                                     | 0   |
| 124 | Roads & Infrastructure | Climate Change   | 81,884                            | 40,942               |                   |   | 40,942                           | Unspent Budget                   | At the Council meeting on 27 February 2020, it was agreed to input £500k budget to mitigate the impacts of weather related damage and climate change with specific emphasis on gully cleaning and drainage improvements. Spend has been delayed due to COVID and the intention is to spend the funds on 2 Gully Motors plus staff over next 2 years. Vehicles have been received and budget will be drawn down to cover their cost. The remaining budget will be used towards running the vehicles.   | 40,942                                | 0                                     | 0   |
| 125 | Roads & Infrastructure | Parking Grant  | 50,013                            | 0                    |                   |   | 50,013                           | Unspent Grant                    | Grant from Scottish Transport for the assessment of footway parking required under the Transport (Scotland) Act 2019. Assessment criteria from the Scottish Gov which will take approx. 12 months to complete throughout 23/24 with work then to follow in 24/25.   | 50,013                                | 0                                     | 0   |
| 126 | Roads & Infrastructure | Mercury Abatement - Crematorium                                | 42,819                            | 0                    |                   |   | 42,819                           | Unspent Third Party Contribution | Phase 1 and 2 of Cardross Crematorium work completed. Phase 3 of the Cardross Crematorium works commenced April 2024. These works will ensure DDA compliance.   | 42,819                                | 0                                     | 0   |
| 127 | Roads & Infrastructure | Amenity Services introduction of management information system | 28,099                            | 0                    |                   |   | 28,099                           | Unspent Budget                   | Delay with introduction of amenity time recording system due to increased costs. Discussions ongoing to find alternative cheaper solution. The software/system being introduced by HR/Payroll during 2023-24 offers a time-recording facility. Although not included in the current HR/Payroll spec, once the new system is up and running, the proposal would be to investigate the time-recording system to see if viable for amenity time recording purposes.  | 0                                     | 28,099                                | 0   |

| Ref                     | Service                         | Description   | Amount Earmarked at 31 March 2023 | Actual Spend 2023/24 | Funds Unearmarked | New Earmarking Agreed by Council During 2023/24 | Closing Balance at 31 March 2024 | Reason for Carry Forward              | Plans for Use   | Amount Planned to be Spent in 2024/25 | Amount Planned to be Spent in 2025/26 | Amount Planned to be Spent from 2026/27 onwards |
|-------------------------|---------------------------------|---|-----------------------------------|----------------------|-------------------|---|----------------------------------|---------------------------------------|---|---------------------------------------|---------------------------------------|---|
| 128                     | Roads & Infrastructure          | Hermitage Park Pavilion   | 18,938                            | 0                    |                   |   | 18,938                           | 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, any unspent income generated by the park is retained for future years requirements.  | 10,000                                | 8,938                                 | 0   |
| 129                     | Roads & Infrastructure          | Bin Replacement Programme   | 17,815                            | 16,360               |                   |   | 1,455                            | Previous Council Decision             | At the Council Budget meeting on 24 February 2022, the Council committed to additional investments - £0.100m in Argyll and Bute's litter bin replacement programme and infrastructure, providing almost 200 new/better bins across the area where required due to condition/need and with a focus on town centres and prominent locations, to support cleaner communities. Requests that officers explore options for use of new and innovative litter disposal solutions for future consideration.   | 0                                     | 1,455                                 | 0   |
| 130                     | Roads & Infrastructure Services | (2023 Contract Inflation Adjustments) Waste PPP   | 255,000                           | 31,739               |                   |   | 223,261                          | Unspent Budget                        | Contract inflation adjustments - £0.223m balance at 31/03/24. Adjustment to inflation included in the budget based on updated RPIX figures at February 2023. Based on actuals in 23-24, only £32k of this was required leaving a balance of £223k.  | 223,261                               | 0                                     | 0   |
| <b>NON DEPARTMENTAL</b> |                                 |   |                                   |                      |                   |   |                                  |                                       |   |                                       |                                       |   |
| 131                     | Non Departmental                | Strategic Housing Fund  | 7,247,496                         | 1,057,305            |                   |   | 6,190,191                        | 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. Plans in place to utilise £11.472m over the next 5 years to provide affordable housing as part of the Strategic Housing Improvement Plan which will utilise this reserve as well as future income expected from Council Tax on second homes.   | 2,300,000                             | 3,890,191                             | 0   |
| 132                     | Non Departmental                | Further Capital pressures per budget pack February 22   | 3,900,000                         | 1,252,000            |                   |   | 2,648,000                        | Capital Projects                      | As agreed at Council on 24 February 2022, a provision for Capital contract increases £3.900m. £1.133m draw down in 24-25 for Campbeltown Flood plus a further £0.468 for other capital increases. £0.322m draw down in 25-26 for ICT and £0.279 in 26-27. £0.446m is unallocated  | 1,601,000                             | 1,047,000                             | 0   |
| 133                     | Non Departmental                | Investment in Affordable Housing  | 3,163,000                         | 0                    | 139,000           |   | 3,024,000                        | Investment in Affordable Housing      | Agreed at Council Meeting 11 February 2016. This balance reduces as the Loans to RSL balances are reducing.   | 0                                     | 3,024,000                             | 0   |
| 134                     | Non Departmental                | Capital Budget (Previously Asset Management Fund)   | 2,098,089                         | 28,031               |                   |   | 2,070,058                        | Capital Projects                      | At the Council meeting on 22 February 24, it was agreed that the balance in this reserve be allocated to the Capital budget. Exact profile not known for the capital projects this will be funding but likely draw down will be 25-26.  | 0                                     | 2,070,058                             | 0   |
| 135                     | Non Departmental                | Redundancy Provision  | 1,578,026                         | 114,619              |                   |   | 1,463,407                        | Unspent Budget                        | 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.  | 150,000                               | 1,313,407                             | 0   |
| 136                     | Non Departmental                | Regeneration and Economic sustainability in Lochgilphead and Tarbert.                                 | 1,459,579                         | 410,000              |                   |   | 1,049,579                        | Lochgilphead and Tarbert Regeneration | Agreed at Council Meeting 11 February 2016. £761k will be drawn down in 24-25 to fund prior years expenditure for Lochgilphead Front Green and Ardrishaig North. £289k unallocated.   | 760,579                               | 289,000                               | 0   |
| 137                     | Non Departmental                | Connect for Success Fund (previously Supporting Organisational Change) - amended February 24 per ELT) | 1,426,074                         | 744,775              |                   |   | 681,299                          | Unspent Budget                        | 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 - Provision to support organisational change (£0.500m)<br>It is proposed to supplement the existing 'Supporting Organisational Change' reserve first established in February 2020 with a further £1.2m to enable the Council to deliver longer term, more fundamental, service redesign which will require funding to support the identification and delivery of solutions that take account of future requirements and community engagement and deliver longer term revenue and benefits to the Council | 406,000                               | 275,299                               | 0   |
| 138                     | Non Departmental                | Campbeltown Flood Prevention  | 1,406,000                         | 0                    |                   |   | 1,406,000                        | Unspent Budget                        | Funding agreed as part of the Loans Fund Review for Campbeltown Flood Prevention.   | 75,000                                | 1,331,000                             | 0   |
| 139                     | Non Departmental                | Rothsay Pavilion (Recovery and Renewal Fund)  | 1,360,000                         | 0                    |                   |   | 1,360,000                        | Unspent Grant                         | As agreed at Council on 24 February 2022, Recovery and Renewal Fund £1.547m. This is provision for future recovery, regeneration and renewal, as well as any future pressures which may arise following the Covid-19 pandemic through a dedicated Recovery and Renewal Fund. Commitments have been made against this fund as follows: Levelling up bid costs £0.150m, Scotland Loves Local overspend £0.037m and Rothsay Pavilion £1.360m.  | 0                                     | 1,360,000                             | 0   |
| 140                     | Non Departmental                | Underwriting development of Rothsay Pavilion  | 1,000,000                         | 0                    |                   |   | 1,000,000                        | Unspent Budget                        | Funding to meet additional costs identified as necessary for the refurbishment of Rothsay Pavilion (£1m).   | 1,000,000                             | 0                                     | 0   |
| 141                     | Non Departmental                | Oban TIF (Tax Incremental Financing - Excess NDR)   | 875,651                           | 0                    |                   |   | 875,651                          | Previous Council Decision             | This is the surplus NDR after paying all Loans Charges in respect of TIF infrastructure projects. This fund will be used in the future as TIF projects are delivered. Discussions in place on future if the next TIF project (Oban Airport) which will utilise this reserve. If the project does not go ahead, we will need to return NDR to Scottish Government  | 0                                     | 875,651                               | 0   |

| Ref | Service          | Description  | Amount Earmarked at 31 March 2023 | Actual Spend 2023/24 | Funds Unearmarked | New Earmarking Agreed by Council During 2023/24 | Closing Balance at 31 March 2024 | Reason for Carry Forward | Plans for Use   | Amount Planned to be Spent in 2024/25 | Amount Planned to be Spent in 2025/26 | Amount Planned to be Spent from 2026/27 onwards |
|-----|------------------|--|-----------------------------------|----------------------|-------------------|---|----------------------------------|--------------------------|---|---------------------------------------|---------------------------------------|---|
| 142 | Non Departmental | Inward investment Fund   | 664,665                           | 123,768              |                   |   | 540,897                          | Inward Investment Fund   | Agreed at Council Meeting 11 February 2016. Original balance of funding was £833k for Rural Growth Deal - P&R Committee have already approved spend of £600k leaving a balance of £233k uncommitted. The approved spend consists of consultancy, project development and design and the remaining £233k will be used for the same purpose to complete design work and get endorsed full business cases to allow RGD projects to commence.   | 267,740                               | 273,157                               | 0   |
| 143 | Non Departmental | COVID Funding  | 418,337                           | 0                    |                   |   | 418,337                          | Unspent Grant            | Net balance on COVID cost centres at year end 2022/23 with proposals on use to be developed.  | 0                                     | 418,337                               | 0   |
| 144 | Non Departmental | Capital pressure   | 257,000                           | 0                    |                   |   | 257,000                          | Capital Projects         | Pressure identified on the 20/21 COSLA COVID costs spreadsheets - requires to be earmarked to be drawn down when required against the Capital Plan. To be incurred during 23-24 and drawn down in 24-25.  | 257,000                               | 0                                     | 0   |
| 145 | Non Departmental | Information Management (Balance of Funding)  | 209,844                           | 9,375                |                   |   | 200,469                          | 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. Committed for MS 365 project - D Logan/I Jackson. Paper went to DMT in Dec. | 200,469                               | 0                                     | 0   |
| 146 | Non Departmental | Levelling up Fund bids per P&R February 22   | 150,000                           | 0                    | 80,000            |   | 70,000                           | Unspent Grant            | £15k to be drawn down in 2024-25 for post that is currently in place. £55k to be utilised in 2024-25 for Student Summer post, contaminated land consultants, ICT development, increased costs for current staff on a temp arrangement and to part fund 2 year temporary Regulatory Service Officer post.<br>Not all spend has been agreed yet and business cases are pending.   | 70,000                                | 0                                     | 0   |
| 147 | Non Departmental | Levelling up bid costs (Recovery and Renewal Fund)   | 150,000                           |                      |                   |   | 150,000                          | Unspent Grant            | As agreed at Council on 24 February 2022, Recovery and Renewal Fund £1.547m. This is provision for future recovery, regeneration and renewal, as well as any future pressures which may arise following the Covid-19 pandemic through a dedicated Recovery and Renewal Fund. Commitments have been made against this fund as follows: Levelling up bid costs £0.150m, Scotland Loves Local overspend £0.037m and Rothesay Pavilion £1.360m.   | 0                                     | 150,000                               | 0   |
| 148 | Non Departmental | Engagement with Hub North re provision of services for older adults and vulnerable people across Argyll and Bute | 100,000                           | 0                    |                   |   | 100,000                          | Unspent Budget           | At the Council budget meeting February 23, an allocation of £0.1m from the Unallocated General Fund balance for the Health and Social Care Partnership to engage, in partnership with the Council, with Hub North to develop a strategic business case in relation to the provision of services for older adults and other vulnerable people across Argyll and Bute. It is intended that this will be spent on an on-going business case and options appraisal work with Hub and that a sizable proportion will be spent during 24/25   | 70,000                                | 30,000                                | 0   |
| 149 | Non Departmental | Spend to Save Route Optimisation Software  | 100,000                           | 17,225               |                   |   | 82,775                           | Unspent Budget           | 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 - Spend to save route optimisation (£0.100m) which will be spent over 2023/24 and 2024/25.   | 82,775                                | 0                                     | 0   |
| 150 | Non Departmental | CHARTS   | 80,000                            | 75,000               |                   | 75,000  | 80,000                           | Unspent Budget           | At the Council Budget meeting on 22 February 2024, the Council committed to £0.075m one-off investment in CHARTS in response to an external funding request will be spent in 24-25. There remains £0.005m from a COVID earmarking for CHARTS as well.   | 80,000                                | 0                                     | 0   |
| 151 | Non Departmental | Scotland Loves Local Overspend (Recovery and Renewal Fund)   | 37,000                            |                      |                   |   | 37,000                           | Unspent Grant            | As agreed at Council on 24 February 2022, Recovery and Renewal Fund £1.547m. This is provision for future recovery, regeneration and renewal, as well as any future pressures which may arise following the Covid-19 pandemic through a dedicated Recovery and Renewal Fund. Commitments have been made against this fund as follows: Levelling up bid costs £0.150m, Scotland Loves Local overspend £0.037m and Rothesay Pavilion £1.360m.   | 0                                     | 37,000                                | 0   |
| 152 | Non Departmental | Funding Gap in Capital Programme   | 0                                 | 2,131,000            |                   |   | -2,131,000                       | Unspent Budget           | Funding agreed as part of the Loans Fund Review for the Funding Gap in Capital Programme £2.619m which will be earmarked from the 2023-24 return but some drawdowns have already occurred during 2023-24. Planned to fund capital programme and drawn down in 24-25.  | -2,131,000                            | 0                                     | 0   |
| 153 | Non Departmental | Significant Strategic Change Projects  | 0                                 | 689,000              |                   |   | -689,000                         | Unspent Budget           | Funding agreed as part of the Loans Fund Review for Significant Strategic Change Projects £2.157m which will be earmarked from the 2023-24 return but some drawdowns have already occurred during 2023-24. £689k of expenditure incurred and will be drawn down in 23-24, remainder planned for 24-25.  | -689,000                              | 0                                     | 0   |
| 154 | Non Departmental | Service Concessions - Capital Projects Inflation Pressures   | 0                                 | 0                    |                   | 297,000   | 297,000                          | Unspent Budget           | As agreed at Council meeting 23 February 2023 - Boosting resilience of Capital Programme and providing added support as required for key capital/infrastructure projects - £2m. Further allocation agreed Council meeting 22 February 24 - increase capital contract earmarking to protect current capital projects in plan £0.297m   | 0                                     | 297,000                               | 0   |
| 155 | Non Departmental | Capital Budget   | 0                                 | 0                    |                   | 2,212,000                                       | 2,212,000                        | Capital Projects         | At the Council Budget meeting on 22 February 2024, the Council committed to allocating released earmarkings amounting to £2.212m towards the Capital budget.  |                                       | 2,212,000                             | 0   |

| Ref                | Service                                | Description  | Amount Earmarked at 31 March 2023 | Actual Spend 2023/24 | Funds Unearmarked | New Earmarking Agreed by Council During 2023/24 | Closing Balance at 31 March 2024 | Reason for Carry Forward         | Plans for Use  | Amount Planned to be Spent in 2024/25 | Amount Planned to be Spent in 2025/26 | Amount Planned to be Spent from 2026/27 onwards |
|--------------------|--|--|-----------------------------------|----------------------|-------------------|---|----------------------------------|----------------------------------|--|---------------------------------------|---------------------------------------|---|
| 156                | Other Operating Income and Expenditure | Educational Support to Ukrainian Children and Young People | 335,671                           | 111,306              |                   |   | 224,365                          | Unspent Grant                    | Balance of grant received in 2022-23 for provision of childcare and education support to Ukrainian children and young people. Spending plan includes teaching and support staff within schools.  | 224,365                               | 0                                     | 0   |
| <b>SOCIAL WORK</b> |  |  |                                   |                      |                   |   |                                  |                                  |  |                                       |                                       |   |
| 157                | Adult Services                         | See Hear Funding   | 13,658                            | 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. No plans for spend in current financial year, funds will be used in the next two years in accordance with the See Hear plan and Argyll and Bute's BSL Local plan.                                    | 6,829                                 | 6,829                                 | 0   |
| 158                | Children and Families                  | Criminal Justice Transformation Funding                    | 39,890                            | 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. The money will be spent in 24/25 to meet outcomes of the four year plan - near completion, including consultations and supporting people to access services | 39,890                                | 0                                     | 0   |
|                    |  |  | <b>79,465,982</b>                 | <b>27,286,334</b>    | <b>2,351,505</b>  | <b>2,682,000</b>                                | <b>52,510,143</b>                | <b>0</b>                         |  | <b>21,470,755</b>                     | <b>31,039,388</b>                     | <b>0</b>  |

ARGYLL AND BUTE COUNCIL

COUNCIL

FINANCIAL SERVICES

27 JUNE 2024

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**CAPITAL BUDGET MONITORING REPORT – 31 MARCH 2024**

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**1.0 EXECUTIVE SUMMARY**

1.1 This report provides an update on the position of the capital budget as at 31 March 2024. The report provides information on the financial position in respect of the capital plan and the performance in terms of delivery of capital plan projects.

**1.2 Financial Position:**

- **Outturn for 2023-24** – actual net expenditure for the full financial year is £37,860k compared to an annual budget of £33,166k giving rise to an overspend for the year of £4,694k (14.15%). This variance is after previously agreed slippage of £27,837k that has been approved throughout 2023-24 therefore budgets will be re-profiled accordingly.
- **Total Capital Plan** – forecast total net project costs on the total capital plan are £219,771k compared to a total budget for all projects of £219,771k. No variance is projected.

**1.3 Project Delivery:**

- **Asset Sustainability** – Out of 96 projects there are 84 projects (87%) on track and 12 projects (13%) off track but recoverable.
- **Service Development** - Out of 44 projects there are 40 projects (91%) on track and 4 projects (9%) off track but recoverable.
- **Strategic Change** – Out of 29 projects there are 19 projects (66%) on track and 10 projects (34%) off track but recoverable.

1.4 The Capital Programme is funded by various income streams as detailed in Appendix 3. Additional funding has been added for 2023-24 CFCR, STTS Income for Roads, Scottish Government Grants for Bus Partnership Fund and Road Safety Improvement Fund, third party contributions from Live Argyll and HSCP, Crown Estates Allocation, Strategic Housing Fund contribution and additional allocation of Rural Growth Deal funding.

1.5 Originally the Council was projecting £1,195k of capital receipts this financial year which was then revised to £484k. Actual receipts of £622k have been received which will reduce the income target for 2024-25. The estimated level of receipts for future years will be kept under review as market conditions change; as will values following due diligence undertaken by prospective purchasers on the condition of asset.

**CAPITAL BUDGET MONITORING REPORT – 31 MARCH 2024****2.0 INTRODUCTION**

- 2.1 This report provides an update on the position of the capital budget as at 31 March 2024. The report provides information on the financial position in respect of the capital plan and the performance in terms of delivery of capital plan projects.
- 2.2 Following the decision at Policy and Resources Committee on 9 December 2021, the Rothesay Pavilion project was put on pause whilst potential funding options were being considered. At the budget meeting in February 2023 additional funding was allocated to this project which will allow the project to progress towards success by supporting completion of certain work stages. Further information regarding the progress of this project will be reported during 2024-25 once tenders have been received and finalised. The financial information included within this report includes amounts relating to Phase 1 only of the Rothesay Pavilion project.
- 2.3 Surveys have been completed in the Councils Learning Estates in relation to RAAC with only 1 building confirmed as having it present with steps underway for its removal. This will include a decant of the students for approximately 9 months plus total removal and replacement of the roof during 2024-25. Funding of £3m was considered as part of the 2024-25 budget setting process and additional funding was allocated as agreed at the Council meeting on 22nd February 2024.
- 2.4 The Councils bid to the Scottish Governments Learning Estate Investment Programme (LEIP) for funding for a new school campus on Mull was successful. While this is good news and will provide welcome investment in the school estate it does come with a financial pressure that is required to be funded if the project is to proceed. The Scottish Government will fund up to 50% of eligible costs therefore the Council will be required to fund circa £20m prior to any associated borrowing costs. A Members seminar was held on the 12<sup>th</sup> April 2024 and a report subsequently presented to Council on 25<sup>th</sup> April outlining the financial, economic, community and educational implications of the proposed campus. Members agreed that up to £5m from the previously agreed earmarked LEIP funding could be used to commence the Business Case, undertake engagement exercises, commence the site selection process and establish governance arrangements. To progress with the project beyond this point Members will consider the capital and revenue budget provision required as part of the budget setting process.
- 2.5 As a result of significant rainfall Argyll and Bute Council activated the Bellwin scheme in relation to the recovery costs associated with the incident. The funding from this scheme is welcomed however eligibility criteria of costs are restrictive. Capital expenditure does not qualify therefore any long term replacements to infrastructure such as bridges cannot be claimed through the scheme therefore if not already part of the capital programme required to be funded. Works to the value of £1.8m have been carried out already with future anticipated works costing circa £2.5m being identified, both which will require capital funding. As a result of this borrowing of £4.3m to fund the capital costs not eligible through the Bellwin Scheme was considered as part of the 2024-25 budget setting process and agreed at the Council meeting on 22nd February 2024.

- 2.6 A £1m cost pressure was identified during 2021-22 in relation to repairs to the A884 Ardbeg Sea Wall, where severe storm damage resulted in failure of the sea wall on Bute. Emergency works were carried out and a permanent solution is currently being developed. Additional funding of £1m was allocated for this purpose at the Council meeting on 24 February 2022 however there remains a risk that costs will exceed this. The tender for this project is being developed with the current aim to have a contractor on site by Spring/Summer 2025, final costs will be known once tenders are returned early in 2024-25.
- 2.7 The impact of the pandemic along with the UK exit from the European Union, the Russian invasion of Ukraine and sanctions on Russian owned entities continues to result in significant price increases as well as disruptions to the supply chain and longer lead in times. The increased rate of inflation impacts costs such as energy prices, labour, packaging and transport. These all have an effect on the overall contract price and make it extremely challenging to manage expenditure and the availability of supply.
- 2.8 As a result of this it should be noted that there are likely to be other significant financial impacts which are not quantifiable at this stage, as follows:
- Rothesay Pavilion – despite additional funding being awarded there remains a funding gap to allow full completion of the original intended works.
  - Harbour Investment Programme – likely to be contractual cost increases in future years (expected to be funded from increased fees and charges).
  - Universal Free School Meals – roll out to P6 and P7 has been confirmed but capital funding levels available from the Scottish Government are still unknown.
  - Bridges Fund - A scheme of bridge capital works was developed and 80% funded through the Local Bridge Maintenance Fund with £5.450m of funding approved. Increased capital contract costs from when the scheme was developed to now, has the schemes costing approximately £12m. A request for the original funding to be approved to cover a smaller scheme with less bridges has been sent to Scottish Government and awaits a response.
  - In general, capital contracts across the programme are seeing significant price increases.
- 2.9 Although the direct impact of COVID on most local services has reduced or even ceased altogether over the last 12 months, COVID-19 in conjunction with the UK exit from the European Union and the Russian invasion of Ukraine, continues to affect worldwide supply chains.

In recent years additional funding of £10.803m has been allocated to the capital programme for this purpose which has mitigated the impact to date however, as detailed in the table below. An additional £0.297m was considered as part of the 2024-25 budget setting process and this additional funding was allocated as agreed at the Council meeting on 22nd February 2024. With £8.834m already allocated or committed this results in £2.266m of the fund remaining unallocated to projects facing inflationary pressures.

| <b>Funding for Capital Inflationary Pressures</b>     | <b>£m</b>     |
|---|---------------|
| COVID-19 Funding                                      | 0.257         |
| February 2021 Budget Meeting - Capital Cost Pressures | 4.646         |
| February 2022 Budget Meeting - Capital Cost Pressures | 3.900         |
| February 2023 Budget Meeting - Capital Cost Pressures | 2.000         |
| February 2024 Budget Meeting - Capital Cost Pressures | 0.297         |
| <b>Total Additional Funding Allocated to Capital</b>  | <b>11.100</b> |
| Allocated to Projects within Capital Programme        | (5.779)       |
| Committed for future years                            | (3.055)       |
| <b>Balance Remaining</b>                              | <b>2.266</b>  |

### 3.0 RECOMMENDATIONS

- 3.1 Note the contents of this report and the financial summaries as detailed in Appendix 6 and approve the proposed changes to the capital plan detailed in Appendix 2.

### 4.0 OUTTURN FINANCIAL POSITION 2023-24

#### 4.1 Overall Position

Actual net expenditure for the full financial year is £37,860k compared to a budget for the year to date of £35,175k giving rise to an overspend for the year of £4,694k (14.15%). This variance is after previously agreed slippage of £27,837k that has been approved throughout 2023-24 therefore budgets will be re-profiled accordingly.

#### 4.2 Project/Department Position

The table below shows the actual expenditure and budget for the year by project type and service:

| <b>Project Type:</b>             | <b>Annual Budget<br/>£'000</b> | <b>Forecast<br/>Outturn<br/>£'000</b> | <b>Forecast<br/>Variance<br/>£'000</b> |
|----------------------------------|--------------------------------|---------------------------------------|--|
| Asset Sustainability             | 19,680                         | 18,343                                | 1,337                                  |
| Service Development              | 322                            | 3,220                                 | (2,898)                                |
| Strategic Change                 | 13,164                         | 16,297                                | (3,133)                                |
| <b>Total</b>                     | <b>33,166</b>                  | <b>37,860</b>                         | <b>(4,694)</b>                         |
| <b>Service:</b>                  |                                |                                       |  |
| ICT                              | 1,457                          | 1,410                                 | 47                                     |
| Education                        | 7,208                          | 5,748                                 | 1,460                                  |
| Live Argyll                      | 1,175                          | 1,034                                 | 141                                    |
| Health & Social Care Partnership | 957                            | 748                                   | 209                                    |
| Shared Offices                   | 1,660                          | 1,162                                 | 498                                    |
| Roads & Infrastructure           | 19,522                         | 19,835                                | (313)                                  |
| Development & Economic Growth    | (2,143)                        | 990                                   | (3,133)                                |
| CHORD                            | 3,330                          | 6,933                                 | (3,603)                                |
| <b>Total</b>                     | <b>33,166</b>                  | <b>37,860</b>                         | <b>(4,694)</b>                         |

Material variances are explained in Appendix 1 and there are a number of small variances contributing to the overspend.



## 5.0 TOTAL PROJECT COSTS

### 5.1 Overall Position

Forecast total net project costs on the total capital plan are £228,625k compared to a total budget for all projects of £228,625k. No variance is projected.

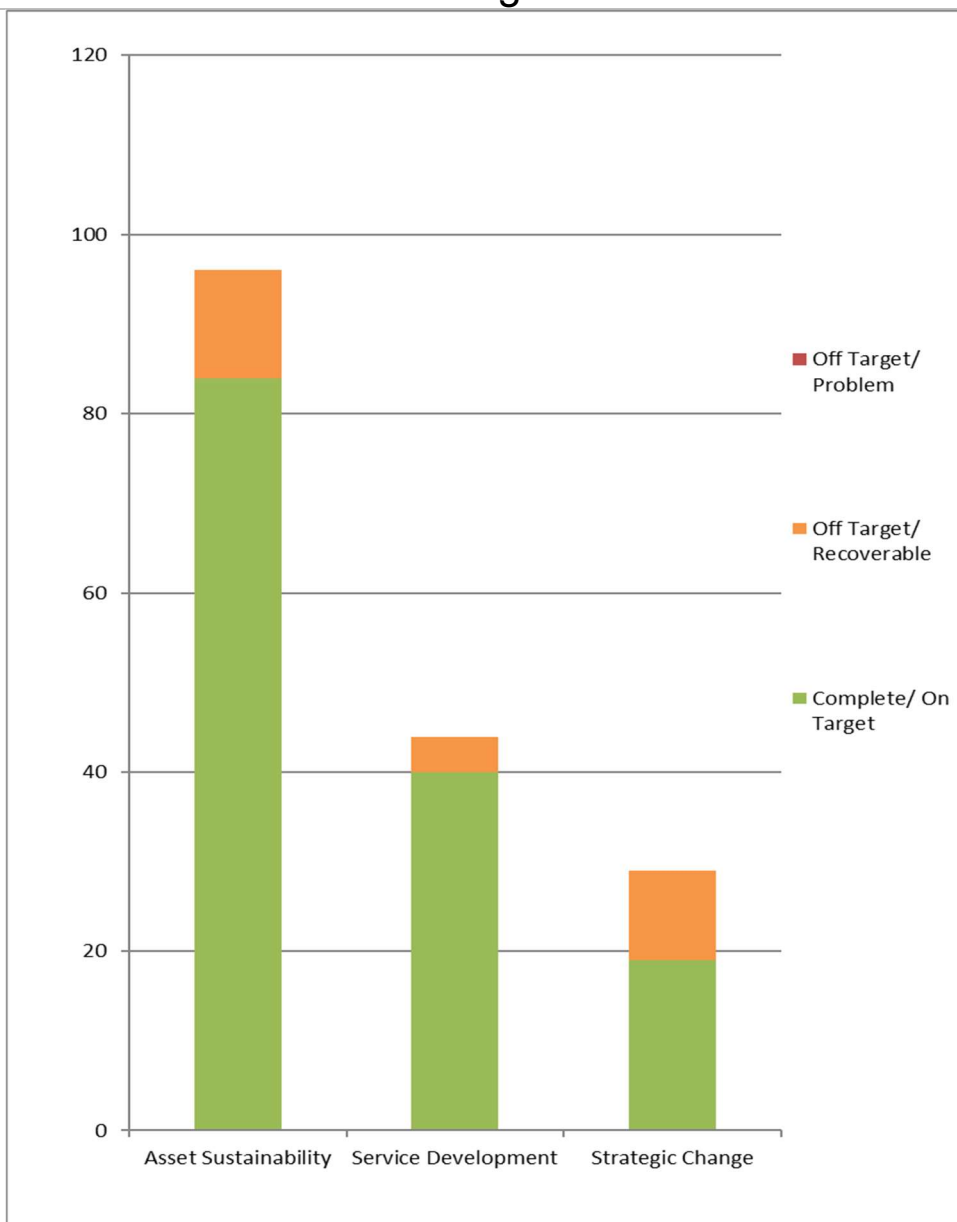
### 5.2 Project/Department Position

The table below shows the forecast expenditure and budget for the total capital plan by project type and service.

|                                  | <b>Capital Plan<br/>Budget<br/>£'000</b> | <b>Forecast<br/>Project<br/>Costs<br/>£'000</b> | <b>Total<br/>Capital<br/>Plan<br/>Variance<br/>£'000</b> |
|----------------------------------|--|---|--|
| <b>Project Type:</b>             |  |   |  |
| Asset Sustainability             | 69,755                                   | 69,755  | 0  |
| Service Development              | 23,749                                   | 23,749  | 0  |
| Strategic Change                 | 126,267                                  | 126,267   | 0  |
| <b>Total</b>                     | <b>219,771</b>                           | <b>219,771</b>                                  | <b>0</b>   |
| <b>Service:</b>                  |  |   |  |
| ICT                              | 7,068                                    | 7,068   | 0  |
| Education                        | 49,755                                   | 49,755  | 0  |
| Live Argyll                      | 4,070                                    | 4,070   | 0  |
| Health & Social Care Partnership | 4,684                                    | 4,684   | 0  |
| Shared Offices                   | 23,974                                   | 23,974  | 0  |
| Roads & Infrastructure           | 64,490                                   | 64,490  | 0  |
| Development & Economic Growth    | 6,385                                    | 6,385   | 0  |
| CHORD                            | 59,345                                   | 59,345  | 0  |
| <b>Total</b>                     | <b>219,771</b>                           | <b>219,771</b>                                  | <b>0</b>   |

There are no variances to report.

| <b>6.0</b>                       | <b>TOTAL PROJECT PERFORMANCE</b>   |                                |                             |                                |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
|----------------------------------|--|--------------------------------|-----------------------------|--------------------------------|----------------------------|--------------|----------------------|----|----|---|----|---------------------|----|---|---|----|------------------|----|----|---|----|--------------|------------|-----------|----------|------------|-----------------|--|--|--|--|-----|---|---|---|---|-----------|----|---|---|----|-------------|----|---|---|----|----------------------------------|----|---|---|----|----------------|----|---|---|----|------------------------|----|---|---|----|-------------------------------|----|---|---|----|-------|---|---|---|---|--------------|------------|-----------|----------|------------|
| <b>6.1</b>                       | <p><b>Overall Position</b></p> <p>There are 169 projects within the Capital Plan, 143 are Complete or On Target, 26 are Off Target and Recoverable and none are Off Track.</p>   |                                |                             |                                |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| <b>6.2</b>                       | <p><b>Project Position</b></p> <p>The table below shows the Performance Status of the Projects in the Capital Plan.</p> <table border="1"> <thead> <tr> <th><b>Project Type:</b></th> <th><b>Complete / On Target</b></th> <th><b>Off Target/ Recoverable</b></th> <th><b>Off Target/ Problem</b></th> <th><b>Total</b></th> </tr> </thead> <tbody> <tr> <td>Asset Sustainability</td> <td>84</td> <td>12</td> <td>0</td> <td>96</td> </tr> <tr> <td>Service Development</td> <td>40</td> <td>4</td> <td>0</td> <td>44</td> </tr> <tr> <td>Strategic Change</td> <td>19</td> <td>10</td> <td>0</td> <td>29</td> </tr> <tr> <td><b>Total</b></td> <td><b>143</b></td> <td><b>26</b></td> <td><b>0</b></td> <td><b>169</b></td> </tr> <tr> <td colspan="5"><b>Service:</b></td> </tr> <tr> <td>ICT</td> <td>7</td> <td>0</td> <td>0</td> <td>7</td> </tr> <tr> <td>Education</td> <td>27</td> <td>6</td> <td>0</td> <td>33</td> </tr> <tr> <td>Live Argyll</td> <td>22</td> <td>0</td> <td>0</td> <td>22</td> </tr> <tr> <td>Health &amp; Social Care Partnership</td> <td>16</td> <td>3</td> <td>0</td> <td>19</td> </tr> <tr> <td>Shared Offices</td> <td>23</td> <td>2</td> <td>0</td> <td>25</td> </tr> <tr> <td>Roads &amp; Infrastructure</td> <td>31</td> <td>9</td> <td>0</td> <td>40</td> </tr> <tr> <td>Development &amp; Economic Growth</td> <td>14</td> <td>3</td> <td>0</td> <td>17</td> </tr> <tr> <td>CHORD</td> <td>3</td> <td>3</td> <td>0</td> <td>6</td> </tr> <tr> <td><b>Total</b></td> <td><b>143</b></td> <td><b>26</b></td> <td><b>0</b></td> <td><b>169</b></td> </tr> </tbody> </table> | <b>Project Type:</b>           | <b>Complete / On Target</b> | <b>Off Target/ Recoverable</b> | <b>Off Target/ Problem</b> | <b>Total</b> | Asset Sustainability | 84 | 12 | 0 | 96 | Service Development | 40 | 4 | 0 | 44 | Strategic Change | 19 | 10 | 0 | 29 | <b>Total</b> | <b>143</b> | <b>26</b> | <b>0</b> | <b>169</b> | <b>Service:</b> |  |  |  |  | ICT | 7 | 0 | 0 | 7 | Education | 27 | 6 | 0 | 33 | Live Argyll | 22 | 0 | 0 | 22 | Health & Social Care Partnership | 16 | 3 | 0 | 19 | Shared Offices | 23 | 2 | 0 | 25 | Roads & Infrastructure | 31 | 9 | 0 | 40 | Development & Economic Growth | 14 | 3 | 0 | 17 | CHORD | 3 | 3 | 0 | 6 | <b>Total</b> | <b>143</b> | <b>26</b> | <b>0</b> | <b>169</b> |
| <b>Project Type:</b>             | <b>Complete / On Target</b>  | <b>Off Target/ Recoverable</b> | <b>Off Target/ Problem</b>  | <b>Total</b>                   |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| Asset Sustainability             | 84   | 12                             | 0                           | 96                             |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| Service Development              | 40   | 4                              | 0                           | 44                             |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| Strategic Change                 | 19   | 10                             | 0                           | 29                             |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| <b>Total</b>                     | <b>143</b>   | <b>26</b>                      | <b>0</b>                    | <b>169</b>                     |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| <b>Service:</b>                  |  |                                |                             |                                |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| ICT                              | 7  | 0                              | 0                           | 7                              |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| Education                        | 27   | 6                              | 0                           | 33                             |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| Live Argyll                      | 22   | 0                              | 0                           | 22                             |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| Health & Social Care Partnership | 16   | 3                              | 0                           | 19                             |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| Shared Offices                   | 23   | 2                              | 0                           | 25                             |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| Roads & Infrastructure           | 31   | 9                              | 0                           | 40                             |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| Development & Economic Growth    | 14   | 3                              | 0                           | 17                             |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| CHORD                            | 3  | 3                              | 0                           | 6                              |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| <b>Total</b>                     | <b>143</b>   | <b>26</b>                      | <b>0</b>                    | <b>169</b>                     |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |
| <b>6.3</b>                       | <p><b>Chart of Performance Status</b></p> <p>The graph provides a view of the Performance Status of the Projects included in the Capital Plan:</p>   |                                |                             |                                |                            |              |                      |    |    |   |    |                     |    |   |   |    |                  |    |    |   |    |              |            |           |          |            |                 |  |  |  |  |     |   |   |   |   |           |    |   |   |    |             |    |   |   |    |                                  |    |   |   |    |                |    |   |   |    |                        |    |   |   |    |                               |    |   |   |    |       |   |   |   |   |              |            |           |          |            |



## 7.0 OFF TRACK PROJECTS

7.1 There are no Off Track projects for this report.

## 8.0 STRATEGIC CHANGE PROJECTS

8.1 Appendix 5 gives detailed information in respect of the Strategic Change Projects within the Capital Plan. The appendix gives details of the forecast cost of each project against the approved budget, the start and anticipated completion date of the project and an assessment of the risks of the project and, if these are not green, gives an explanation of the problem.

## 9.0 CHANGES TO CAPITAL PLAN

9.1 The table below shows previous changes to expenditure budgets within the Capital Plan at summary level, including slippages and accelerations offset by any budget adjustments. There are no proposed changes in terms of slippages or accelerations in the current month as any over or under spends are rolled forward into future years as part of the year end process.

Projects with slippages greater than £500k are detailed in Appendix 4.

|                          | Department   | Prev. Agreed Changes<br>2023-24 |
|--------------------------|--|---------------------------------|
|                          | Asset Sustainability   | (10,861)                        |
|                          | Service Development  | (3,141)                         |
|                          | Strategic Change   | (13,835)                        |
|                          | <b>Total</b>   | <b>(27,837)</b>                 |
|                          | <b>Service:</b>  | 0                               |
|                          | ICT  | 136                             |
|                          | Education  | (3,542)                         |
|                          | Live Argyll  | (448)                           |
|                          | Health & Social Care Partnership   | (2,047)                         |
|                          | Shared Offices   | (1,166)                         |
|                          | Roads & Infrastructure   | (15,518)                        |
|                          | Development & Economic Growth  | (2,674)                         |
|                          | Major Projects   | (2,578)                         |
|                          | <b>Total</b>   | <b>(27,837)</b>                 |
|                          |  |                                 |
| <b>10.0 FUNDING</b>      |  |                                 |
| 10.1                     | The Capital Programme is funded by various income streams as detailed in Appendix 3. Additional funding has been added for 2023-24 CFCR, STTS Income for Roads, Scottish Government Grants for Bus Partnership Fund and Road Safety Improvement Fund, third party contributions from Live Argyll and HSCP, Crown Estates Allocation, Strategic Housing Fund contribution and additional allocation of Rural Growth Deal funding. |                                 |
| <b>11.0 IMPLICATIONS</b> |  |                                 |
| 11.1                     | Policy – Monitors progress against the capital plan.   |                                 |
| 11.2                     | Financial – Monitors funding and commitments of the capital plan.  |                                 |
| 11.3                     | Legal – Available funding may not address all Statutory and Regulatory requirements in relation to Health and Safety.  |                                 |
| 11.4                     | HR – Available funding may have an impact on the sustainability of the Property Design Team and Infrastructure Design Team.  |                                 |
| 11.5                     | Fairer Scotland Duty – None.   |                                 |
| 12.5.1                   | Equalities – protected characteristics – None.   |                                 |
| 12.5.2                   | Socio-economic Duty – None.  |                                 |
| 12.5.3                   | Islands – None.  |                                 |
| 11.6                     | Climate Change – The Council is committed to addressing climate change via projects within the capital plan.   |                                 |
| 11.7                     | Risk – There are risks around increasing capital contract costs and the level and timing of capital receipts.  |                                 |
| 11.8                     | Customer Service – None.   |                                 |
| 11.9                     | The Rights of the Child (UNCRC) - None.  |                                 |

**Kirsty Flanagan**  
**Executive Director / Section 95 Officer**  
**13 June 2024**

**Policy Lead for Finance and Commercial Services – Councillor Ross Moreland**

**APPENDICES**

- **Appendix 1** – Forecast Outturn variance explanations
- **Appendix 2** – Changes to Capital Plan and Financial Impact
- **Appendix 3** – Capital Funding
- **Appendix 4** – Over £500k Variance Reports
- **Appendix 5** - Cumulative spend, completion dates and risks relating to significant capital projects.
- **Appendix 6** - Financial Summary – Overall
  - Financial Summary – Executive Director Kirsty Flanagan
  - Financial Summary – Executive Director Douglas Hendry
- **Appendix 7** - Updated/Revised Capital Plan

For further information contact: Anne Blue, Head of Financial Services  
anne.blue@argyll-bute.gov.uk

**APPENDIX 1 – Outturn Variance Explanations**

Listed below are the projects where the current year variance is +/- £50k.

| <b>Project</b>                  | <b>Annual Budget<br/>£'000</b> | <b>Outturn<br/>£'000</b> | <b>Total<br/>(Over)/<br/>Under<br/>Forecast<br/>Variance<br/>£'000</b> | <b>Explanation</b>   |
|---------------------------------|--------------------------------|--------------------------|--|--|
| Server Sustainability           | 352                            | 289                      | 63   | Minor delay in receiving order at end of year.   |
| Primary Schools                 | 3,370                          | 3,195                    | 175  | Continued issues with availability of skilled labour and spiralling material costs resulting in delays to projects |
| Secondary Schools               | 852                            | 709                      | 143  | Continued issues with availability of skilled labour and spiralling material costs resulting in delays to projects |
| Free School Meals               | 379                            | 213                      | 166  | Retention values slipped into future year.   |
| Block Allocation - Education    | 243                            | 0                        | 243  | Continued issues with availability of skilled labour and spiralling material costs resulting in delays to projects |
| Dunoon Primary School           | 234                            | 2                        | 232  | Ongoing negotiations with contractor have delayed final payments and retention invoices.                           |
| Replacement of Oban High School | 406                            | 0                        | 406  | Ongoing negotiations with contractor have delayed final payments and retention invoices.                           |
| Glencruitten Hostel             | 81                             | 9                        | 72   | Minor works carried out in 23-24, project will commence 24-25.   |
| Capital Property Works - HSCP   | 167                            | 0                        | 167  | Delays in agreeing the programme priorities with HSCP  |
| Dunclutha Childrens Home        | 54                             | 0                        | 54   | Retention remains held due to dispute over defects.  |

|  |       |       |       |  |
|--|-------|-------|-------|--|
| Block Allocation - Shared Offices        | 372   | 0     | 372   | Minor works carried out to Offices during 23-24 due to office rationalisation.   |
| Roads Reconstruction                     | 7,766 | 7,259 | 507   | Additional funding received late in year.  |
| Lighting                                 | 440   | 246   | 194   | Delays due to other commitments  |
| Environmental Projects                   | (200) | 300   | (500) | External funding won't be received until works are complete.   |
| Public Conveniences                      | (200) | 0     | (200) | External funding won't be received until works are complete – project slipped earlier in the year so income should have been re-profiled at the same time.       |
| Fleet Management                         | 1,664 | 1,469 | 195   | Late delivery of vehicles  |
| Footway Improvements                     | 450   | 531   | (81)  | Reversal of previous slippage as value too much  |
| EV Quick Chargers                        | 62    | 10    | 52    | No new installations, should have been re-profiled earlier in year   |
| Block Allocation - RIS                   | -100  | 0     | (100) | Acceleration of block allocation to fund Depot project   |
| Campbeltown Flood Scheme                 | 8,625 | 8,756 | (131) | Reversal of previous slippage as value too much – continual changes to programme by contractor and high value of project make projections difficult at year end. |
| Harbour Investment Programme PB          | 1,490 | 1,898 | (408) | Reversal of previous slippage as value too much  |
| Safe Streets, Walking and Cycling (CWSS) | (6)   | 130   | (136) | Project spans into 24-25 when external grant income will be received   |
| Cycleways - H&L (FSPT)                   | (290) | 93    | (293) | Project spans into 24-25 when external grant income will be received   |

|  |         |       |         |   |
|--|---------|-------|---------|---|
| CHORD - Oban                                 | 626     | 47    | 579     | Work ongoing to determine cause of defects. Benefits realisation analysis will commence once all CHOS projects are complete.                            |
| CHORD - Rothesay                             | 4,735   | 6,170 | (1,435) | External funding won't be received until works are complete.  |
| Town Centre Funds                            | 34      | 384   | (350)   | External funding won't be received until works are complete.  |
| Dunoon STEM Hub                              | (2,050) | 0     | (2,050) | Project has been delayed due to location of the STEM Hub, income profile should have been updated earlier in year when project expenditure was slipped. |
| Dunoon Cycle Both                            | (394)   | (96)  | (298)   | External funding won't be received until works are complete.  |
| Rural Growth Deal                            | (211)   | (81)  | (130)   | Delay in drawdown of earmarked reserves due to accounting practices, will be drawn down in 24-25.   |
| Tigh An Rudha HFE                            | 116     | 201   | (85)    | Major works starting in 24-25, only minor works carried out in 23-24.   |
| Clean Energy - NDEEF1                        | 224     | 145   | 79      | Delays due to VFM concerns  |
| TIF - Halfway House Roundabout               | 56      | 0     | 56      | Project still being developed   |
| Tobermory Car Park                           | 96      | 0     | 96      | Decision still pending on car park works.   |
| CO2 Monitoring - Covid Mitigation in Schools | 113     | 0     | 113     | Scottish Government grant requires to be allocated to specific projects   |
| Kilmory Business Park Phase 2AA              | (419)   | 13    | (432)   | Delays in invoicing due to legal requirements resulting in delays in receiving external funding   |
| Helensburgh Waterfront                       | (1,673) | 696   | (2,369) | Timing of external funding, will be received in 24-25.  |



|                            |     |    |                |  |
|----------------------------|-----|----|----------------|--|
| Coastal Change Adaptation  | 126 | 48 | 78             | Payment to Luig Community Council slipped to 24/25.      |
| Clean Energy - NDEEF2      | 50  | 0  | 50             | Delays due to VFM concerns                               |
| Other variances under £50k |     |    | 212            | Total value of non-material variances less than +/-£50k. |
| <b>Total</b>               |     |    | <b>(4,694)</b> |  |

## APPENDIX 2 – Changes to Capital Plan and Financial Impact

### OVERALL COST CHANGES

| Project                   | 2023-24<br>£'000 | 2024-25<br>£'000 | 2025-26<br>£'000 | Future<br>Years<br>£'000 | Total<br>Capital<br>Plan<br>£'000 | Recommendation | Explanation |
|---------------------------|------------------|------------------|------------------|--------------------------|-----------------------------------|----------------|-------------|
| <b>Total Cost Changes</b> | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>                 | <b>0</b>                          |                |             |

### SLIPPAGES AND ACCELERATIONS

| Project                                  | 2023-24<br>£'000 | 2024-25<br>£'000 | 2025-26<br>£'000 | 2026-27<br>£'000 | Total<br>Capital<br>Plan<br>£'000 | Recommendation | Explanation |
|--|------------------|------------------|------------------|------------------|-----------------------------------|----------------|-------------|
| None for this report                     |                  |                  |                  |                  |                                   |                |             |
| <b>Total Slippages and Accelerations</b> | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>                          |                |             |
| <b>Net Impact of Changes</b>             | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>                          |                |             |

There are no proposed changes in the current month regarding slippages or accelerations as any over or underspends are rolled forward into future years as part of the year end process. Income budgets will also be aligned accordingly as part of this process.

CAPITAL PROGRAMME FUNDING

|   | 2023-24                   |                           |                         |                    |                                   | 2024-25                   |                           |                         |                    |                                   | 2025-26                   |                           |                         |                    |                                   | 2026-27                   |                           |                         |                    |                                   |
|---|---------------------------|---------------------------|-------------------------|--------------------|-----------------------------------|---------------------------|---------------------------|-------------------------|--------------------|-----------------------------------|---------------------------|---------------------------|-------------------------|--------------------|-----------------------------------|---------------------------|---------------------------|-------------------------|--------------------|-----------------------------------|
|   | Estimated Capital Funding | Carry Forwards from 23-24 | Slippage / Acceleration | Additional Funding | Updated Capital Funding Available | Estimated Capital Funding | Carry Forwards from 22-23 | Slippage / Acceleration | Additional Funding | Updated Capital Funding Available | Estimated Capital Funding | Carry Forwards from 22-23 | Slippage / Acceleration | Additional Funding | Updated Capital Funding Available | Estimated Capital Funding | Carry Forwards from 22-23 | Slippage / Acceleration | Additional Funding | Updated Capital Funding Available |
| General Capital Grant                                       | 17,626                    | 0                         | 0                       | 0                  | 17,626                            | 9,042                     | 0                         | 0                       | 0                  | 9,042                             | 9,069                     | 0                         | 0                       | 0                  | 9,069                             | 8,834                     | 0                         | 0                       | 0                  | 8,834                             |
| Capital Grant - Area Control Accounts                       | 51                        | 0                         | 0                       | 3                  | 54                                | 0                         | 0                         | 0                       | 0                  | 0                                 | 0                         | 0                         | 0                       | 0                  | 0                                 | 0                         | 0                         | 0                       | 0                  | 0                                 |
| Transfer to Revenue for Private Sector Housing Grant (PSHG) | -1,033                    | 0                         | 0                       | 0                  | -1,033                            | -1,033                    | 0                         | 0                       | 0                  | -1,033                            | -1,033                    | 0                         | 0                       | 0                  | -1,033                            | -1,033                    | 0                         | 0                       | 0                  | -1,033                            |
| Capital Receipts  | 511                       | 0                         | 138                     | 0                  | 649                               | 750                       | 0                         | -138                    | 0                  | 612                               | 750                       | 0                         | 0                       | 0                  | 750                               | 400                       | 0                         | 0                       | 0                  | 400                               |
| Flooding Allocation   | 155                       | 0                         | 0                       | 0                  | 155                               | 156                       | 0                         | 0                       | 0                  | 156                               | 156                       | 0                         | 0                       | 0                  | 156                               | 0                         | 0                         | 0                       | 0                  | 0                                 |
| Ring Fenced Capital Grant                                   | 5,800                     | 0                         | 0                       | 0                  | 5,800                             | 379                       | 0                         | 0                       | 0                  | 379                               | 618                       | 0                         | 0                       | 650                | 1,268                             | 0                         | 0                         | 0                       | 0                  | 0                                 |
| Restricted Funding  | 2,485                     | 0                         | -473                    | 793                | 2,805                             | 2,553                     | 0                         | 9,488                   | 2,031              | 14,072                            | 84                        | 0                         | 0                       | 0                  | 84                                | 0                         | 0                         | 0                       | 0                  | 0                                 |
| Funded by Reserves  | 13,632                    | 691                       | -10,615                 | 0                  | 3,708                             | 10,061                    | 0                         | 783                     | 1,559              | 12,403                            | 1,412                     | 0                         | -692                    | 600                | 1,320                             | -38                       | 0                         | 0                       | 0                  | -38                               |
| Additional Funding from Revenue                             | 142                       | 0                         | 0                       | 1,616              | 1,758                             | 0                         | 0                         | 0                       | 0                  | 0                                 | 0                         | 0                         | 0                       | 0                  | 0                                 | 0                         | 0                         | 0                       | 0                  | 0                                 |
| Insurance   | 0                         | 0                         | 0                       | 0                  | 0                                 | 0                         | 0                         | 0                       | 0                  | 0                                 | 0                         | 0                         | 0                       | 0                  | 0                                 | 0                         | 0                         | 0                       | 0                  | 0                                 |
| Harbour Investment Programme                                | 3,200                     | 0                         | -1,302                  | 0                  | 1,898                             | 24,110                    | 0                         | 1,302                   | 0                  | 25,412                            | 39,000                    | 0                         | 0                       | 0                  | 39,000                            | 17,585                    | 0                         | 0                       | 0                  | 17,585                            |
| Prudential Borrowing  | 3,413                     | 3                         | 1,137                   | 0                  | 4,553                             | 17,567                    | 0                         | -1,047                  | 0                  | 16,520                            | 166                       | 0                         | 1,313                   | 0                  | 1,479                             | 376                       | 0                         | -609                    | 0                  | -233                              |
| Loans Fund Review   | 2,690                     | 0                         | 0                       | 0                  | 2,690                             | 431                       | 0                         | 0                       | 0                  | 431                               | 0                         | 0                         | 0                       | 0                  | 0                                 | 0                         | 0                         | 0                       | 0                  | 0                                 |
| COVID Funding   | 0                         | 0                         | 0                       | 0                  | 0                                 | 0                         | 0                         | 0                       | 0                  | 0                                 | 0                         | 0                         | 0                       | 0                  | 0                                 | 0                         | 0                         | 0                       | 0                  | 0                                 |
|   | 48,672                    | 694                       | -11,115                 | 2,412              | 40,663                            | 64,016                    | 0                         | 10,388                  | 3,590              | 77,994                            | 50,222                    | 0                         | 621                     | 1,250              | 52,093                            | 26,124                    | 0                         | -609                    | 0                  | 25,515                            |

BREAKDOWN OF ADDITIONAL FUNDING

| Additional Funding                              | 2023-24 | 2024-25 | 2025-26 | 2026-27 | Reported | Source                   |
|---|---------|---------|---------|---------|----------|--------------------------|
| Fleet Management                                |         | 159     |         |         | Jan-24   | Earmarked Reserves       |
| Area Control Accounts                           | 3       |         |         |         | Jan-24   | Control Accounts         |
| Rural Growth Deal                               | 9       |         |         |         | Feb-24   | Scottish Government      |
| Coastal Adaptation Change                       | 65      |         |         |         | Feb-24   | Scottish Government      |
| Bus Partnership Fund                            | 18      |         |         |         | Feb-24   | Scottish Government      |
| CFCR 2023-24                                    | 1,616   |         |         |         | Mar-24   | Revenue                  |
| East Clyde Street                               | 1       |         |         |         | Mar-24   | Crown Estates Fund       |
| RAAC  | 10      | 2,390   | 600     |         | Mar-24   | Council Reserves         |
| Roads Reconstruction                            | 347     |         |         |         | Mar-24   | STTS                     |
| Bus Partnership Fund                            | 32      |         |         |         | Mar-24   | Scottish Government      |
| Rural Growth Deal                               | 20      |         |         |         | Mar-24   | Scottish Government      |
| Road Safety Imp Fund                            | 191     |         |         |         | Mar-24   | Scottish Government      |
| Aqualibrium - Health Suite Upgrade              | 20      |         |         |         | Mar-24   | Third Party Contribution |
| Riverside Leisure Centre - Health Suite Upgrade | 80      |         |         |         | Mar-24   | Third Party Contribution |
| Tigh An Rudha HFE                               |         | 731     |         |         | Mar-24   | HSCP                     |
| Tigh An Rudha HFE                               |         | 160     |         |         | Mar-24   | Strategic Housing Fund   |
| Kintyre Care Home                               |         | 150     | 650     |         | Mar-24   | HSCP                     |

## CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT

|   |                                  |
|---|----------------------------------|
| <b>Projects Names:</b> Bridge Strengthening & Local Bridge Maintenance Fund | <b>Project Manager:</b> E Simoes |
|---|----------------------------------|

| Year                                  | 2023-24<br>£m  | 2024-25<br>£m | 2025-26<br>£m | 2026-27<br>£m |
|---------------------------------------|----------------|---------------|---------------|---------------|
| Anticipated Spend at start of 2023-24 | 2.336          | 4.350         | 0.203         | 0.000         |
| Anticipated spend at end of 2023-24   | 0.515          | 6.171         | 0.203         | 0.000         |
| <b>(Slippage)/Acceleration</b>        | <b>(1.821)</b> | <b>1.821</b>  | <b>0.000</b>  | <b>0.000</b>  |

In 2023-24 there has been **£1.821m** of slippage compared to the projections for this year at the beginning of 2023-24. Please identify the reason for this slippage below by ticking (v) the appropriate box:

|                                      |  |                       |   |
|--------------------------------------|--|-----------------------|---|
| Incorrect profiling at start of year |  | Material delays       |   |
| Changes to project plan              |  | Other (explain below) | v |
|                                      |  |                       |   |

**Detailed explanation for the above (if there is more than one reason ticked above please give approximate values applicable to each cause):**

Following a period of wet weather which left ground conditions very wet and in many cases saturated, over a months' worth of rain fell over a 36 hour period starting Friday 6 October 2023 and running into Saturday 7 October 2023 – Infrastructure Design were required to attend the following sites and take over the major bridges replacements and landslides; these are the major following protects still ongoing:

1. Kilmelford Bridge, replacement of the full bridge including scour protection along upper and downstream and narrow footway on the upstream side of the bridge
2. Kilniver Bridge, rock amour protection to the south east banking which abuts the bridge
3. Glen Lean B836, design and installation of a temporary bridge and diversion road. Construction of permanent bridge and removal of temporary structure
4. Lochgoilhead Bridge, scour protection
5. Ri Cruin Bridge, scour and undermining works
6. Landslide at C30 Kilmaha Ford to Dalavich, slope stability and vehicle barrier
7. A816 Kintraw, landslide, catch pits at base of unstable slope Catch pits and bound to be completed following the completion of the last of the temporary works land agreement. Design and construction of a Permanente road along with consents and land agreements
8. A815 landslide and monitoring
9. U014 Scammadale, landslide
10. B828 Glenmore Road Stabilization
11. B836 - 090 Upper Stronafian Bridge

**While it is appreciated figures will not be 100% accurate, are you content that the “Anticipated Spend at end of 2023-24” noted in the table at the top of the page are a good estimate of what will be spent in each of the years 2024-25, 2025-26 and 2026-27?**

Yes, however given the services that Infrastructure Design team are required to undertake, provisional figures will be always provisional

**If not, have you advised Financial Services of the changes to these forecasts as this is what is currently populated in the Capital Monitoring spreadsheets completed by Project Managers?**

**CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT**

|   |                                  |
|---|----------------------------------|
| <b>Project Name:</b> Campbeltown Flood Scheme | <b>Project Manager:</b> J Salmon |
|---|----------------------------------|

| Year                                  | 2023-24<br>£m  | 2024-25<br>£m | 2025-26<br>£m  | 2026-27<br>£m |
|---------------------------------------|----------------|---------------|----------------|---------------|
| Anticipated Spend at start of 2023-24 | 9.860          | 0.029         | 0.330          | 0.004         |
| Anticipated spend at end of 2023-24   | 8.756          | 1.780         | 0.010          | 0.387         |
| <b>(Slippage)/Acceleration</b>        | <b>(1.104)</b> | <b>1.751</b>  | <b>(0.320)</b> | <b>0.383</b>  |

*Note additional budget was allocated to this project during the year totalling £0.710m*

In 2023-24 there has been **£1.104m** of slippage compared to the projections for this year at the beginning of 2023-24. Please identify the reason for this slippage below by ticking (v) the appropriate box:

|                                      |  |                       |   |
|--------------------------------------|--|-----------------------|---|
| Incorrect profiling at start of year |  | Material delays       |   |
| Changes to project plan              |  | Other (explain below) | v |
|                                      |  |                       |   |

**Detailed explanation for the above (if there is more than one reason ticked above please give approximate values applicable to each cause):**

Profile provided by the contractor changed throughout 2023-24 due to extension of works contract into 24-25 financial year, largely due to Scottish Water delaying contractors progress

**While it is appreciated figures will not be 100% accurate, are you content that the “Anticipated Spend at end of 2023-24” noted in the table at the top of the page are a good estimate of what will be spent in each of the years 2024-25, 2025-26 and 2026-27?**

Yes however figures are revised on a monthly basis in the Capital Monitoring report and will change based on updated forecasts from Contractor

**If not, have you advised Financial Services of the changes to these forecasts as this is what is currently populated in the Capital Monitoring spreadsheets completed by Project Managers?**

## CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT

|                                   |                                  |
|-----------------------------------|----------------------------------|
| <b>Project Name:</b> CHORD – Oban | <b>Project Manager:</b> J Gordon |
|-----------------------------------|----------------------------------|

| Year                                  | 2023-24<br>£m  | 2024-25<br>£m | 2025-26<br>£m | 2026-27<br>£m |
|---------------------------------------|----------------|---------------|---------------|---------------|
| Anticipated Spend at start of 2023-24 | 0.626          | 0.000         | 0.000         | 0.000         |
| Anticipated spend at end of 2023-24   | 0.047          | 0.579         | 0.000         | 0.000         |
| <b>(Slippage)/Acceleration</b>        | <b>(0.579)</b> | <b>0.579</b>  | <b>0.000</b>  | <b>0.000</b>  |

In 2023-24 there has been **£0.579m** of slippage compared to the projections for this year at the beginning of 2023-24. Please identify the reason for this slippage below by ticking (v) the appropriate box:

|                                      |  |                       |   |
|--------------------------------------|--|-----------------------|---|
| Incorrect profiling at start of year |  | Material delays       |   |
| Changes to project plan              |  | Other (explain below) | X |
|                                      |  |                       |   |

**Detailed explanation for the above (if there is more than one reason ticked above please give approximate values applicable to each cause):**

All of the Projects within the CHORD\_Oban programme of works have achieved practical completion. There was a residual budget of £626k made up as follows:

- |    |   |       |
|----|---|-------|
| 1. | CHORD_Oban (General)                          | £115k |
| 2. | CHORD_Oban (Transit Berthing Facility)        | £ 85k |
| 3. | CHORD_Oban (Public Realm Phase 1 and Phase 2) | £131k |
| 4. | CHORD_Oban (Maritime Visitor Facility)        | £295k |

The budget allocations noted above were carried over from previous years, and we require to carry them forward in FY24/25 as the expenditure has not been incurred as expected due to the following reasons:

- This budget allocation is to (a) provide additional budget cover in respect of Item (2) below should the Council be responsible for any additional costs, and (b) to enable us to complete the full Benefits Realisation Analysis and Economic Evaluation for CHORD-Oban and the overall CHORD Programme once all of the works are complete and the various contracts closed out, including the settlement of all outstanding commercial issues.
- This budget allocation is to enable the project team to address the root cause of Defect 55, the appearance of transverse cracks on two of the concrete pontoons. As there is a dispute between the Contract and Employer as to the cause of this defect, budget is to cover any risk arising to the Employer. We have commissioned Royal Haskoning DHV to undertake independent structural analysis of the facility to determine the root cause and any subsequent remedial actions to rectify. We have received the Phase 2 analysis report and met with RHDHV to discuss its content and request certain revisions to make the conclusion and recommendations as specific and unambiguous as possible. RHDHV will resubmit their report and in consultation with colleagues in Procurement, Commercial and Contract Management, this will enable us to assess the appropriate course of action in terms of remedial works and the cost thereof.
- This budget allocation is to cover any potential risk arising to the Council as Employer under the two works contracts whilst we await the end of the statutory prescription period for potential claims arising from the Contractor (Ph1) or the Administrator (Ph2)
- This budget allocation is to enable additional works with respect to air handling units for the facility once the specification is confirmed.

## CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT

**While it is appreciated figures will not be 100% accurate, are you content that the “Anticipated Spend at end of 2023-24” noted in the table at the top of the page are a good estimate of what will be spent in each of the years 2024-25, 2025-26 and 2026-27?**

1. No – whilst we should be in a position to progress the Benefits Realisation Analysis for CHORD-Oban in FY24/25. In terms of the CHORD Programme, and given the extended delays to the Rothesay Pavilion Project, it would make sense to commence the Programme Level analysis in FY24/25, and as necessary pick up on the RPN project as a separate issue once it achieves practical completion. We would therefore recommend that £79k is taken from the FY24/25 Forecast and reprofiled in FY25/26 as follows:

| Year                                  | 2023-24 £m     | 2024-25 £m                | 2025-26 £m                | 2026-27 £m |
|---------------------------------------|----------------|---------------------------|---------------------------|------------|
| Anticipated Spend at start of 2023-24 | 0.626          | 0.000                     | 0.000                     | 0.000      |
| Anticipated spend at end of 2023-24   | 0.047          | <del>0.579</del><br>0.500 | <del>0.000</del><br>0.079 | 0.000      |
| <b>(Slippage)/Acceleration</b>        | <b>(0.579)</b> | <del>0.579</del><br>0.500 | <del>0.000</del><br>0.079 | 0.000      |

2. Yes – £47k has been expended in FY23/24 and the balance of £38k therefore carries forward into FY24/25. The submission of the RHDHV Stage 2 analysis report should facilitate the closure of the outstanding issues on the Transit Berthing Facility
3. Yes – Prescriptive period runs out in 2024
4. Yes – Marine Operations to confirm specification of requirements

**If not, have you advised Financial Services of the changes to these forecasts as this is what is currently populated in the Capital Monitoring spreadsheets completed by Project Managers?**

Following consideration of the request for the Project Slippage Report for CHORD\_Oban we have discussed this within the PPMS Team and revised the future years forecasts to take account of the most up to date information in this return.

## CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT

|                                       |  |
|---------------------------------------|--|
| <b>Project Name:</b> CHORD - Rothesay | <b>Project Manager:</b> Jonathan Miles |
|---------------------------------------|--|

| Year                                  | 2023-24<br>£m  | 2024-25<br>£m | 2025-26<br>£m  | 2026-27<br>£m |
|---------------------------------------|----------------|---------------|----------------|---------------|
| Anticipated Spend at start of 2023-24 | 6.871          | 1.684         | 0.226          | 0.000         |
| Anticipated spend at end of 2023-24   | 6.170          | 2.611         | 0.000          | 0.000         |
| <b>(Slippage)/Acceleration</b>        | <b>(0.701)</b> | <b>0.927</b>  | <b>(0.226)</b> | <b>0.000</b>  |

In 2023-24 there has been **£0.701m** of slippage compared to the projections for this year at the beginning of 2023-24. Please identify the reason for this slippage below by ticking (v) the appropriate box:

|                                      |  |                       |   |
|--------------------------------------|--|-----------------------|---|
| Incorrect profiling at start of year |  | Material delays       | ✓ |
| Changes to project plan              |  | Other (explain below) |   |
|                                      |  |                       |   |

**Detailed explanation for the above (if there is more than one reason ticked above please give approximate values applicable to each cause):**

Due in part to delays in works to flat roofs due to discovery risk defects requiring detailed investigation and repairs. The latest Project Programme estimates that construction works, and therefore major expenditure, will carry on through to end August 24.

**While it is appreciated figures will not be 100% accurate, are you content that the “Anticipated Spend at end of 2023-24” noted in the table at the top of the page are a good estimate of what will be spent in each of the years 2024-25, 2025-26 and 2026-27?**

Yes

**If not, have you advised Financial Services of the changes to these forecasts as this is what is currently populated in the Capital Monitoring spreadsheets completed by Project Managers?**



**CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT**

|  |                                   |
|--|-----------------------------------|
| <b>Project Name:</b> Dunoon Community STEM Hub | <b>Project Manager:</b> I Bremner |
|--|-----------------------------------|

| Year                                  | 2023-24<br>£m  | 2024-25<br>£m | 2025-26<br>£m | 2026-27<br>£m |
|---------------------------------------|----------------|---------------|---------------|---------------|
| Anticipated Spend at start of 2023-24 | 0.713          | 1.750         | 0.00          | 0.00          |
| Anticipated spend at end of 2023-24   | 0.036          | 2.427         | 0.00          | 0.00          |
| <b>(Slippage)/Acceleration</b>        | <b>(0.677)</b> | <b>0.677</b>  | <b>0.000</b>  | <b>0.000</b>  |

In 2023-24 there has been **£0.677m** of slippage compared to the projections for this year at the beginning of 2023-24. Please identify the reason for this slippage below by ticking (v) the appropriate box:

|                                      |   |                       |  |
|--------------------------------------|---|-----------------------|--|
| Incorrect profiling at start of year |   | Material delays       |  |
| Changes to project plan              | v | Other (explain below) |  |
|                                      |   |                       |  |

**Detailed explanation for the above (if there is more than one reason ticked above please give approximate values applicable to each cause):**

Initial tender for construction of Dunoon STEM Hub was terminated after the Internal Rural Growth Deal Programme Board requested that a new location was sought for the project. The tender for construction at Hill Street was terminated and as such construction costs have not started in 2023-24 as originally forecast.

**While it is appreciated figures will not be 100% accurate, are you content that the “Anticipated Spend at end of 2023-24” noted in the table at the top of the page are a good estimate of what will be spent in each of the years 2024-25, 2025-26 and 2026-27?**

Yes

**If not, have you advised Financial Services of the changes to these forecasts as this is what is currently populated in the Capital Monitoring spreadsheets completed by Project Managers?**

CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT

|                                       |                                 |
|---------------------------------------|---------------------------------|
| <b>Project Name:</b> Fleet Management | <b>Project Manager:</b> J Blake |
|---------------------------------------|---------------------------------|

| Year                                  | 2023-24<br>£m  | 2024-25<br>£m | 2025-26<br>£m | 2026-27<br>£m |
|---------------------------------------|----------------|---------------|---------------|---------------|
| Anticipated Spend at start of 2023-24 | 2.512          | 1.180         | 0.000         | 0.000         |
| Anticipated spend at end of 2023-24   | 1.469          | 2.382         | 0.000         | 0.000         |
| <b>(Slippage)/Acceleration</b>        | <b>(1.043)</b> | <b>1.202</b>  | <b>0.000</b>  | <b>0.000</b>  |

*Note additional budget was allocated to this project during the year totalling £0.159m*

In 2023-24 there has been **£1.043m** of slippage compared to the projections for this year at the beginning of 2023-24. Please identify the reason for this slippage below by ticking (v) the appropriate box:

|                                      |  |                       |   |
|--------------------------------------|--|-----------------------|---|
| Incorrect profiling at start of year |  | Material delays       | ✓ |
| Changes to project plan              |  | Other (explain below) |   |
|                                      |  |                       |   |

**Detailed explanation for the above (if there is more than one reason ticked above please give approximate values applicable to each cause):**

Delays in vehicle build and difficulties sourcing vehicles to replace ageing Fleet.

The slippage was due to the late delivery of 7 x 7.5 tonne roads vehicles, the delay has been an additional 9 months.

**While it is appreciated figures will not be 100% accurate, are you content that the “Anticipated Spend at end of 2023-24” noted in the table at the top of the page are a good estimate of what will be spent in each of the years 2024-25, 2025-26 and 2026-27?**

Yes.

**If not, have you advised Financial Services of the changes to these forecasts as this is what is currently populated in the Capital Monitoring spreadsheets completed by Project Managers?**

## CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT

|  |   |
|--|---|
| <b>Project Name:</b> 03 TIF – Halfway House R’bout | <b>Project Manager:</b> A Jackson-Stark |
|--|---|

| Year                                  | 2023-24<br>£m  | 2024-25<br>£m | 2025-26<br>£m | 2026-27<br>£m |
|---------------------------------------|----------------|---------------|---------------|---------------|
| Anticipated Spend at start of 2023-24 | 0.574          | 0.000         | 0.000         | 0.000         |
| Anticipated spend at end of 2023-24   | 0.000          | 0.574         | 0.000         | 0.000         |
| <b>(Slippage)/Acceleration</b>        | <b>(0.574)</b> | <b>0.574</b>  | <b>0.000</b>  | <b>0.000</b>  |

In 2023-24 there has been **£0.574m** of slippage compared to the projections for this year at the beginning of 2023-24. Please identify the reason for this slippage below by ticking (v) the appropriate box:

|                                      |   |                       |  |
|--------------------------------------|---|-----------------------|--|
| Incorrect profiling at start of year |   | Material delays       |  |
| Changes to project plan              | ✓ | Other (explain below) |  |
|                                      |   |                       |  |

Detailed explanation for the above (if there is more than one reason ticked above please give approximate values applicable to each cause):

The project has been delayed for a number of reasons.

- Our partners LINK Housing Association have been unable to complete the technical studies required for the submission of planning applications for the wider development programme within which this project falls.
- The Council is in the process of renegotiating the existing financial elements of the contract with the Scottish Government – specifically the length of time the project extends to which affects potential affordability of the project
- Actions are being taken to de-risk the project with revised financial forecasts being produced and requests made to the Scottish Government to revise the current agreement.

**While it is appreciated figures will not be 100% accurate, are you content that the “Anticipated Spend at end of 2023-24” noted in the table at the top of the page are a good estimate of what will be spent in each of the years 2024-25, 2025-26 and 2026-27?**

Yes

**If not, have you advised Financial Services of the changes to these forecasts as this is what is currently populated in the Capital Monitoring spreadsheets completed by Project Managers?**

## CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT

|   |                                |
|---|--------------------------------|
| <b>Project Name:</b> Harbour Investment Programme | <b>Project Manager:</b> S Reid |
|---|--------------------------------|

| Year                                  | 2023-24<br>£m  | 2024-25<br>£m | 2025-26<br>£m   | 2026-27<br>£m |
|---------------------------------------|----------------|---------------|-----------------|---------------|
| Anticipated Spend at start of 2023-24 | 9.200          | 22.000        | 50.000          | 2.695         |
| Anticipated spend at end of 2023-24   | 1.898          | 25.412        | 39.000          | 17.585        |
| <b>(Slippage)/Acceleration</b>        | <b>(7.302)</b> | <b>3.412</b>  | <b>(11.000)</b> | <b>14.890</b> |

In 2023-24 there has been **£7.302m** of slippage compared to the projections for this year at the beginning of 2023-24. Please identify the reason for this slippage below by ticking (v) the appropriate box:

|                                      |  |                       |   |
|--------------------------------------|--|-----------------------|---|
| Incorrect profiling at start of year |  | Material delays       |   |
| Changes to project plan              |  | Other (explain below) | x |
|                                      |  |                       |   |

**Detailed explanation for the above (if there is more than one reason ticked above please give approximate values applicable to each cause):**

Craignure Ground Investigation should have been completed by the end of Summer 2023 though this was held back due to Nature Scotland and Marine Scotland delaying the issue of licences has delayed this project progressing.

Iona Breakwater & Fionnphort projects have also seen delays due to the licencing delays by Nature Scotland and Marine Scotland

A large cost in progressing the Breakwater project at Iona is the purchase of the stone used to complete the breakwater. This purchase is too risky to go ahead until licences are issued due to the value of the materials being purchased.

**While it is appreciated figures will not be 100% accurate, are you content that the “Anticipated Spend at end of 2023-24” noted in the table at the top of the page are a good estimate of what will be spent in each of the years 2024-25, 2025-26 and 2026-27?**

Yes

**If not, have you advised Financial Services of the changes to these forecasts as this is what is currently populated in the Capital Monitoring spreadsheets completed by Project Managers?**

## CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT

|  |                                  |
|--|----------------------------------|
| <b>Project Name:</b> Kilmory Business Park | <b>Project Manager:</b> J Gordon |
|--|----------------------------------|

| Year                                  | 2023-24<br>£m  | 2024-25<br>£m | 2025-26<br>£m | 2026-27<br>£m |
|---------------------------------------|----------------|---------------|---------------|---------------|
| Anticipated Spend at start of 2023-24 | 1.082          | 0.000         | 0.000         | 0.000         |
| Anticipated spend at end of 2023-24   | 0.013          | 1.035         | 0.034         | 0.000         |
| <b>(Slippage)/Acceleration</b>        | <b>(1.069)</b> | <b>1.035</b>  | <b>0.034</b>  | <b>0.000</b>  |

In 2023-24 there has been **£1.069m** of slippage compared to the projections for this year at the beginning of 2023-24. Please identify the reason for this slippage below by ticking (v) the appropriate box:

|                                      |  |                       |   |
|--------------------------------------|--|-----------------------|---|
| Incorrect profiling at start of year |  | Material delays       |   |
| Changes to project plan              |  | Other (explain below) | X |
|                                      |  |                       |   |

**Detailed explanation for the above (if there is more than one reason ticked above please give approximate values applicable to each cause):**

Project expenditure is predicated on the conclusion of the suite of Legal Agreements as between the Council and M&K MacLeod Ltd for the Phase 2AA Works. These are a complex suite of documents developed to protect the public and private interests of not only jointly delivering the Phase 2AA works, but also subsequently enabling each of the parties to develop out their own land holdings without a requirement to negotiate/agree fundamental principles for each individual development plot. We are working to close out the Deed of Conditions, which feeds into the overarching Development Agreement, and which takes account of negotiations with HIE in respect of access to their land for Phase 2AA construction activities associated with statutory utility provision, and the subsequent operation and maintenance thereof until such time as these are formally adopted. It also requires the inclusion of any funding conditions which HIE place upon the project in support of their funding contribution, the Stage 2 Application for which is nearing completion.

Enabling work has commenced on site, so physical works are in progress, however MKML are not able to invoice to recover these costs against the public sector funding until the legal agreements are all concluded, expected FQ2 FY24/25.

**While it is appreciated figures will not be 100% accurate, are you content that the “Anticipated Spend at end of 2023-24” noted in the table at the top of the page are a good estimate of what will be spent in each of the years 2024-25, 2025-26 and 2026-27?**

Yes – on the presumption that legal agreements are concluded in FQ2, then MKML will drawdown approved funding for works already undertaken as soon as possible thereafter.

**If not, have you advised Financial Services of the changes to these forecasts as this is what is currently populated in the Capital Monitoring spreadsheets completed by Project Managers?**

## CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT

|  |                                    |
|--|------------------------------------|
| <b>Project Name:</b> Street Lighting LED Replacement | <b>Project Manager:</b> K McIntosh |
|--|------------------------------------|

| Year                                  | 2023-24<br>£m  | 2024-25<br>£m | 2025-26<br>£m | 2026-27<br>£m |
|---------------------------------------|----------------|---------------|---------------|---------------|
| Anticipated Spend at start of 2023-24 | 0.674          | 0.000         | 0.00          | 0.00          |
| Anticipated spend at end of 2023-24   | 0.053          | 0.621         | 0.00          | 0.00          |
| <b>(Slippage)/Acceleration</b>        | <b>(0.621)</b> | <b>0.621</b>  | <b>0.000</b>  | <b>0.000</b>  |

In 2023-24 there has been **£0.621m** of slippage compared to the projections for this year at the beginning of 2023-24. Please identify the reason for this slippage below by ticking (v) the appropriate box:

|                                      |  |                       |   |
|--------------------------------------|--|-----------------------|---|
| Incorrect profiling at start of year |  | Material delays       | v |
| Changes to project plan              |  | Other (explain below) |   |
|                                      |  |                       |   |

**Detailed explanation for the above (if there is more than one reason ticked above please give approximate values applicable to each cause):**

The Column replacement element of the project won't take place until 2024-25, where 237 columns are to be replaced. Column replacement is planned to be delivered using both in house and external contractors.

This has been delayed due to periods of absence within the Street Lighting team. Mixed method of delivery requires significant planning and coordination where the resources were not available in 2023-24 due to the absences.

**While it is appreciated figures will not be 100% accurate, are you content that the "Anticipated Spend at end of 2023-24" noted in the table at the top of the page are a good estimate of what will be spent in each of the years 2024-25, 2025-26 and 2026-27?**

Yes

**If not, have you advised Financial Services of the changes to these forecasts as this is what is currently populated in the Capital Monitoring spreadsheets completed by Project Managers?**

## CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT

|                                      |                                       |
|--------------------------------------|---------------------------------------|
| <b>Project Name:</b> Primary Schools | <b>Project Manager</b> Rhona Mitchell |
|--------------------------------------|---------------------------------------|

| Year                                  | 2023-24<br>£m  | 2024-25<br>£m | 2025-26<br>£m | 2026-27<br>£m |
|---------------------------------------|----------------|---------------|---------------|---------------|
| Anticipated Spend at start of 2023-24 | 3.955          | 1.835         | 0.000         | 0.000         |
| Anticipated spend at end of 2023-24   | 3.195          | 2.595         | 1.280         | 0.000         |
| <b>(Slippage)/Acceleration</b>        | <b>(0.760)</b> | <b>0.760</b>  | <b>0.000</b>  | <b>0.000</b>  |

In 2023-24 there has been **£0.760m** of slippage compared to the projections for this year at the beginning of 2023-24. Please identify the reason for this slippage below by ticking (v) the appropriate box:

|                                      |  |                       |   |
|--------------------------------------|--|-----------------------|---|
| Incorrect profiling at start of year |  | Material delays       | Y |
| Changes to project plan              |  | Other (explain below) |   |
|                                      |  |                       |   |

**Detailed explanation for the above (if there is more than one reason ticked above please give approximate values applicable to each cause):**

Continued issues with availability of materials and suitably skilled labour have resulted in delays to various sites (John Logie Baird, Garelochhead, Cardross, Parklands and Islay) with works unable to commence as planned. In order to mitigate any potential prolongation costs projects have been reprogrammed to reduce the commercial impact on the programme as a whole, minimise school disruption and at all times adhere to our rigorous Health & Safety responsibilities and legislative duties. Advanced preparation works have already been carried out wherever possible to ensure a smooth delivery through Summer 24 and issues with internal reporting temporarily resolved to aid accurate periodic reporting.

**While it is appreciated figures will not be 100% accurate, are you content that the “Anticipated Spend at end of 2023-24” noted in the table at the top of the page are a good estimate of what will be spent in each of the years 2024-25, 2025-26 and 2026-27?**

Yes - Successful completion programmed for Summer 24. Realistic Capital reporting to take cognisance of real difficulties in procuring Contractors in remote rural locations.

**If not, have you advised Financial Services of the changes to these forecasts as this is what is currently populated in the Capital Monitoring spreadsheets completed by Project Managers?**

## CAPITAL PROJECT SLIPPAGE OVER £0.500M – YEAR END EXPLANATION REPORT FOR SMT

|                               |                                  |
|-------------------------------|----------------------------------|
| <b>Project Name:</b> Lighting | <b>Project Manager:</b> T Murphy |
|-------------------------------|----------------------------------|

| Year                                  | 2023-24<br>£m  | 2024-25<br>£m | 2025-26<br>£m | 2026-27<br>£m |
|---------------------------------------|----------------|---------------|---------------|---------------|
| Anticipated Spend at start of 2023-24 | 0.890          | 0.150         | 0.00          | 0.00          |
| Anticipated spend at end of 2023-24   | 0.246          | 0.794         | 0.00          | 0.00          |
| <b>(Slippage)/Acceleration</b>        | <b>(0.644)</b> | <b>0.644</b>  | <b>0.000</b>  | <b>0.000</b>  |

In 2023-24 there has been **£0.644m** of slippage compared to the projections for this year at the beginning of 2023-24. Please identify the reason for this slippage below by ticking (v) the appropriate box:

|                                      |  |                       |   |
|--------------------------------------|--|-----------------------|---|
| Incorrect profiling at start of year |  | Material delays       | ✓ |
| Changes to project plan              |  | Other (explain below) |   |
|                                      |  |                       |   |

**Detailed explanation for the above (if there is more than one reason ticked above please give approximate values applicable to each cause):**

The planned lighting schemes were always forecast for completion in 2024-25 however the finalising of designs for these schemes was delayed later into 2023-24 than anticipated when setting the budget forecast. This delayed the tendering of these projects and as such the above slippage has occurred in 2023-24. Schemes are still forecast for completion in 2024-25.

**While it is appreciated figures will not be 100% accurate, are you content that the “Anticipated Spend at end of 2023-24” noted in the table at the top of the page are a good estimate of what will be spent in each of the years 2024-25, 2025-26 and 2026-27?**

Yes

**If not, have you advised Financial Services of the changes to these forecasts as this is what is currently populated in the Capital Monitoring spreadsheets completed by Project Managers?**



| Strategic Change Projects          | Capital Expenditure     |                             |                              |                            | Dates              |                           | Risks                    |  |
|------------------------------------|-------------------------|-----------------------------|------------------------------|----------------------------|--------------------|---------------------------|--------------------------|--|
|                                    | Prior Years Spend £'000 | Current Year Forecast £'000 | Total Project Forecast £'000 | Total Project Budget £'000 | Project Start Date | Estimated Completion Date | Project Risks Identified | Explanation  |
| Campbeltown Flood Scheme           | 4,992                   | 8,756                       | 15,925                       | 15,925                     | 01/08/2016         | 31/03/2025                | Amber                    | Contractor's updated programming of work moved Public Utility works from 22/23 to 23/24            |
| CHORD Oban                         | 7,279                   | 47                          | 7,905                        | 7,905                      | 27/10/2016         | 31/03/2022                | Amber                    | Issues with contract close out impacting on timescales.  |
| CHORD Rothesay                     | 15,231                  | 6,170                       | 24,012                       | 24,012                     | tbc                | tbc                       | Amber                    | Project recommenced.   |
| Harbour Investment Programme       | 7,397                   | 1,898                       | 91,335                       | 91,335                     | 01/04/2017         | 31/03/2028                | Amber                    | Budget slipped into future years.  |
| Dunoon Primary                     | 10,635                  | 2                           | 10,869                       | 10,869                     | 18/12/2014         | 30/04/2020                | Amber                    | Physically complete - negotiations with contractor delaying payment of final sums outstanding.     |
| Replacement of Oban High           | 2,844                   | 0                           | 3,250                        | 3,250                      | 24/04/2014         | 31/01/2019                | Amber                    | Physically complete - negotiations with contractor delaying payment of final sums outstanding.     |
| Clean Energy - NDEEF1              | 964                     | 145                         | 1,331                        | 1,331                      | tbc                | 31/03/2025                | Amber                    |  |
| Clean Energy - NDEEF2              | 0                       | 0                           | 1,140                        | 1,140                      | tbc                | 31/03/2027                | Amber                    |  |
| Street Lighting LED Replacement    | 3,226                   | 53                          | 3,900                        | 3,900                      | 01/08/2016         | 31/12/2025                | Green                    | Tender for final package of works still to be awarded.   |
| Helensburgh Waterfront Development | 23,415                  | 696                         | 24,392                       | 24,392                     | 01/04/2017         | 31/03/2025                | Green                    | Physically complete, retentions outstanding  |
| TIF - Halfway House Roundabout     | 66                      | 0                           | 640                          | 640                        | tbc                | tbc                       | Green                    | Scope of project still to be determined - budget to be reprofiled.                                 |
| Kirn Primary School                | 10,085                  | 0                           | 10,119                       | 10,119                     | 24/04/2014         | 31/10/2017                | Green                    | Physically complete - negotiations with contractor delaying payment of final sums outstanding.     |
| Helensburgh Office Rationalisation | 11,538                  | 0                           | 11,838                       | 11,838                     | 25/04/2013         | 31/12/2022                | Green                    | Physically complete - project subject to legal dispute.  |
| CHORD Dunoon                       | 12,495                  | 4                           | 12,522                       | 12,522                     | 03/02/2012         | 09/03/2018                | Green                    | Main contract complete and retentions paid   |
| Kilmory Business Park Phase 2AA    | 47                      | 13                          | 1,129                        | 1,129                      | 01/02/2022         | 01/09/2025                | Green                    | Development Agreement still to be concluded.   |
| Carbon Management - Non Education  | 29                      | 0                           | 50                           | 50                         | 01/04/2015         | 31/12/2025                | Green                    | Projects being determined.   |
| Dunoon Pier OBC                    | 2,844                   | 0                           | 2,844                        | 2,844                      | 03/02/2012         | 26/02/2016                | Green                    | Project complete.  |
| Campbeltown Office Rationalisation | 595                     | 0                           | 596                          | 596                        | 01/02/2015         | 31/03/2019                | Green                    | Complete.  |
| TIF - Oban Airport Business Park   | 489                     | 16                          | 590                          | 590                        | 22/01/2015         | 31/12/2025                | Green                    |  |
| Campbeltown Schools Redevelopment  | 2,092                   | 0                           | 2,130                        | 2,130                      | 16/02/2012         | 30/11/2018                | Green                    | Physically complete - negotiations with contractor delaying payment of financial sums outstanding. |
| CHORD - Helensburgh                | 6,529                   | 3                           | 6,557                        | 6,557                      | 29/09/2011         | 30/04/2015                | Green                    | Main contract complete. Art project proposed for 23-24.  |
| TIF - North Pier Extension         | 214                     | 0                           | 214                          | 214                        | 06/12/2017         | 06/12/2021                | Green                    | Complete.  |
| TIF - Lorn/Kirk Road               | 2,169                   | 0                           | 2,170                        | 2,170                      | 22/01/2015         | 31/03/2021                | Green                    | Complete.  |
| Carbon Management Fuel Conversions | 107                     | 0                           | 107                          | 107                        | 01/02/2014         | 31/03/2019                | Green                    | Complete.  |
| Kilmory Biomass Carbon Management  | 956                     | 0                           | 956                          | 956                        | 20/09/2012         | 31/03/2019                | Green                    | Complete.  |
| Net Zero                           | 0                       | 0                           | 366                          | 366                        | tbc                | tbc                       | Green                    |  |
| <b>Strategic Change Total</b>      | <b>129,739</b>          | <b>17,803</b>               | <b>240,388</b>               | <b>240,388</b>             |                    |                           |                          |  |

**Project Risk Classifications:**

**Green** - Risks can be managed and are viewed as stable or reducing.

**Amber** - Risks are increasing but are still manageable.

**Red** - Risks are increasing or have increased to such an extent they may affect delivery of the project.

| ARGYLL AND BUTE COUNCIL - CAPITAL PLAN MONITORING REPORT - OVERALL COUNCIL |                               |                   |                                   |                     |                   |                                   | Appendix 6    |
|--|-------------------------------|-------------------|-----------------------------------|---------------------|-------------------|-----------------------------------|---------------|
| FINANCIAL SUMMARY - NET EXPENDITURE  |                               |                   |                                   |                     |                   |                                   | 31 March 2024 |
|  | Full Year This Financial Year |                   |                                   | Total Project Costs |                   |                                   |               |
|  | Budget<br>£000s               | Forecast<br>£000s | (Over)/Under<br>Variance<br>£000s | Budget<br>£000s     | Forecast<br>£000s | (Over)/Under<br>Variance<br>£000s |               |
| <b>EXPENDITURE</b>   |                               |                   |                                   |                     |                   |                                   |               |
| <b>Asset Sustainability Projects</b>                                       |                               |                   |                                   |                     |                   |                                   |               |
| Executive Director Douglas Hendry  | 9,695                         | 8,312             | 1,383                             | 30,419              | 30,419            | 0                                 |               |
| Executive Director Kirsty Flanagan   | 11,658                        | 10,948            | 710                               | 43,341              | 43,341            | 0                                 |               |
| <b>Asset Sustainability Total</b>  | <b>21,353</b>                 | <b>19,260</b>     | <b>2,093</b>                      | <b>73,760</b>       | <b>73,760</b>     | <b>0</b>                          |               |
| <b>Service Development Projects</b>  |                               |                   |                                   |                     |                   |                                   |               |
| Executive Director Douglas Hendry  | 526                           | 333               | 193                               | 16,438              | 16,438            | 0                                 |               |
| Executive Director Kirsty Flanagan   | 4,736                         | 3,267             | 1,469                             | 39,800              | 39,800            | 0                                 |               |
| <b>Service Development Total</b>   | <b>5,262</b>                  | <b>3,600</b>      | <b>1,662</b>                      | <b>56,238</b>       | <b>56,238</b>     | <b>0</b>                          |               |
| <b>Strategic Change Projects</b>   |                               |                   |                                   |                     |                   |                                   |               |
| Campbeltown Schools Redevelopment  | 38                            | 0                 | 38                                | 2,130               | 2,130             | 0                                 |               |
| Dunoon Primary   | 234                           | 2                 | 232                               | 10,869              | 10,869            | 0                                 |               |
| Replacement of Oban High   | 406                           | 0                 | 406                               | 3,250               | 3,250             | 0                                 |               |
| Kirn Primary School  | 34                            | 0                 | 34                                | 10,119              | 10,119            | 0                                 |               |
| Carbon Management - Non Education  | 21                            | 0                 | 21                                | 50                  | 50                | 0                                 |               |
| Carbon Management Business Cases   | 0                             | 0                 | 0                                 | 201                 | 201               | 0                                 |               |
| NPDO Schools Solar PV Panel Installations                                  | 0                             | 0                 | 0                                 | 761                 | 761               | 0                                 |               |
| Non NPDO Schools Solar PV Panel Installations                              | 0                             | 0                 | 0                                 | 400                 | 400               | 0                                 |               |
| Carbon Management Fuel Conversions   | 0                             | 0                 | 0                                 | 107                 | 107               | 0                                 |               |
| Carbon Management Capital Property Works 2016/17                           | 0                             | 0                 | 0                                 | 19                  | 19                | 0                                 |               |
| Carbon Management - Group Heating Conversion Project                       | 0                             | 0                 | 0                                 | 1,938               | 1,938             | 0                                 |               |
| Kilmory Biomass Carbon Management  | 0                             | 0                 | 0                                 | 956                 | 956               | 0                                 |               |
| Oil to Gas Heating Conversions   | 0                             | 0                 | 0                                 | 182                 | 182               | 0                                 |               |
| Campbeltown Office Rationalisation   | 1                             | 0                 | 1                                 | 596                 | 596               | 0                                 |               |
| Helensburgh Office Rationalisation   | 0                             | 0                 | 0                                 | 11,838              | 11,838            | 0                                 |               |
| Clean Energy - NDEEF 1   | 224                           | 145               | 79                                | 1,331               | 1,331             | 0                                 |               |
| Clean Energy - NDEEF2  | 50                            | 0                 | 50                                | 1,140               | 1,140             | 0                                 |               |
| Net Zero   | 0                             | 0                 | 0                                 | 366                 | 366               | 0                                 |               |
| Campbeltown Flood Scheme   | 8,625                         | 8,756             | (131)                             | 15,925              | 15,925            | 0                                 |               |
| Street Lighting LED Replacement  | 61                            | 53                | 8                                 | 3,900               | 3,900             | 0                                 |               |
| Harbour Investment Programme   | 1,490                         | 1,898             | (408)                             | 91,292              | 91,292            | 0                                 |               |
| Harbour Investment Programme Non - PB                                      | 43                            | 0                 | 43                                | 43                  | 43                | 0                                 |               |
| TIF - Lorn/Kirk Road   | 1                             | 0                 | 1                                 | 2,170               | 2,170             | 0                                 |               |
| TIF - North Pier Extension   | 0                             | 0                 | 0                                 | 214                 | 214               | 0                                 |               |
| TIF - Oban Airport Business Park   | 56                            | 16                | 40                                | 590                 | 590               | 0                                 |               |
| TIF - Halfway House Roundabout   | 56                            | 0                 | 56                                | 640                 | 640               | 0                                 |               |
| CHORD - Helensburgh  | 0                             | 3                 | (3)                               | 6,557               | 6,557             | 0                                 |               |
| CHORD Dunoon   | 27                            | 4                 | 23                                | 12,522              | 12,522            | 0                                 |               |
| CHORD Oban   | 626                           | 47                | 579                               | 7,905               | 7,905             | 0                                 |               |
| CHORD Rothesay   | 6,744                         | 6,170             | 574                               | 24,012              | 24,012            | 0                                 |               |
| Helensburgh Waterfront Development   | 647                           | 696               | (49)                              | 24,392              | 24,392            | 0                                 |               |
| HWD - FFE (Funded by LA)   | 34                            | 0                 | 34                                | 350                 | 350               | 0                                 |               |
| Kilmory Business Park Phase 2AA  | 560                           | 13                | 547                               | 1,129               | 1,129             | 0                                 |               |
| Dunoon Pier OBC  | 0                             | 0                 | 0                                 | 2,844               | 2,844             | 0                                 |               |
| <b>Strategic Change Total</b>  | <b>19,978</b>                 | <b>17,803</b>     | <b>2,175</b>                      | <b>240,738</b>      | <b>240,738</b>    | <b>0</b>                          |               |
| <b>Total Expenditure</b>   | <b>46,593</b>                 | <b>40,663</b>     | <b>5,930</b>                      | <b>370,736</b>      | <b>370,736</b>    | <b>0</b>                          |               |
|  |                               | <b>10,708</b>     |                                   |                     |                   |                                   |               |
| <b>INCOME</b>  |                               |                   |                                   |                     |                   |                                   |               |
| <b>Asset Sustainability</b>  |                               |                   |                                   |                     |                   |                                   |               |
| Executive Director Douglas Hendry  | (229)                         | (100)             | (129)                             | (2,370)             | (2,370)           | 0                                 |               |
| Executive Director Kirsty Flanagan   | (1,444)                       | (817)             | (627)                             | (1,635)             | (1,635)           | 0                                 |               |
| <b>Asset Sustainability Total</b>  | <b>(1,673)</b>                | <b>(917)</b>      | <b>(756)</b>                      | <b>(4,005)</b>      | <b>(4,005)</b>    | <b>0</b>                          |               |
| <b>Service Development Projects</b>  |                               |                   |                                   |                     |                   |                                   |               |
| Executive Director Douglas Hendry  | 0                             | 0                 | 0                                 | (7,771)             | (7,771)           | 0                                 |               |
| Executive Director Kirsty Flanagan   | (4,940)                       | (380)             | (4,560)                           | (24,718)            | (24,718)          | 0                                 |               |
| <b>Service Development Total</b>   | <b>(4,940)</b>                | <b>(380)</b>      | <b>(4,560)</b>                    | <b>(32,489)</b>     | <b>(32,489)</b>   | <b>0</b>                          |               |
| <b>Strategic Change Projects</b>   |                               |                   |                                   |                     |                   |                                   |               |
| Helensburgh Office Rationalisation   | 0                             | 0                 | 0                                 | (349)               | (349)             | 0                                 |               |
| Dunoon Primary   | 0                             | 0                 | 0                                 | (137)               | (137)             | 0                                 |               |
| Campbeltown Flood  | 0                             | 0                 | 0                                 | (270)               | (270)             | 0                                 |               |
| Harbour PB   | (1,490)                       | (1,490)           | 0                                 | (91,292)            | (91,292)          | 0                                 |               |
| 01 TIF - Lorn/Kirk Road  | (16)                          | (16)              | 0                                 | (2,057)             | (2,057)           | 0                                 |               |
| H'burgh CHORD Public Realm Imprv   | 0                             | 0                 | 0                                 | (570)               | (570)             | 0                                 |               |
| Helensburgh Waterfront Development   | (2,320)                       | 0                 | (2,320)                           | (7,979)             | (7,979)           | 0                                 |               |
| HWD - FFE (Funded by LA)   | 0                             | 0                 | 0                                 | (350)               | (350)             | 0                                 |               |
| Rothesay CHORD   | (2,009)                       | 0                 | (2,009)                           | (8,854)             | (8,854)           | 0                                 |               |
| Kilmory Business Park Phase 2AA  | (829)                         | 0                 | (829)                             | (829)               | (829)             | 0                                 |               |
| Kilmory Business Park Phase 2AA - HIE                                      | (150)                         | 0                 | (150)                             | (150)               | (150)             | 0                                 |               |
| CHORD - Dunoon Waterfront  | 0                             | 0                 | 0                                 | (10)                | (10)              | 0                                 |               |
| CHORD - Oban   | 0                             | 0                 | 0                                 | (1,624)             | (1,624)           | 0                                 |               |
| <b>Strategic Change Total</b>  | <b>(6,814)</b>                | <b>(1,506)</b>    | <b>(5,308)</b>                    | <b>(114,471)</b>    | <b>(114,471)</b>  | <b>0</b>                          |               |
| <b>Total Income</b>  | <b>(13,427)</b>               | <b>(2,803)</b>    | <b>(10,624)</b>                   | <b>(150,965)</b>    | <b>(150,965)</b>  | <b>0</b>                          |               |
| <b>Net Total</b>   | <b>33,166</b>                 | <b>37,860</b>     | <b>(4,694)</b>                    | <b>219,771</b>      | <b>219,771</b>    | <b>0</b>                          |               |

| MONITORING REPORT   |                               |                   |                   | Appendix 6          |                   |                   |
|---|-------------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
| FINANCIAL SUMMARY NET EXPENDITURE - EXECUTIVE DIRECTOR DOUGLAS HENDRY |                               |                   |                   | 31 March 2024       |                   |                   |
|   | Full Year This Financial Year |                   |                   | Total Project Costs |                   |                   |
|   | Budget<br>£000s               | Forecast<br>£000s | Variance<br>£000s | Budget<br>£000s     | Forecast<br>£000s | Variance<br>£000s |
| <b>EXPENDITURE</b>  |                               |                   |                   |                     |                   |                   |
| <b>Asset Sustainability</b>   |                               |                   |                   |                     |                   |                   |
| Education   | 6,150                         | 5,414             | 736               | 17,528              | 17,528            | 0                 |
| Live Argyll   | 1,253                         | 1,133             | 120               | 2,874               | 2,874             | 0                 |
| Health and Social Care Partnership                                    | 903                           | 748               | 155               | 5,525               | 5,525             | 0                 |
| Shared Offices  | 1,389                         | 1,017             | 372               | 4,492               | 4,492             | 0                 |
| <b>Asset Sustainability Total</b>                                     | <b>9,695</b>                  | <b>8,312</b>      | <b>1,383</b>      | <b>30,419</b>       | <b>30,419</b>     | <b>0</b>          |
| <b>Service Development Projects</b>                                   |                               |                   |                   |                     |                   |                   |
| Ardrihaig Primary Pre 5 Unit  | 0                             | 0                 | 0                 | 2                   | 2                 | 0                 |
| Bowmore Primary School - Pre 5 Unit                                   | 0                             | 0                 | 0                 | 149                 | 149               | 0                 |
| Clyde Cottage - 600 hour provision                                    | 0                             | 0                 | 0                 | 556                 | 556               | 0                 |
| Craignish Primary School - Pre 5 Extension                            | 0                             | 0                 | 0                 | 400                 | 400               | 0                 |
| Iona Primary School - Pre 5 Unit                                      | 0                             | 0                 | 0                 | 490                 | 490               | 0                 |
| Islay High and Rosneath Primary School Pitches                        | 0                             | 0                 | 0                 | 719                 | 719               | 0                 |
| Lochgoilhead Primary School - Pre 5 Unit                              | 0                             | 0                 | 0                 | 391                 | 391               | 0                 |
| Park Primary Extension/Pre Fives Unit                                 | 0                             | 0                 | 0                 | 341                 | 341               | 0                 |
| Sandbank Gaelic Pre Five Unit   | 0                             | 0                 | 0                 | 491                 | 491               | 0                 |
| Bunessan Primary School - Gaelic Medium Improvements                  | 0                             | 0                 | 0                 | 120                 | 120               | 0                 |
| Early Learning and Childcare  | 0                             | 0                 | 0                 | 850                 | 850               | 0                 |
| Early Learning and Childcare - 1140 Hours                             | 320                           | 332               | (12)              | 7,774               | 7,774             | 0                 |
| CO2 Monitoring - Covid Mitigation in Schools                          | 113                           | 0                 | 113               | 192                 | 192               | 0                 |
| Early Learning and Childcare - 1140 Hours - CFCR                      | 0                             | 0                 | 0                 | 1,379               | 1,379             | 0                 |
| Bowmore Primary School - Gaelic Medium Grant                          | 38                            | 0                 | 38                | 38                  | 38                | 0                 |
| Riverside Leisure Centre Refurbishment                                | 1                             | 1                 | 0                 | 1,246               | 1,246             | 0                 |
| Dunclutha Childrens Home  | 54                            | 0                 | 54                | 1,300               | 1,300             | 0                 |
| <b>Service Development Total</b>                                      | <b>526</b>                    | <b>333</b>        | <b>193</b>        | <b>16,438</b>       | <b>16,438</b>     | <b>0</b>          |
| <b>Strategic Change Projects</b>                                      |                               |                   |                   |                     |                   |                   |
| Campbeltown Schools Redevelopment                                     | 38                            | 0                 | 38                | 2,130               | 2,130             | 0                 |
| Dunoon Primary  | 234                           | 2                 | 232               | 10,869              | 10,869            | 0                 |
| Replacement of Oban High  | 406                           | 0                 | 406               | 3,250               | 3,250             | 0                 |
| Kirn Primary School   | 34                            | 0                 | 34                | 10,119              | 10,119            | 0                 |
| Carbon Management - Non Education                                     | 21                            | 0                 | 21                | 50                  | 50                | 0                 |
| Carbon Management Business Cases                                      | 0                             | 0                 | 0                 | 201                 | 201               | 0                 |
| NPDO Schools Solar PV Panel Installations                             | 0                             | 0                 | 0                 | 761                 | 761               | 0                 |
| Non NPDO Schools Solar PV Panel Installations                         | 0                             | 0                 | 0                 | 400                 | 400               | 0                 |
| Carbon Management Fuel Conversions                                    | 0                             | 0                 | 0                 | 107                 | 107               | 0                 |
| Carbon Management Capital Property Works 2016/17                      | 0                             | 0                 | 0                 | 19                  | 19                | 0                 |
| Carbon Management - Group Heating Conversion Project                  | 0                             | 0                 | 0                 | 1,938               | 1,938             | 0                 |
| Kilmory Biomass Carbon Management                                     | 0                             | 0                 | 0                 | 956                 | 956               | 0                 |
| Oil to Gas Heating Conversions  | 0                             | 0                 | 0                 | 182                 | 182               | 0                 |
| Campbeltown Office Rationalisation                                    | 1                             | 0                 | 1                 | 596                 | 596               | 0                 |
| Helensburgh Office Rationalisation                                    | 0                             | 0                 | 0                 | 11,838              | 11,838            | 0                 |
| Clean Energy - NDEEF1   | 224                           | 145               | 79                | 1,331               | 1,331             | 0                 |
| Clean Energy - NDEEF2   | 50                            | 0                 | 50                | 1,140               | 1,140             | 0                 |
| Net Zero  | 0                             | 0                 | 0                 | 366                 | 366               | 0                 |
| CHORD Oban  | 626                           | 47                | 579               | 7,905               | 7,905             | 0                 |
| CHORD Rothesay  | 6,744                         | 6,170             | 574               | 24,012              | 24,012            | 0                 |
| CHORD - Helensburgh   | 0                             | 3                 | (3)               | 6,557               | 6,557             | 0                 |
| CHORD Dunoon  | 27                            | 4                 | 23                | 12,522              | 12,522            | 0                 |
| Helensburgh Waterfront Development                                    | 647                           | 696               | (49)              | 24,392              | 24,392            | 0                 |
| HWD - FFE (Funded by LA)  | 34                            | 0                 | 34                | 350                 | 350               | 0                 |
| Kilmory Business Park Phase 2AA                                       | 560                           | 13                | 547               | 1,129               | 1,129             | 0                 |
| Dunoon Pier OBC   | 0                             | 0                 | 0                 | 2,844               | 2,844             | 0                 |
| <b>Strategic Change Total</b>   | <b>9,646</b>                  | <b>7,080</b>      | <b>2,566</b>      | <b>125,964</b>      | <b>125,964</b>    | <b>0</b>          |
| <b>Total Expenditure</b>  | <b>19,867</b>                 | <b>15,725</b>     | <b>4,142</b>      | <b>172,821</b>      | <b>172,821</b>    | <b>0</b>          |
| <b>INCOME</b>   |                               |                   |                   |                     |                   |                   |
| <b>Asset Sustainability</b>   |                               |                   |                   |                     |                   |                   |
| Education   | (125)                         | 0                 | (125)             | (125)               | (125)             | 0                 |
| Live Argyll   | (100)                         | (100)             | 0                 | (100)               | (100)             | 0                 |
| Health and Social Care Partnership                                    | 0                             | 0                 | 0                 | (2,141)             | (2,141)           | 0                 |
| Shared Offices  | (4)                           | 0                 | (4)               | (4)                 | (4)               | 0                 |
| <b>Asset Sustainability Total</b>                                     | <b>(229)</b>                  | <b>(100)</b>      | <b>(129)</b>      | <b>(2,370)</b>      | <b>(2,370)</b>    | <b>0</b>          |
| <b>Service Development Projects</b>                                   |                               |                   |                   |                     |                   |                   |
| Sandbank Gaelic Pre Five Unit   | 0                             | 0                 | 0                 | (485)               | (485)             | 0                 |
| Bunessan Primary School - Gaelic Medium Improvements                  | 0                             | 0                 | 0                 | (30)                | (30)              | 0                 |
| Early Learning and Childcare  | 0                             | 0                 | 0                 | (918)               | (918)             | 0                 |
| Early Years 1140 Hours  | 0                             | 0                 | 0                 | (6,300)             | (6,300)           | 0                 |
| Bowmore Primary School - Gaelic Medium Grant                          | 0                             | 0                 | 0                 | (38)                | (38)              | 0                 |
| <b>Service Development Total</b>                                      | <b>0</b>                      | <b>0</b>          | <b>0</b>          | <b>(7,771)</b>      | <b>(7,771)</b>    | <b>0</b>          |
| <b>Strategic Change</b>   |                               |                   |                   |                     |                   |                   |
| Helensburgh Office Rationalisation                                    | 0                             | 0                 | 0                 | (349)               | (349)             | 0                 |
| Dunoon Primary School   | 0                             | 0                 | 0                 | (137)               | (137)             | 0                 |
| H'burgh CHORD Public Realm Imprv                                      | 0                             | 0                 | 0                 | (570)               | (570)             | 0                 |
| Helensburgh Waterfront Development                                    | (2,320)                       | 0                 | (2,320)           | (7,979)             | (7,979)           | 0                 |
| HWD - FFE (Funded by LA)  | 0                             | 0                 | 0                 | (350)               | (350)             | 0                 |
| Rothesay CHORD  | (2,009)                       | 0                 | (2,009)           | (8,854)             | (8,854)           | 0                 |
| CHORD - Dunoon Waterfront   | 0                             | 0                 | 0                 | (10)                | (10)              | 0                 |
| CHORD - Oban  | 0                             | 0                 | 0                 | (1,624)             | (1,624)           | 0                 |
| Kilmory Business Park Phase 2AA                                       | (829)                         | 0                 | (829)             | (829)               | (829)             | 0                 |
| Kilmory Business Park Phase 2AA - HIE                                 | (150)                         | 0                 | (150)             | (150)               | (150)             | 0                 |
| <b>Strategic Change Total</b>   | <b>(5,308)</b>                | <b>0</b>          | <b>(5,308)</b>    | <b>(20,852)</b>     | <b>(20,852)</b>   | <b>0</b>          |
| <b>Total Income</b>   | <b>(5,537)</b>                | <b>(100)</b>      | <b>(5,437)</b>    | <b>(30,993)</b>     | <b>(30,993)</b>   | <b>0</b>          |
| <b>Net Departmental Total</b>   | <b>14,330</b>                 | <b>15,625</b>     | <b>(1,295)</b>    | <b>141,828</b>      | <b>141,828</b>    | <b>0</b>          |

| MONITORING REPORT  |                               |                               |                                   |                     |                   |                                   | Appendix 6    |
|--|-------------------------------|-------------------------------|-----------------------------------|---------------------|-------------------|-----------------------------------|---------------|
| FINANCIAL SUMMARY NET EXPENDITURE - EXECUTIVE DIRECTOR KIRSTY FLANAGAN |                               |                               |                                   |                     |                   |                                   | 31 March 2024 |
|  | Full Year This Financial Year |                               |                                   | Total Project Costs |                   |                                   |               |
|  | Budget<br>£000s               | Year End<br>Forecast<br>£000s | (Over)/Under<br>Variance<br>£000s | Budget<br>£000s     | Forecast<br>£000s | (Over)/Under<br>Variance<br>£000s |               |
| <b>EXPENDITURE</b>   |                               |                               |                                   |                     |                   |                                   |               |
| <b>Asset Sustainability Projects</b>                                   |                               |                               |                                   |                     |                   |                                   |               |
| Roads & Infrastructure Services  | 10,477                        | 9,814                         | 663                               | 39,029              | 39,029            | 0                                 |               |
| Customer Support Services  | 1,181                         | 1,134                         | 47                                | 4,312               | 4,312             | 0                                 |               |
| <b>Asset Sustainability Total</b>                                      | <b>11,658</b>                 | <b>10,948</b>                 | <b>710</b>                        | <b>43,341</b>       | <b>43,341</b>     | <b>0</b>                          |               |
| <b>Service Development Projects</b>                                    |                               |                               |                                   |                     |                   |                                   |               |
| Preliminary design for Regional Transport projects                     | 16                            | 0                             | 16                                | 221                 | 221               | 0                                 |               |
| Campbeltown Old Quay   | 0                             | 0                             | 0                                 | 1,381               | 1,381             | 0                                 |               |
| Fleet Management - Prudential Borrowing                                | 602                           | 0                             | 602                               | 4,861               | 4,861             | 0                                 |               |
| Fleet Management   | 1,664                         | 1,469                         | 195                               | 4,697               | 4,697             | 0                                 |               |
| Public Transport Operation Vehicles                                    | 0                             | 0                             | 0                                 | 233                 | 233               | 0                                 |               |
| Oban Bus Congestion - Bus Partnership Fund                             | 50                            | 50                            | 0                                 | 50                  | 50                | 0                                 |               |
| Lismore Ferry  | 15                            | 0                             | 15                                | 672                 | 672               | 0                                 |               |
| HITRANS Ferry Fund   | 0                             | 0                             | 0                                 | 0                   | 0                 | 0                                 |               |
| Oban Depot Development Project   | 9                             | 44                            | (35)                              | 2,189               | 2,189             | 0                                 |               |
| Lochgilhead Depot Rationalisation                                      | 140                           | 125                           | 15                                | 169                 | 169               | 0                                 |               |
| Jackson's Quarry Refurbishment   | 0                             | 0                             | 0                                 | 285                 | 285               | 0                                 |               |
| Witchburn Road Demolition  | 0                             | 0                             | 0                                 | 158                 | 158               | 0                                 |               |
| Safe Streets, Walking and Cycling (CWSS)                               | 370                           | 130                           | 240                               | 3,762               | 3,762             | 0                                 |               |
| SPT - bus infrastructure   | 0                             | 0                             | 0                                 | 1,430               | 1,430             | 0                                 |               |
| Cycleways - H&L (FSPT)   | 300                           | 93                            | 207                               | 3,402               | 3,402             | 0                                 |               |
| Helensburgh Public Realm - Arts Strategy Fund                          | 0                             | 0                             | 0                                 | 53                  | 53                | 0                                 |               |
| Town Centre Funds  | 546                           | 384                           | 162                               | 4,329               | 4,329             | 0                                 |               |
| Rural Growth Deal  | 191                           | 189                           | 2                                 | 241                 | 241               | 0                                 |               |
| Dunoon Cycle Bothy   | 221                           | 224                           | (3)                               | 563                 | 563               | 0                                 |               |
| Dunoon STEM Hub  | 56                            | 36                            | 20                                | 2,558               | 2,558             | 0                                 |               |
| Ardishaig North Active Travel  | 83                            | 76                            | 7                                 | 880                 | 880               | 0                                 |               |
| Nature Restoration Fund  | 0                             | 0                             | 0                                 | 835                 | 835               | 0                                 |               |
| Gibraltar Street Public Realm Improvements                             | 125                           | 125                           | 0                                 | 250                 | 250               | 0                                 |               |
| Hermitage Park   | 26                            | 0                             | 26                                | 3,388               | 3,388             | 0                                 |               |
| Applications Projects  | 322                           | 322                           | 0                                 | 3,193               | 3,193             | 0                                 |               |
| <b>Service Development Total</b>                                       | <b>4,736</b>                  | <b>3,267</b>                  | <b>1,469</b>                      | <b>39,800</b>       | <b>39,800</b>     | <b>0</b>                          |               |
| <b>Strategic Change Projects</b>                                       |                               |                               |                                   |                     |                   |                                   |               |
| Campbeltown Flood Scheme   | 8,625                         | 8,756                         | (131)                             | 15,925              | 15,925            | 0                                 |               |
| Street Lighting LED Replacement  | 61                            | 53                            | 8                                 | 3,900               | 3,900             | 0                                 |               |
| Harbour Investment Programme   | 1,490                         | 1,898                         | (408)                             | 91,292              | 91,292            | 0                                 |               |
| Harbour Investment Programme - Non PB                                  | 43                            | 0                             | 43                                | 43                  | 43                | 0                                 |               |
| TIF - Lorn/Kirk Road   | 1                             | 0                             | 1                                 | 2,170               | 2,170             | 0                                 |               |
| TIF - North Pier Extension   | 0                             | 0                             | 0                                 | 214                 | 214               | 0                                 |               |
| TIF - Oban Airport Business Park                                       | 56                            | 16                            | 40                                | 590                 | 590               | 0                                 |               |
| TIF - Halfway House Roundabout   | 56                            | 0                             | 56                                | 640                 | 640               | 0                                 |               |
| <b>Strategic Change Total</b>  | <b>10,332</b>                 | <b>10,723</b>                 | <b>(391)</b>                      | <b>114,774</b>      | <b>114,774</b>    | <b>0</b>                          |               |
| <b>Total Expenditure</b>   | <b>26,726</b>                 | <b>24,938</b>                 | <b>1,788</b>                      | <b>197,915</b>      | <b>197,915</b>    | <b>0</b>                          |               |
| <b>INCOME</b>  |                               |                               |                                   |                     |                   |                                   |               |
| <b>Asset Sustainability</b>  |                               |                               |                                   |                     |                   |                                   |               |
| Roads & Infrastructure Services  | (1,444)                       | (817)                         | (627)                             | (1,635)             | (1,635)           | 0                                 |               |
| <b>Asset Sustainability Total</b>                                      | <b>(1,444)</b>                | <b>(817)</b>                  | <b>(627)</b>                      | <b>(1,635)</b>      | <b>(1,635)</b>    | <b>0</b>                          |               |
| <b>Service Development Projects</b>                                    |                               |                               |                                   |                     |                   |                                   |               |
| Applications Projects  | (46)                          | (46)                          | 0                                 | (437)               | (437)             | 0                                 |               |
| Safe Streets, Walking and Cycling                                      | (376)                         | 0                             | (376)                             | (2,988)             | (2,988)           | 0                                 |               |
| SPFT   | (25)                          | 0                             | (25)                              | (1,268)             | (1,268)           | 0                                 |               |
| Cycleways - H&L (FSPT)   | (590)                         | (90)                          | (500)                             | (3,502)             | (3,502)           | 0                                 |               |
| Town Centre Funds  | (512)                         | 0                             | (512)                             | (2,124)             | (2,124)           | 0                                 |               |
| Rural Growth Deal  | (211)                         | (81)                          | (130)                             | (241)               | (241)             | 0                                 |               |
| Dunoon STEM Hub  | (2,050)                       | 0                             | (2,050)                           | (2,558)             | (2,558)           | 0                                 |               |
| Ardishaig North Active Travel  | 0                             | 0                             | 0                                 | (50)                | (50)              | 0                                 |               |
| Dunoon Cycle Bothy   | (394)                         | (96)                          | (298)                             | (563)               | (563)             | 0                                 |               |
| Gibraltar Street Public Realm Improvements                             | 0                             | 0                             | 0                                 | (250)               | (250)             | 0                                 |               |
| Hermitage Park   | 0                             | 0                             | 0                                 | (3,319)             | (3,319)           | 0                                 |               |
| Fleet Management - PB  | (602)                         | 0                             | (602)                             | (4,861)             | (4,861)           | 0                                 |               |
| Fleet Management   | (49)                          | (49)                          | 0                                 | (49)                | (49)              | 0                                 |               |
| Millpark Depot Demolition Insurance                                    | 0                             | 0                             | 0                                 | (53)                | (53)              | 0                                 |               |
| Oban Depot - Mill Park Insurance Claim                                 | 0                             | 0                             | 0                                 | (1,681)             | (1,681)           | 0                                 |               |
| Oban Depot - Revenue Contribution                                      | (67)                          | 0                             | (67)                              | (67)                | (67)              | 0                                 |               |
| Lismore Ferry  | 0                             | 0                             | 0                                 | (500)               | (500)             | 0                                 |               |
| Witchburn Road Demolition  | 0                             | 0                             | 0                                 | (157)               | (157)             | 0                                 |               |
| Oban Bus Congestion - Bus Partnership Fund                             | (18)                          | (18)                          | 0                                 | (50)                | (50)              | 0                                 |               |
| <b>Service Development Total</b>                                       | <b>(4,940)</b>                | <b>(380)</b>                  | <b>(4,560)</b>                    | <b>(24,718)</b>     | <b>(24,718)</b>   | <b>0</b>                          |               |
| <b>Strategic Change Projects</b>                                       |                               |                               |                                   |                     |                   |                                   |               |
| Campbeltown Flood  | 0                             | 0                             | 0                                 | (270)               | (270)             | 0                                 |               |
| Harbour PB   | (1,490)                       | (1,490)                       | 0                                 | (91,292)            | (91,292)          | 0                                 |               |
| 01 TIF - Lorn/Kirk Road  | (16)                          | (16)                          | 0                                 | (2,057)             | (2,057)           | 0                                 |               |
| <b>Strategic Change Total</b>  | <b>(1,506)</b>                | <b>(1,506)</b>                | <b>0</b>                          | <b>(93,619)</b>     | <b>(93,619)</b>   | <b>0</b>                          |               |
| <b>Total Income</b>  | <b>(7,890)</b>                | <b>(2,703)</b>                | <b>(5,187)</b>                    | <b>(119,972)</b>    | <b>(119,972)</b>  | <b>0</b>                          |               |
| <b>Net Departmental Total</b>  | <b>18,836</b>                 | <b>22,235</b>                 | <b>(3,399)</b>                    | <b>77,943</b>       | <b>77,943</b>     | <b>0</b>                          |               |

**CAPITAL PLAN 2023-24**  
**Overall Summary**

**APPENDIX 7**

| <b>Service</b>       | <b>Previous Years<br/>£000's</b> | <b>2023-24<br/>£000s</b> | <b>2024-25<br/>£000s</b> | <b>2025-26<br/>£000s</b> | <b>2026-27<br/>£000s</b> | <b>2027-28<br/>£000s</b> | <b>Total</b>   |
|----------------------|----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------|
| Education            | 39,077                           | 5,719                    | 7,915                    | 3,060                    | 1,988                    | 0                        | 57,759         |
| Shared Offices       | 17,661                           | 1,162                    | 2,600                    | 2,522                    | 382                      | 0                        | 24,327         |
| ICT                  | 2,529                            | 1,456                    | 1,611                    | 1,221                    | 688                      | 0                        | 7,505          |
| RIS                  | 26,197                           | 22,209                   | 50,782                   | 43,928                   | 21,989                   | 0                        | 165,105        |
| DEG                  | 18,331                           | 1,273                    | 5,676                    | 25                       | 0                        | 0                        | 25,305         |
| HSCP                 | 1,246                            | 777                      | 3,776                    | 1,055                    | 0                        | 0                        | 6,854          |
| Live Argyll          | 1,274                            | 1,134                    | 1,125                    | 169                      | 468                      | 0                        | 4,170          |
| CHORD                | 68,156                           | 6,933                    | 4,509                    | 113                      | 0                        | 0                        | 79,711         |
| <b>Overall Total</b> | <b>174,471</b>                   | <b>40,663</b>            | <b>77,994</b>            | <b>52,093</b>            | <b>25,515</b>            | <b>0</b>                 | <b>370,736</b> |

| Category                          | Service          | Project   | Previous | 2023-24       | 2024-25      | 2025-26      | 2026-27      |       | 2027-28      | Total    |               |
|-----------------------------------|------------------|---|----------|---------------|--------------|--------------|--------------|-------|--------------|----------|---------------|
|                                   |                  |   | Years    | £000s         | £000s        |              | £000s        | £000s | £000s        |          |               |
|                                   |                  | Block Allocation - Education                                      |          | 0             | 0            | 1,109        | 520          |       | 1,988        | 0        | 3,617         |
|                                   |                  | Digital Inclusion 20-21   |          | 0             | 0            | 9            | 0            |       | 0            | 0        | 9             |
|                                   |                  | Free School Meals   |          | 0             | 213          | 0            | 434          |       | 0            | 0        | 647           |
|                                   |                  | Primary Schools   |          | 0             | 3,195        | 2,595        | 1,280        |       | 0            | 0        | 7,070         |
|                                   |                  | Primary Schools - CFCR  |          | 0             | 1,257        | 0            | 0            |       | 0            | 0        | 1,257         |
|                                   |                  | School Houses - Housing Quality Standard                          |          | 0             | 1            | 0            | 0            |       | 0            | 0        | 1             |
|                                   |                  | Secondary Schools   |          | 0             | 709          | 963          | 226          |       | 0            | 0        | 1,898         |
| <b>Asset Sustainability Total</b> |                  |   |          | <b>0</b>      | <b>5,385</b> | <b>7,066</b> | <b>3,060</b> |       | <b>1,988</b> | <b>0</b> | <b>17,499</b> |
| <b>Service Development</b>        | <b>Education</b> | Ardrishaig Primar School - Pre Five Extension                     |          | 2             | 0            | 0            | 0            |       | 0            | 0        | 2             |
|                                   |                  | Bowmore Primary School - Gaelic Medium Grant                      |          | 0             | 0            | 38           | 0            |       | 0            | 0        | 38            |
|                                   |                  | Bowmore Primary School - Pre Five Unit                            |          | 149           | 0            | 0            | 0            |       | 0            | 0        | 149           |
|                                   |                  | Bunessan Primary School - Gaelic Medium Improvements              |          | 120           | 0            | 0            | 0            |       | 0            | 0        | 120           |
|                                   |                  | Clyde Cottage - 600 hours provision                               |          | 556           | 0            | 0            | 0            |       | 0            | 0        | 556           |
|                                   |                  | CO2 Monitoring - Covid Mitigation in Schools                      |          | 79            | 0            | 113          | 0            |       | 0            | 0        | 192           |
|                                   |                  | Craignish Primary School - Pre Five Extension (600 hours funding) |          | 400           | 0            | 0            | 0            |       | 0            | 0        | 400           |
|                                   |                  | Early Learning and Childcare                                      |          | 850           | 0            | 0            | 0            |       | 0            | 0        | 850           |
|                                   |                  | Early Learning and Childcare - 1140 Hours                         |          | 7,454         | 332          | -12          | 0            |       | 0            | 0        | 7,774         |
|                                   |                  | Early Learning and Childcare - 1140 Hours - CFCR                  |          | 1,379         | 0            | 0            | 0            |       | 0            | 0        | 1,379         |
|                                   |                  | Iona Primary School - Pre Five Unit (600 hours funding)           |          | 490           | 0            | 0            | 0            |       | 0            | 0        | 490           |
|                                   |                  | Islay High & Rosneath PS Pitches                                  |          | 719           | 0            | 0            | 0            |       | 0            | 0        | 719           |
|                                   |                  | Lochgoilhead Primary School - Pre Five Unit (600 hours funding)   |          | 391           | 0            | 0            | 0            |       | 0            | 0        | 391           |
|                                   |                  | Park Primary Extension and Pre Fives Unit                         |          | 341           | 0            | 0            | 0            |       | 0            | 0        | 341           |
|                                   |                  | Sandbank Gaelic Pre Five Unit                                     |          | 491           | 0            | 0            | 0            |       | 0            | 0        | 491           |
| <b>Service Development Total</b>  |                  |   |          | <b>13,421</b> | <b>332</b>   | <b>139</b>   | <b>0</b>     |       | <b>0</b>     | <b>0</b> | <b>13,892</b> |
| <b>Strategic Change</b>           | <b>Education</b> | Campbeltown Schools Redevelopment                                 |          | 2,092         | 0            | 38           | 0            |       | 0            | 0        | 2,130         |
|                                   |                  | Dunoon Primary School   |          | 10,635        | 2            | 232          | 0            |       | 0            | 0        | 10,869        |
|                                   |                  | Kirn Primary School   |          | 10,085        | 0            | 34           | 0            |       | 0            | 0        | 10,119        |
|                                   |                  | Replacement of Oban High School                                   |          | 2,844         | 0            | 406          | 0            |       | 0            | 0        | 3,250         |
| <b>Strategic Change Total</b>     |                  |   |          | <b>25,656</b> | <b>2</b>     | <b>710</b>   | <b>0</b>     |       | <b>0</b>     | <b>0</b> | <b>26,368</b> |
| <b>Overall Total</b>              |                  |   |          | <b>39,077</b> | <b>5,719</b> | <b>7,915</b> | <b>3,060</b> |       | <b>1,988</b> | <b>0</b> | <b>57,759</b> |

| Category                                  | Service               | Project   | Previous        | 2023-24      | 2024-25      | 2025-26      | 2026-27    | 2027-28  | Total         |
|---|-----------------------|---|-----------------|--------------|--------------|--------------|------------|----------|---------------|
|   |                       |   | Years<br>£000's | £000s        | £000s        | £000s        | £000s      | £000s    | £000s         |
| <b>Asset Sustainability</b>               | <b>Shared Offices</b> | 52 Sinclair Street Flats - CFR                                  | 0               | 53           | 0            | 0            | 0          | 0        | 53            |
|   |                       | 5-7 East Clyde Street - Coastal Communities Fund                | 0               | 1            | 0            | 0            | 0          | 0        | 1             |
|   |                       | Block Allocation  | 0               | 0            | 534          | 427          | 382        | 0        | 1,343         |
|   |                       | Burnett Building  | 0               | 5            | 107          | 0            | 0          | 0        | 112           |
|   |                       | Helensburgh and Lomond Civic Centre - Emergency Heating Pipewc  | 0               | 217          | 0            | 0            | 0          | 0        | 217           |
|   |                       | Kilmory Castle  | 0               | 0            | 0            | 1,545        | 0          | 0        | 1,545         |
|   |                       | Legionella Control Works  | 0               | 120          | 0            | 0            | 0          | 0        | 120           |
|   |                       | Our Modern Workspace  | 0               | 621          | 480          | 0            | 0          | 0        | 1,101         |
| <b>Asset Sustainability Total</b>         |                       |   | <b>0</b>        | <b>1,017</b> | <b>1,121</b> | <b>1,972</b> | <b>382</b> | <b>0</b> | <b>4,492</b>  |
| <b>Strategic Change</b>                   | <b>Shared Offices</b> | Campbeltown Office Rationalisation                              | 595             | 0            | 1            | 0            | 0          | 0        | 596           |
|   |                       | Carbon Management - Group Heating Conversion Project (Prudentia | 1,938           | 0            | 0            | 0            | 0          | 0        | 1,938         |
|   |                       | Carbon Management Business Cases (FPB)                          | 201             | 0            | 0            | 0            | 0          | 0        | 201           |
|   |                       | Carbon Management Capital Property Works 16/17                  | 19              | 0            | 0            | 0            | 0          | 0        | 19            |
|   |                       | Carbon Management Fuel Conversions (FPB)                        | 107             | 0            | 0            | 0            | 0          | 0        | 107           |
|   |                       | Clean Energy - NDEEF1   | 964             | 145          | 222          | 0            | 0          | 0        | 1,331         |
|   |                       | Clean Energy - NDEEF2   | 0               | 0            | 590          | 550          | 0          | 0        | 1,140         |
|   |                       | Helensburgh Office Rationalisation (FPB,REC)                    | 11,538          | 0            | 300          | 0            | 0          | 0        | 11,838        |
|   |                       | Kilmory Biomass Project OBC (FPB,REV)                           | 956             | 0            | 0            | 0            | 0          | 0        | 956           |
|   |                       | Net Zero  | 0               | 0            | 366          | 0            | 0          | 0        | 366           |
|   |                       | Non-NPDO Schools PV Panel Installations                         | 400             | 0            | 0            | 0            | 0          | 0        | 400           |
| NPDO Schools Solar PV Panel Installations | 761                   | 0   | 0               | 0            | 0            | 0            | 761        |          |               |
| Oil to Gas Heating Conversions (FPB)      | 182                   | 0   | 0               | 0            | 0            | 0            | 182        |          |               |
| <b>Strategic Change Total</b>             |                       |   | <b>17,661</b>   | <b>145</b>   | <b>1,479</b> | <b>550</b>   | <b>0</b>   | <b>0</b> | <b>19,835</b> |
| <b>Overall Total</b>                      |                       |   | <b>17,661</b>   | <b>1,162</b> | <b>2,600</b> | <b>2,522</b> | <b>382</b> | <b>0</b> | <b>24,327</b> |

| Category                      | Service | Project                                 | Previous        |                  |                  |                  |                  | Total<br>£000s |                  |
|-------------------------------|---------|---|-----------------|------------------|------------------|------------------|------------------|----------------|------------------|
|                               |         |   | Years<br>£000's | 2023-24<br>£000s | 2024-25<br>£000s | 2025-26<br>£000s | 2026-27<br>£000s |                | 2027-28<br>£000s |
| Strategic Change              | CHORD   | CHORD - Dunoon                          | 12,495          | 4                | 23               | 0                | 0                | 0              | 12,522           |
|                               |         | CHORD - Helensburgh -Public Realm Imprv | 6,529           | 3                | 25               | 0                | 0                | 0              | 6,557            |
|                               |         | CHORD - Oban                            | 7,279           | 47               | 500              | 79               | 0                | 0              | 7,905            |
|                               |         | CHORD - Rothesay                        | 15,231          | 6,170            | 2,611            | 0                | 0                | 0              | 24,012           |
|                               |         | Helensburgh Waterfront Development      | 23,415          | 696              | 281              | 0                | 0                | 0              | 24,392           |
|                               |         | HWD - FFE                               | 316             | 0                | 34               | 0                | 0                | 0              | 350              |
|                               |         | Kilmory Business Park Phase 2AA         | 47              | 13               | 1,035            | 34               | 0                | 0              | 1,129            |
| OBC for Dunoon Pier           | 2,844   | 0                                       | 0               | 0                | 0                | 0                | 2,844            |                |                  |
| <b>Strategic Change Total</b> |         |   | <b>68,156</b>   | <b>6,933</b>     | <b>4,509</b>     | <b>113</b>       | <b>0</b>         | <b>0</b>       | <b>79,711</b>    |
| <b>Overall Total</b>          |         |   | <b>68,156</b>   | <b>6,933</b>     | <b>4,509</b>     | <b>113</b>       | <b>0</b>         | <b>0</b>       | <b>79,711</b>    |



| Category                          | Service    | Project                | Previous        | 2023-24      | 2024-25      | 2025-26      | 2026-27    | 2027-28  | Total        |
|-----------------------------------|------------|------------------------|-----------------|--------------|--------------|--------------|------------|----------|--------------|
|                                   |            |                        | Years<br>£000's | £000s        | £000s        | £000s        | £000s      | £000s    | £000s        |
| <b>Asset Sustainability</b>       | <b>ICT</b> | Block Allocation - ICT | 0               | 0            | 132          | 0            | 688        | 0        | 820          |
|                                   |            | PC Replacement         | 0               | 605          | 561          | 669          | 0          | 0        | 1,835        |
|                                   |            | Server Sustainability  | 0               | 289          | 488          | 400          | 0          | 0        | 1,177        |
|                                   |            | Telecomms Network      | 0               | 240          | 88           | 152          | 0          | 0        | 480          |
| <b>Asset Sustainability Total</b> |            |                        | <b>0</b>        | <b>1,134</b> | <b>1,269</b> | <b>1,221</b> | <b>688</b> | <b>0</b> | <b>4,312</b> |
| <b>Service Development</b>        | <b>ICT</b> | Applications Projects  | 2,529           | 322          | 342          | 0            | 0          | 0        | 3,193        |
| <b>Service Development Total</b>  |            |                        | <b>2,529</b>    | <b>322</b>   | <b>342</b>   | <b>0</b>     | <b>0</b>   | <b>0</b> | <b>3,193</b> |
| <b>Overall Total</b>              |            |                        | <b>2,529</b>    | <b>1,456</b> | <b>1,611</b> | <b>1,221</b> | <b>688</b> | <b>0</b> | <b>7,505</b> |

| Category                          | Service | Project  | Previous        | 2023-24       | 2024-25       | 2025-26       | 2026-27       | 2027-28  | Total          |
|-----------------------------------|---------|--|-----------------|---------------|---------------|---------------|---------------|----------|----------------|
|                                   |         |  | Years<br>£000's | £000s         | £000s         | £000s         | £000s         | £000s    | £000s          |
| Asset Sustainability              | RIS     | Block Allocation   | 0               | 0             | 0             | 4,168         | 3,823         | 0        | 7,991          |
|                                   |         | Bridge Strengthening                                     | 0               | 302           | 1,384         | 0             | 0             | 0        | 1,686          |
|                                   |         | Bute Sea Wall Repairs                                    | 0               | 47            | 633           | 0             | 0             | 0        | 680            |
|                                   |         | Coastal Change Adaptation                                | 0               | 48            | 304           | 0             | 0             | 0        | 352            |
|                                   |         | Coastal Protection                                       | 0               | 3             | 196           | 0             | 0             | 0        | 199            |
|                                   |         | Environmental Projects                                   | 0               | 300           | 721           | 0             | 0             | 0        | 1,021          |
|                                   |         | EV Quick Chargers  | 0               | 10            | 52            | 0             | 0             | 0        | 62             |
|                                   |         | Flood Prevention   | 0               | 266           | 847           | 156           | 194           | 0        | 1,463          |
|                                   |         | Footway Improvements                                     | 0               | 531           | 219           | 0             | 0             | 0        | 750            |
|                                   |         | Glengorm - Capping                                       | 0               | 0             | 0             | 0             | 0             | 0        | 0              |
|                                   |         | Glengorm - Cell and Transfer Station (PB)                | 0               | 90            | -1            | 0             | 0             | 0        | 89             |
|                                   |         | Helensburgh CHORD - Signage etc                          | 0               | 0             | 10            | 0             | 0             | 0        | 10             |
|                                   |         | Helensburgh Flood Mitigation                             | 0               | 1             | 427           | 0             | 0             | 0        | 428            |
|                                   |         | Investment in Active Travel                              | 0               | 189           | 200           | 0             | 0             | 0        | 389            |
|                                   |         | Lighting   | 0               | 246           | 794           | 0             | 0             | 0        | 1,040          |
|                                   |         | Local Bridge Maintenance Fund                            | 0               | 213           | 4,787         | 203           | 0             | 0        | 5,203          |
|                                   |         | Play Park Renewal  | 0               | 0             | 547           | 391           | 0             | 0        | 938            |
|                                   |         | Public Convenience Upgrades                              | 0               | 55            | 227           | 0             | 0             | 0        | 282            |
|                                   |         | RIS - Roads Plant and Equipment - CFCR                   | 0               | 33            | 0             | 0             | 0             | 0        | 33             |
|                                   |         | Roads Reconstruction                                     | 0               | 7,259         | 8,507         | 0             | 0             | 0        | 15,766         |
|                                   |         | Roads Reconstruction - Helensburgh CHORD                 | 0               | 0             | 47            | 0             | 0             | 0        | 47             |
|                                   |         | Roads Reconstruction - Oban CHORD                        | 0               | 0             | 3             | 0             | 0             | 0        | 3              |
| Tobermory Car Park                | 0       | 0  | 96              | 0             | 0             | 0             | 96            |          |                |
| <b>Asset Sustainability Total</b> |         |  | <b>0</b>        | <b>9,593</b>  | <b>20,000</b> | <b>4,918</b>  | <b>4,017</b>  | <b>0</b> | <b>38,528</b>  |
| Service Development               | RIS     | Campbeltown Old Quay                                     | 1,381           | 0             | 0             | 0             | 0             | 0        | 1,381          |
|                                   |         | Fleet Management   | 3,033           | 1,469         | 195           | 0             | 0             | 0        | 4,697          |
|                                   |         | Fleet Management - Prudential Borrowing                  | 2,674           | 0             | 2,187         | 0             | 0             | 0        | 4,861          |
|                                   |         | Jackson's Quarry Refurbishment                           | 285             | 0             | 0             | 0             | 0             | 0        | 285            |
|                                   |         | Lismore Ferry Replacement                                | 637             | 0             | 35            | 0             | 0             | 0        | 672            |
|                                   |         | Lochgilphead Depot Rationalisation                       | 29              | 125           | 15            | 0             | 0             | 0        | 169            |
|                                   |         | Oban Depot Development                                   | 2,180           | 44            | -35           | 0             | 0             | 0        | 2,189          |
|                                   |         | Preliminary design for Regional Transport projects (tif) | 205             | 0             | 16            | 0             | 0             | 0        | 221            |
|                                   |         | Witchburn Road Demolition                                | 158             | 0             | 0             | 0             | 0             | 0        | 158            |
| <b>Service Development Total</b>  |         |  | <b>10,582</b>   | <b>1,638</b>  | <b>2,413</b>  | <b>0</b>      | <b>0</b>      | <b>0</b> | <b>14,633</b>  |
| Strategic Change                  | RIS     | Campbeltown Flood Scheme                                 | 4,992           | 8,756         | 1,780         | 10            | 387           | 0        | 15,925         |
|                                   |         | Harbour Investment Programme PB                          | 7,397           | 1,898         | 25,412        | 39,000        | 17,585        | 0        | 91,292         |
|                                   |         | Street Lighting LED Replacement                          | 3,226           | 53            | 621           | 0             | 0             | 0        | 3,900          |
| <b>Strategic Change Total</b>     |         |  | <b>15,615</b>   | <b>10,707</b> | <b>27,813</b> | <b>39,010</b> | <b>17,972</b> | <b>0</b> | <b>111,117</b> |
| <b>Overall Total</b>              |         |  | <b>26,197</b>   | <b>21,938</b> | <b>50,226</b> | <b>43,928</b> | <b>21,989</b> | <b>0</b> | <b>164,278</b> |

| Category                      | Service | Project                                       | Previous        | 2023-24      | 2024-25       | 2025-26      | 2026-27      | 2027-28   | Total         |
|-------------------------------|---------|---|-----------------|--------------|---------------|--------------|--------------|-----------|---------------|
|                               |         |   | Years<br>£000's | £000s        | £000s         | £000s        | £000s        | £000s     | £000s         |
| Service Development           | DEG     | Ardrishaig North Active Travel                | 755             | 76           | 49            | 0            | 0            | 0         | 880           |
|                               |         | Cycleways - H&L (FSPT)                        | 2,812           | 93           | 497           | 0            | 0            | 0         | 3,402         |
|                               |         | Dunoon Cycle Bothy                            | 259             | 224          | 80            | 0            | 0            | 0         | 563           |
|                               |         | Dunoon STEM Hub                               | 95              | 36           | 2,427         | 0            | 0            | 0         | 2,558         |
|                               |         | Gibraltar Street Public Realm Improvements    | 28              | 125          | 97            | 0            | 0            | 0         | 250           |
|                               |         | Helensburgh Public Realm - Arts Strategy Fund | 3               | 0            | 25            | 25           | 0            | 0         | 53            |
|                               |         | Hermitage Park                                | 3,362           | 0            | 26            | 0            | 0            | 0         | 3,388         |
|                               |         | Nature Restoration Fund                       | 0               | 0            | 835           | 0            | 0            | 0         | 835           |
|                               |         | Rural Growth Deal                             | 50              | 189          | 2             | 0            | 0            | 0         | 241           |
|                               |         | Safe Streets, Walking and Cycling (CWSS)      | 3,013           | 130          | 619           | 0            | 0            | 0         | 3,762         |
|                               |         | SPT - bus infrastructure                      | 1,405           | 0            | 25            | 0            | 0            | 0         | 1,430         |
|                               |         | Town Centre Funds                             | 3,611           | 384          | 334           | 0            | 0            | 0         | 4,329         |
|                               |         | <b>Service Development Total</b>              |                 |              | <b>15,393</b> | <b>1,257</b> | <b>5,016</b> | <b>25</b> | <b>0</b>      |
| Strategic Change              | DEG     | 01 TIF - Lorn/Kirk Road                       | 2,169           | 0            | 1             | 0            | 0            | 0         | 2,170         |
|                               |         | 05 TIF - North Pier Extension                 | 214             | 0            | 0             | 0            | 0            | 0         | 214           |
|                               |         | 09 TIF - Oban Airport Business Park           | 489             | 16           | 85            | 0            | 0            | 0         | 590           |
|                               |         | TIF - Halfway House Roundabout                | 66              | 0            | 574           | 0            | 0            | 0         | 640           |
| <b>Strategic Change Total</b> |         |   | <b>2,938</b>    | <b>16</b>    | <b>660</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>  | <b>3,614</b>  |
| <b>Overall Total</b>          |         |   | <b>18,331</b>   | <b>1,273</b> | <b>5,676</b>  | <b>25</b>    | <b>0</b>     | <b>0</b>  | <b>25,305</b> |

| Category                          | Service | Project                                  | Previous        | 2023-24    | 2024-25      | 2025-26      | 2026-27  | 2027-28  | Total        |
|-----------------------------------|---------|--|-----------------|------------|--------------|--------------|----------|----------|--------------|
|                                   |         |  | Years<br>£000's | £000s      | £000s        | £000s        | £000s    | £000s    | £000s        |
| Asset Sustainability              | HSCP    | Ardfenaig                                | 0               | 27         | 11           | 0            | 0        | 0        | 38           |
|                                   |         | Capital Property Works                   | 0               | 0          | 92           | 0            | 0        | 0        | 92           |
|                                   |         | Digitalising telecare                    | 0               | 100        | 0            | 0            | 0        | 0        | 100          |
|                                   |         | Eadar Glinn                              | 0               | 7          | 34           | 0            | 0        | 0        | 41           |
|                                   |         | East King Street Childrens Home          | 0               | 50         | 0            | 0            | 0        | 0        | 50           |
|                                   |         | Glencruitten Hostel                      | 0               | 9          | 280          | 0            | 0        | 0        | 289          |
|                                   |         | Gortonvogie                              | 0               | 1          | 0            | 0            | 0        | 0        | 1            |
|                                   |         | Greenwood/Woodlands                      | 0               | 123        | 1            | 0            | 0        | 0        | 124          |
|                                   |         | HSCP - 102 East King Street "Jean's Both | 0               | 21         | 4            | 0            | 0        | 0        | 25           |
|                                   |         | Kintyre Care Home                        | 0               | 0          | 150          | 650          | 0        | 0        | 800          |
|                                   |         | Shellach View                            | 0               | 144        | 2            | 0            | 0        | 0        | 146          |
|                                   |         | Struan Lodge Boiler                      | 0               | 59         | 700          | 0            | 0        | 0        | 759          |
|                                   |         | Thomson Home Rothesay                    | 0               | 6          | 270          | 370          | 0        | 0        | 646          |
|                                   |         | Tigh An Rudha HFE                        | 0               | 201        | 2,178        | 35           | 0        | 0        | 2,414        |
|                                   |         | Tobermory Top Flat                       | 0               | 29         | 0            | 0            | 0        | 0        | 29           |
| <b>Asset Sustainability Total</b> |         |  | <b>0</b>        | <b>777</b> | <b>3,722</b> | <b>1,055</b> | <b>0</b> | <b>0</b> | <b>5,554</b> |
| Service Development               | HSCP    | Dunclutha Childrens Home                 | 1,246           | 0          | 54           | 0            | 0        | 0        | 1,300        |
| <b>Service Development Total</b>  |         |  | <b>1,246</b>    | <b>0</b>   | <b>54</b>    | <b>0</b>     | <b>0</b> | <b>0</b> | <b>1,300</b> |
| <b>Overall Total</b>              |         |  | <b>1,246</b>    | <b>777</b> | <b>3,776</b> | <b>1,055</b> | <b>0</b> | <b>0</b> | <b>6,854</b> |

| Category                          | Service     | Project   | Previous        |                  |                  |                  |                  | Total<br>£000s |                  |
|-----------------------------------|-------------|---|-----------------|------------------|------------------|------------------|------------------|----------------|------------------|
|                                   |             |   | Years<br>£000's | 2023-24<br>£000s | 2024-25<br>£000s | 2025-26<br>£000s | 2026-27<br>£000s |                | 2027-28<br>£000s |
| Asset Sustainability              | Live Argyll | Aqualibrium   | 0               | 360              | 63               | 104              | 0                | 0              | 527              |
|                                   |             | Capital Property Works  | 0               | 0                | 73               | 0                | 382              | 0              | 455              |
|                                   |             | Corran Halls Gaelic Centre                                    | 0               | 109              | 19               | 0                | 86               | 0              | 214              |
|                                   |             | Dunoon Community Education Centre - CFCR                      | 0               | 77               | 0                | 0                | 0                | 0              | 77               |
|                                   |             | Gym Equipment - CFCR  | 0               | 191              | 0                | 0                | 0                | 0              | 191              |
|                                   |             | Kintyre Community Education Centre - Lift Shaft Refurbishment | 0               | 3                | 0                | 0                | 0                | 0              | 3                |
|                                   |             | Lochgilphead Community Ed Centre                              | 0               | 108              | 368              | 0                | 0                | 0              | 476              |
|                                   |             | Lochgilphead Library Relocation                               | 0               | 1                | 0                | 0                | 0                | 0              | 1                |
|                                   |             | Queen's Hall - Legionella Works                               | 0               | 25               | 0                | 0                | 0                | 0              | 25               |
|                                   |             | Riverside Leisure Centre - Health Suite Upgrade               | 0               | 86               | 140              | 0                | 0                | 0              | 226              |
|                                   |             | Riverside Leisure Centre - Spa Pool Upgrade                   | 0               | 2                | 0                | 0                | 0                | 0              | 2                |
|                                   |             | Rothesay Swimming Pool  | 0               | 31               | 24               | 65               | 0                | 0              | 120              |
|                                   |             | The Moat Centre   | 0               | 85               | 393              | 0                | 0                | 0              | 478              |
| Victoria Halls, Helensburgh       | 0           | 55  | 24              | 0                | 0                | 0                | 79               |                |                  |
| <b>Asset Sustainability Total</b> |             |   | <b>0</b>        | <b>1,133</b>     | <b>1,104</b>     | <b>169</b>       | <b>468</b>       | <b>0</b>       | <b>2,874</b>     |
| Service Development               | Live Argyll | Riverside Leisure Centre Refurbishment                        | 1,245           | 1                | 0                | 0                | 0                | 0              | 1,246            |
| <b>Service Development Total</b>  |             |   | <b>1,245</b>    | <b>1</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>       | <b>1,246</b>     |
| Strategic Change                  | Live Argyll | Carbon Management   | 29              | 0                | 21               | 0                | 0                | 0              | 50               |
| <b>Strategic Change Total</b>     |             |   | <b>29</b>       | <b>0</b>         | <b>21</b>        | <b>0</b>         | <b>0</b>         | <b>0</b>       | <b>50</b>        |
| <b>Overall Total</b>              |             |   | <b>1,274</b>    | <b>1,134</b>     | <b>1,125</b>     | <b>169</b>       | <b>468</b>       | <b>0</b>       | <b>4,170</b>     |

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**ANNUAL TREASURY REPORT 2023-24**

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**1. EXECUTIVE SUMMARY**

- 1.1 This report outlines the Council's Treasury Management position for 2023-24.
- 1.2 The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual review of treasury management activities and the actual prudential and treasury indicators and submit this to Council. The report at Appendix 1 meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.3 The key points to note from the annual report are:
- During 2023-24 the Council's External Borrowing decreased by £23.1m from £142.50m at 31 March 2023 to £119.4m at 31 March 2024. The decrease was due to the early repayment of long term PWLB debt in order to receive an early repayment discount.
  - The Capital Financing Requirement (excluding NPDO and Hub School commitments) was £187m this is £67m higher than the Council's external debt. This difference is due to the repayment of long term debt and slippage in the capital programme meaning there was only a minimal requirement to take new long term borrowing.
  - Investments at 31 March 2024 were £29.5m at an average rate of 5.190% compared to £73.8m at an average rate of 3.17% for 31 March 2023. During the year the Council used cash balances to repay some long term debt and internally fund its capital programme.
  - The average investment rate of 4.832% for 2023-24 was slightly lower than the comparable performance indicator SONIA rate of 4.96% during the period. The lower performance rate was due to investment returns lagging behind interest rate increases. The investments generated £3.5m of interest in 2023-24.
  - The Asset Management Fund was invested with Close Brothers and FADB. The return on the fund was £104,330.90 a rate of return of 5.04%.
  - Management of the debt portfolio resulted in an increase in the average interest rate of 0.51%.
- 1.4 This report meets the Code requirement for a treasury annual report.
- 1.5 The economic and interest rate commentary are provided by the Council's Treasury Advisors, Link Group to assist in the consideration of the Council's treasury performance.

**2. RECOMMENDATIONS**

- 2.1 It is recommended that the Council note and approve the Annual Treasury Report for 2023-24.

**3. IMPLICATIONS**

- 3.1 Policy – None  
3.2 Financial – Outlines the treasury management activities for the financial year 2023-24.  
3.3 Legal – None  
3.4 Human Resources – None  
3.5 Fairer Scotland Duty - None  
3.5.1 Equalities – None  
3.5.2 Socio-Economic Duty – None  
3.5.3 Islands Duty – None  
3.6 Climate Change - None  
3.7 Risk – None  
3.8 Customer Service – None  
3.9 The Rights of the Child UNCRC - None

**Kirsty Flanagan**  
**Executive Director/Section 95 Officer**  
**5 June 2024**

**Councillor Ross Moreland, Policy Lead for Finance and Commercial Services**

For further information please contact Anne Blue, Head of Financial Services  
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Appendix 1 – Annual Treasury Report 2023-24





**ANNUAL TREASURY  
REPORT**

**2023-24**

## 1. Introduction

This Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2023-24. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2023-24 the minimum reporting requirements were that the full Council, the Policy and Resources Committee should receive the following reports:

- an annual treasury strategy in advance of the year (Council: 23 February 2023) for the financial year 2023-24
- a mid-year (minimum) treasury update report (Policy and Resources Committee: 7 December 2023)
- an annual review following the end of the year describing the activity compared to the strategy (this report).

In addition, the Policy and Resources Committee received further update reports on 12 October 2023 and 15 February 2024.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council also confirms that it has complied with the requirement under the Code to give scrutiny to all of the above treasury management reports by the Policy and Resources Committee.

## 2. The Economy and Interest Rates

Link Group are the Council's Treasury Advisors and have provided commentary on the current economic position. The UK position is noted below and commentary on other countries is included within Appendix A.

### **UK Economy**

Against a backdrop of stubborn inflationary pressures, the Russian invasion of Ukraine, and war in the Middle East, UK interest rates have continued to be volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2023/24.

Markets have sought an end to central banks' on-going phase of keeping restrictive monetary policy in place on at least one occasion during 2023/24 but to date only the Swiss National Bank has cut rates and that was at the end of March 2024.

UK, EZ and US 10-year yields have all stayed stubbornly high throughout 2023/24. The table below provides a snapshot of the conundrum facing central banks: inflation is easing, albeit gradually, but labour markets remain very tight by historical comparisons, making it an issue of fine judgment as to when rates can be cut.

|                   | UK                         | Eurozone                  | US                    |
|-------------------|----------------------------|---------------------------|-----------------------|
| Bank Rate         | 5.25%                      | 4%                        | 5.25%-5.5%            |
| GDP               | -0.3%q/q Q4<br>(-0.2%/y/y) | +0.0%q/q Q4<br>(0.1%/y/y) | 2.0% Q1<br>Annualised |
| Inflation         | 3.4%/y/y (Feb)             | 2.4%/y/y (Mar)            | 3.2%/y/y (Feb)        |
| Unemployment Rate | 3.9% (Jan)                 | 6.4% (Feb)                | 3.9% (Feb)            |

The Bank of England sprung no surprises in their March meeting, leaving interest rates at 5.25% for the fifth time in a row and, despite no MPC members no longer voting to raise interest rates, it retained its relatively hawkish guidance. The Bank's communications suggest the MPC is gaining confidence that inflation will fall sustainably back to the 2.0% target. However, although the MPC noted that "the restrictive stance of monetary policy is weighing on activity in the real economy, is leading to a looser labour market and is bearing down on inflationary pressures", conversely it noted that key indicators of inflation persistence remain elevated and policy will be "restrictive for sufficiently long" and "restrictive for an extended period".

Of course, the UK economy has started to perform a little better in Q1 2024 but is still recovering from a shallow recession through the second half of 2023. Indeed, Q4 2023 saw negative GDP growth of -0.3% while y/y growth was also negative at -0.2%.

But it was a strange recession. Unemployment is currently sub 4%, against a backdrop of still over 900k of job vacancies, and annual wage inflation is running at above 5%. With gas and electricity price caps falling in April 2024, the CPI measure of inflation - which peaked at 11.1% in October 2022 - is now due to slide below the 2% target rate in April and to remain below that Bank of England benchmark for the next couple of years, according to Capital Economics. The Bank of England still needs some convincing on that score, but upcoming inflation and employment releases will settle that argument shortly. It is noted that core CPI was still a heady 4.5% in February and, ideally, needs to fall further.

Shoppers largely shrugged off the unusually wet weather in February, whilst rising real household incomes should support retail activity throughout 2024. Furthermore, the impact of higher interest rates on household interest payments is getting close to its peak, even though fixed rate mortgage rates on new loans have shifted up a little since falling close to 4.5% in early 2024.

From a fiscal perspective, the further cuts to national insurance tax (from April) announced in the March Budget will boost real household disposable income by 0.5 - 1.0%. After real household disposable income rose by 1.9% in 2023, Capital Economics forecast it will rise by 1.7% in 2024 and by 2.4% in 2025. These rises in real household disposable income, combined with the earlier fading of the drag from previous rises in interest rates, means GDP growth of 0.5% is envisaged in 2024 and 1.5% in 2025. The Bank of England is less optimistic than that, seeing growth struggling to get near 1% over the next two to three years.

As for equity markets, the FTSE 100 has risen to nearly 8,000 and is now only 1% below the all-time high it reached in February 2023. The modest rise in UK equities in February was driven

by strong performances in the cyclical industrials and consumer discretionary sectors, whilst communications and basic materials have fared poorly.

Despite its performance, the FTSE 100 is still lagging behind the S&P 500, which has been at an all-time high for several weeks.

### 3. Overall Treasury Position as at 31 March 2024

The table below sets out the Council's treasury position (excluding borrowing by PFI and finance leases) at the beginning and the end of 2023-24.

|                                     | 31 March<br>2023<br>Principal<br>£m | Rate/<br>Return | Average<br>Life yrs | 31 March<br>2024<br>Principal<br>£m | Rate/<br>Return | Average<br>Life yrs |
|-------------------------------------|-------------------------------------|-----------------|---------------------|-------------------------------------|-----------------|---------------------|
| <b>Total debt</b>                   | <b>143</b>                          | <b>4.27%</b>    | <b>26.02</b>        | <b>119</b>                          | <b>4.53%</b>    | <b>18.59</b>        |
| <b>CFR</b>                          | <b>180</b>                          |                 |                     | <b>187</b>                          |                 |                     |
| <b>Over / (under)<br/>borrowing</b> | <b>(37)</b>                         |                 |                     | <b>(68)</b>                         |                 |                     |
| <b>Total<br/>investments</b>        | <b>73.80</b>                        | <b>3.17%</b>    |                     | <b>29.5</b>                         | <b>5.19%</b>    |                     |
| <b>Net debt</b>                     | <b>69.2</b>                         |                 |                     | <b>89.5</b>                         |                 |                     |

The Council was under borrowed by £68m at 31 March 2024, the budgeted position for 2023-24 predicted a year end under borrowed position of £7m. The difference of £61m is due to the early repayment of long term debt during the year, slippage in the capital programme and minimal new borrowing was undertaken.

### 4. The Strategy for 2023-24

During 2023/24, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as although near-term investment rates were equal to, and sometimes higher than, long-term borrowing costs, the latter are expected to fall back through 2024 and 2025 as inflation concerns are dampened. The Council has sought to minimise the taking on of long-term borrowing at elevated levels (>4%) and has focused on a policy of internal and temporary borrowing, supplemented by short-dated borrowing (<5 years) as appropriate.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Treasury team therefore monitored interest rates in

financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:

- if it had been felt that there was a significant risk of a sharp FALL in long and short-term rates, (e.g., due to a marked increase of risks around a relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short-term rates than initially expected, perhaps arising from the stickiness of inflation in the major developed economies, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts initially suggested further gradual rises in short, medium and longer-term fixed borrowing rates during 2023/24. Bank Rate had initially been forecast to peak at 4.5% but it is now expected to have peaked at 5.25%.

By January it had become clear that inflation was moving down significantly from its 40-year double-digit highs, and the Bank of England signalled in March 2024 that the next move in Bank Rate would be down, so long as upcoming inflation and employment data underpinned that view. Currently the CPI measure of inflation stands at 3.4% but is expected to fall materially below 2% over the summer months and to stay there in 2025 and 2026. Nonetheless, there remains significant risks to that central forecast, mainly in the form of a very tight labour market putting upward pressure on wages, and continuing geo-political inflationary risks emanating from the prevailing Middle East crisis and the Russian invasion of Ukraine.

## 5. The Borrowing Requirement and Debt

The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

|                    | 31st March<br>2023<br>Actuals<br>£m | 31st March<br>2024<br>Budget<br>£m | 31st March<br>2024<br>Actuals<br>£m |
|--------------------|-------------------------------------|------------------------------------|-------------------------------------|
| CFR - General Fund | 292                                 | 297                                | 293                                 |
| Less NPDO          | 112                                 | 114                                | 106                                 |
| Net CFR            | 180                                 | 183                                | 187                                 |

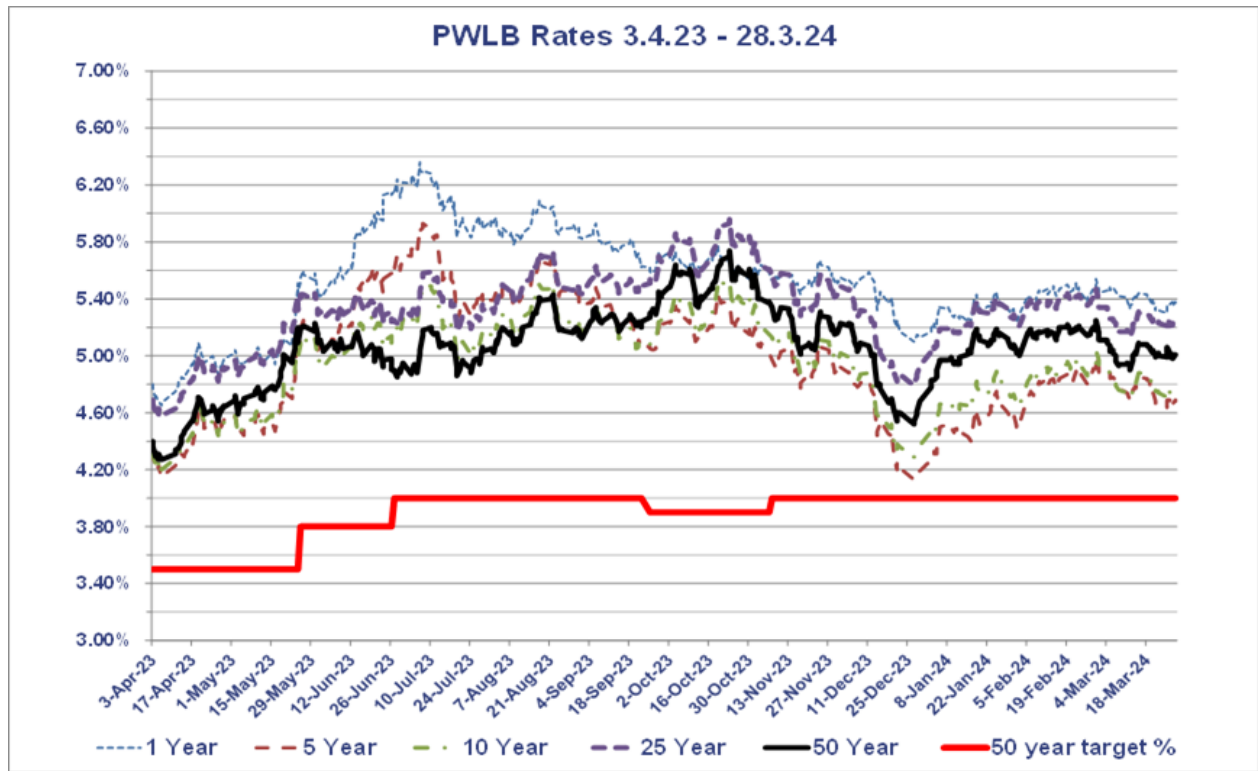
## 6. Borrowing Rates in 2023-24

**Public Works Loans Board (PWLB) certainty maturity borrowing rates**

The following commentary on PWLB rates during 2023-24 was provided by our treasury advisors, Link Group:

PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. Indeed, in recent years many bond yields up to 10 years in the Eurozone turned negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession.

However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the FOMC, ECB and Bank of England are all being challenged by levels of persistent inflation that are exacerbated by very tight labour markets and high wage increases relative to what central banks believe to be sustainable.



## 7. Borrowing Outturn for 2023-24

### Borrowing

Due to the early repayment of long term loans there was a requirement to take out one new long term loan during the year. A 12 month loan was also taken out just before year end for cash flow purposes.

| Lender | Principal     | Type                                 | Interest rate | Length of Loan |
|--------|---------------|--------------------------------------|---------------|----------------|
| PWLB   | 21,000,000.00 | Fixed Equal Instalments of Principal | 4.64%         | 12.5           |
| PWLB   | 5,000,000.00  | Fixed Maturity                       | 5.45%         | 1              |

**Repayments:** The Council repaid the following loans early in order to generate an early repayment discount of circa £1.2m and avoid imminent interest rate increases. Existing investment balances and the PWLB loan noted above were used to repay these loans.

| Lender                | Principal  | Type                 | Interest Rate |
|-----------------------|------------|----------------------|---------------|
| Barclays              | 10,000,000 | Market formerly LOBO | 4.48%         |
| Commerzbank           | 13,000,000 | LOBO                 | 4.49%         |
| Bayerische Landesbank | 21,000,000 | LOBO                 | 4.35%         |

**Summary of debt transactions:** Management of the debt portfolio resulted in an increase in the average interest rate of 0.51%. As can be seen from the tables above, long term LOBO loans have been repaid and replaced with long term PWLB borrowing.

## 8. Investment Outturn 2023-24

The Council's investment policy is governed by Scottish Government investment regulations which have been implemented in the annual investment strategy approved by the Council on 23 February 2023. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

The Council's treasury investment portfolio was £29.533m at 31 March 2024 compared to £73.826m at 31 March 2023. The composition of the investment portfolio is shown in the table below. The internally managed funds earned an average rate of return of 4.83%. The

comparable performance indicator is the SONIA (Sterling Overnight Index Average) rate, which was 4.96% (from 01-04-23 to 31-03-24). This generated £3.5m of interest in 2023-24.

| <b>TREASURY PORTFOLIO</b>         |                           |                 |                 |                 |                 |
|-----------------------------------|---------------------------|-----------------|-----------------|-----------------|-----------------|
|                                   |                           | <b>31.03.23</b> | <b>31.03.23</b> | <b>31.03.24</b> | <b>31.03.24</b> |
|                                   |                           | <b>£000</b>     | <b>%</b>        | <b>£000</b>     | <b>%</b>        |
| <b>Treasury investments</b>       |                           |                 |                 |                 |                 |
| Banks                             | Clydesdale Bank           | 1,976           | 3%              | 633             | 2%              |
|                                   | Totonto Dominion Bank     | 5,000           | 7%              | 0               | 0%              |
|                                   | First Abu Dhabi Bank      | 10,000          | 14%             | 10,000          | 34%             |
|                                   | National Bank of Kuwait   | 7,500           | 10%             | 7,500           | 25%             |
|                                   | Close Bros Bank           | 2,500           | 3%              | 0               | 0%              |
|                                   | ANZ                       | 5,000           | 7%              | 0               | 0%              |
|                                   |                           | <b>31,976</b>   | <b>43%</b>      | <b>18,133</b>   | <b>61%</b>      |
| Building Societies - unrated      |                           | <b>0</b>        | <b>0%</b>       | <b>0</b>        | <b>0%</b>       |
| Local Authorities                 | London Borough of Croydon | 5,000           | 7%              | 10,000          | 34%             |
|                                   | Spelthorn BC              | 5,000           | 7%              | 0               | 0%              |
|                                   | Thurrock BC               | 10,000          | 14%             | 0               | 0%              |
|                                   | Slough BC                 | 10,000          | 14%             | 0               | 0%              |
|                                   | Cambridgeshire CC         | 5,000           | 7%              | 0               | 0%              |
|                                   |                           | <b>35,000</b>   | <b>47%</b>      | <b>10,000</b>   | <b>34%</b>      |
| DMADF (H.M.Treasury)              |                           | <b>0</b>        | <b>0%</b>       | <b>0</b>        | <b>0%</b>       |
| Money Market Funds                | BNP                       | 6,850           | 9%              | 0               | 0%              |
|                                   | LGIM                      | 0               | 0%              | 1,400           | 5%              |
|                                   |                           | <b>6,850</b>    | <b>9%</b>       | <b>1,400</b>    | <b>5%</b>       |
| Certificates of Deposit           |                           | <b>0</b>        | <b>0%</b>       | <b>0</b>        | <b>0%</b>       |
| <b>Total Treasury Investments</b> |                           | <b>73,826</b>   | <b>100%</b>     | <b>29,533</b>   | <b>100%</b>     |

The Council invested the £2m Asset Management Fund in a deposit with Close Brothers and FADB during 2023-24. The return on the fund was £104,331 at a rate of return of 5.04%.

## 9. Prudential and Treasury Indicators

During 2023-24, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:



|                                | 2022/23<br>Actual<br>£000 | 2023/24<br>Original<br>£000 | 2023/24<br>Actual<br>£000 |
|--------------------------------|---------------------------|-----------------------------|---------------------------|
| Actual Net Capital Expenditure | 10,115                    | 48,621                      | 12,720                    |
| Capital Financing Requirement  | 291,782                   | 297,146                     | 293,111                   |
| Gross Borrowing                | 254,075                   | 290,242                     | 225,662                   |
| External Debt                  | 142,536                   | 176,154                     | 119,406                   |
| Investments (Under 1 year)     | 73,826                    | 70,000                      | 29,533                    |
| Net Borrowing                  | 68,710                    | 106,154                     | 89,873                    |

In line with the investment strategy, investments held with local authority counterparties were for up to two years. All other investments were for less than one year, again per the investment strategy.

In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2022-23) plus the estimates of any additional capital financing requirement for the current (2023-24) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2023-24.

|   | 2023/24<br>£m |
|---|---------------|
| Authorised Limit                                      | 380           |
| Maximum Gross Borrowing Position                      | 219           |
| Operational Boundary                                  | 372           |
| Average Gross Borrowing Position                      | 199           |
| Financing Costs as a proportion of net revenue stream | 4.54%         |

**The authorised limit** – this Council has kept within its authorised external borrowing limit as shown by the table above.

**The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

**Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

The maturity structure of the debt portfolio , as per the Treasury Management Strategy, was an upper limit of 30% on borrowing up to 5 years, 40% between 5 and 10 years and 100% of borrowing above 10 years. This is shown in the table below:

|                                | <b>31st March<br/>2024 Actual<br/>£'m</b> | <b>2023/24<br/>Original<br/>Limits<br/>£'m</b> | <b>31st March<br/>2023 Actual<br/>£'m</b> |
|--------------------------------|---|--|---|
| Under 12 months                | 12.0                                      | 50.6   | 10.4                                      |
| 12 months and within 24 months | 1.7                                       | 50.6   | 0.0                                       |
| 24 months and within 5 years   | 5.0                                       | 50.6   | 0.0                                       |
| 5 years and within 10 years    | 8.4                                       | 67.5   | 0.0                                       |
| 10 years and within 20 years   | 15.1                                      | 168.8  | 12.9                                      |
| 20 years and within 30 years   | 15.3                                      | 168.8  | 5.3                                       |
| 30 years and within 40 years   | 25.0                                      | 168.8  | 30.0                                      |
| 40 years and within 50 years   | 37.0                                      | 168.8  | 53.0                                      |
| 50 years +                     | 0.0                                       | 168.8  | 31.0                                      |
| <b>Total</b>                   | <b>119.4</b>                              |  | <b>142.6</b>                              |

## Appendix A

### Commentary from Link Group on the Economy and Interest Rates

**USA Economy** - Despite the markets willing the FOMC to cut rates as soon as June 2024, the continued resilience of the economy, married to sticky inflation, is providing a significant headwind to a change in monetary policy. Markets currently anticipate three rate cuts this calendar year, but two or less would not be out of the question. Currently, policy remains flexible but primarily data driven.

In addition, the Fed will want to shrink its swollen \$16 trillion balance sheet at some point. Just because the \$ is the world's foremost reserve currency (China owns over \$1 trillion) does not mean the US can continually run a budget deficit. The mix of stubborn inflation and significant treasury issuance is keeping treasury yields high. The 10 year stands at 4.4%.

As for inflation, it is currently a little above 3%. The market is not expecting a recession, but whether rates staying high for longer is conducive to a soft landing for the economy is uncertain, hence why the consensus is for rate cuts this year and into 2025...but how many and when?

**EZ Economy** - Although the Euro-zone inflation rate has fallen to 2.4%, the ECB will still be mindful that it has further work to do to dampen inflation expectations. However, with growth steadfastly in the slow lane (GDP flatlined in 2023), a June rate cut from the current 4% looks probable.

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**ARGYLL AND BUTE COUNCIL**
**COUNCIL****DEVELOPMENT AND ECONOMIC  
GROWTH****27 JUNE 2024**


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**STRATEGIC HOUSING FUND ANNUAL REPORT 2023-24**


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**1.0 EXECUTIVE SUMMARY**

1.1 In December 2004, Council decided to exercise its discretion to reduce the discount for council tax for second and long term empty homes across the whole council area from 50% to 10%. Subsequently, on 18 May 2006, the Strategic Policy Committee agreed that this revenue should be used flexibly, depending on local circumstances, for the establishment of:

- A Landbanking fund;
- An Empty Homes Strategy, and
- To promote additional investment in infrastructure capacity, where further development of affordable housing is otherwise constrained.

In line with Scottish Government guidance, which states that additional income arising from the reduced discount of council tax on second and holiday homes be retained locally by the local authority and used specifically for activity relating to the provision of affordable social housing or for activity in relation to bringing empty homes back into use, the Strategic Housing Fund (SHF) was created to allow for allocations in support of priority projects emerging from the Local Housing Strategy (LHS).

1.2 This report provides an annual update on the SHF income and expenditure position for 2023-24, the current balance on the SHF as at 31 March 2024 and all future commitments against this balance.

1.3 The closing balance as at 31 March 2024 on the SHF is outlined in the table below:

|   | <b>Opening Balance at<br/>1 April 2023<br/>£m</b> | <b>Income<br/>2023-24<br/>£m</b> | <b>Expenditure<br/>2023-24<br/>£m</b> | <b>Closing<br/>Balance at 31<br/>March 2024<br/>£m</b> |
|---|---|----------------------------------|---------------------------------------|--|
| Earmarked<br>Balance in<br>General Fund | 7.247   | 2.573                            | 1.057                                 | 8.763  |
| Useable Capital<br>Receipts<br>Reserve  | 2.935   | 0.145                            | 0.00                                  | 3.080  |
| <b>TOTAL</b>                            | <b>10.182</b>                                     | <b>2.718</b>                     | <b>1.057</b>                          | <b>11.843</b>  |

- 1.4 There are a number of outstanding commitments against the SHF balance, as at 31 March 2024, and these total £2.32m.
- 1.5 The uncommitted SHF balance as at 1 April 2024 is £9.523m. There are plans to fully utilise this balance over the 5 year period 2024 -29 to support the affordable housing development programme. The Strategic Housing Improvement Plan (SHIP) report that was approved by Council in November 2023 details plans for the delivery of 1,395 affordable houses which will require a commitment of £16.740m from the SHF.

1.6 RECOMMENDATIONS

It is recommended that the Council:

- (a) Note the report on income and expenditure for 2023-24 and the balance on the SHF as at 31 March 2024.
- (b) Note the estimated future income for SHF for 2023-24.

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ARGYLL AND BUTE COUNCIL

COUNCIL

DEVELOPMENT AND ECONOMIC  
GROWTH

27 JUNE 2024

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**STRATEGIC HOUSING FUND ANNUAL REPORT 2023-24**

---

**2.0 INTRODUCTION**

2.1 This report provides an annual update on the Strategic Housing Fund (SHF) income and expenditure position for 2023-24, the current balance on the SHF as at 31 March 2024 and all future commitments against this balance.

**3.0 RECOMMENDATIONS**

3.1 It is recommended that the Council:

(b) Note the report on income and expenditure for 2023-24 and the balance on the SHF as at 31 March 2024.

(b) Note the estimated future income for SHF for 2023-24.

**4.0 DETAIL**

4.1 In December 2004, Council decided to exercise its discretion to reduce the discount for council tax for second and holiday homes across the whole council area from 50% to 10%. Subsequently, on 18 May 2006, the Strategic Policy Committee agreed that this revenue should be used flexibly, depending on local circumstances, for the establishment of:

- A Landbanking fund;
- An Empty Homes Strategy, and
- To promote additional investment in infrastructure capacity, where further development of affordable housing is otherwise constrained.

In line with Scottish Government guidance, which states that additional income arising from the reduced discount of council tax on second and holiday homes be retained locally by the local authority and used specifically for activity relating to the provision of affordable social housing or for activity in relation to bringing empty homes back into use, the Strategic Housing Fund (SHF) was created to allow for allocations in support of priority projects emerging from the Local Housing Strategy (LHS).

4.2 In September 2007, a further report went to Council to formally agree the arrangements for the operation of the SHF. The following items of expenditure were deemed appropriate and agreed:

- Expenditure incurred in relation to assets formally held on the Housing Revenue Account;
  - Expenditure relating to the acquisition of land for the landbank;
  - Expenditure related to the purchase of homes under the empty homes initiative;
  - Payments to enhance infrastructure where this is restricting the development of affordable housing, and
  - Payments to registered social landlords (RSLs) to partially fund proposed projects to deliver houses in accordance with the local housing strategy.
- 4.3 The introduction of the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012 provided enabling powers for further regulations to modify council tax discounts. The new legislation defined new categories of unoccupied properties which differed from the previous categories, and provided new discretions for charging council tax on these new categories. The new regulations allowed the council to determine that, instead of a reduced discount of a minimum of 10%, no discount, or an increase in council tax of up to 100% may apply.
- 4.4 In 2016 The Scottish Government announced its intention to introduce legislation to allow councils to end the Council Tax discount for second homes from April 2017 in “A Plan for Scotland: The Government’s Programme for Scotland 2016-17”. Legislation brought this into effect from 1 April 2017 and the Policy & Resources Committee at its meeting on 27 October 2016 agreed that the Council should exercise its discretion under regulation 4 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 to vary the council tax charge on second homes such that no discount applies across the whole of the council area with effect from 1 April 2017.
- 4.5 The Council also exercised their discretion to increase the council tax charge on empty properties, where the dwelling has been unoccupied for over 12 months, by 100% across the whole council area with effect 1 April 2014 however this additional income is not ring-fenced to the SHF.
- 4.6 There are currently two elements to the SHF balance:

#### **Earmarked Balance in General Fund Reserve**

Income collected from council tax on second homes which can only be used for investment in affordable, sufficient and suitable housing. The current balance in this reserve represents income from council tax collections from previous financial years. Each year the actual income collected is transferred into this earmarked balance and is, on projected to be c. £2.573m.

#### **Useable Capital Receipts Reserve**

This relates to the accumulated unspent capital receipts from the sale of council houses prior to the transfer of the housing stock. Any sale of residual HRA property or land is transferred to this reserve when the capital receipts are received.



- 4.7 The closing balance as at 31 March 2024 on the SHF is outlined in the table below:

|   | Opening Balance at<br>1 April 2023<br>£m | Income<br>2023-24<br>£m | Expenditure<br>2023-24<br>£m | Closing<br>Balance<br>at 31<br>March<br>2024<br>£m |
|---|--|-------------------------|------------------------------|--|
| Earmarked<br>Balance in<br>General Fund | 7.247                                    | 2.573                   | 1.057                        | 8.763  |
| Useable Capital<br>Receipts<br>Reserve  | 2.935                                    | 0.145                   | 0.00                         | 3.080  |
| <b>TOTAL</b>                            | <b>10.182</b>                            | <b>2.718</b>            | <b>1.057</b>                 | <b>11.843</b>                                      |

- 4.8 Further detail of the income and expenditure for 2023-24 is included as Appendix 1.
- 4.9 There are a number of outstanding commitments against the SHF. There is usually a delay between grants being approved and the monies being released. Included as Appendix 3 is a list of these outstanding commitments, these funds were not released prior to 31 March 2024.
- 4.10 The table below sets out the uncommitted balance on the fund as at 31 March 2024.

|                            | £m           |
|----------------------------|--------------|
| Balance at 31/03/2024      | 11.843       |
| Commitments re Appendix 3  | 2.32         |
| <b>Uncommitted Balance</b> | <b>9.523</b> |

- 4.11 The uncommitted SHF balance as at 1 April 2024 is £9.523m. There are plans to fully utilise this balance over the 5 year period 2024-29 to support the affordable housing development programme. The Strategic Housing Investment Plan (SHIP), that was approved by Council in November 2023 details programming for the delivery of 1,395 affordable houses which will require a commitment of £16.740m from the SHF. The table below outlines the estimated income and expenditure profile of the earmarked balance within the General Fund over the next five years. However, it is important to note that this is a best case delivery programming estimate based on the SHIP. There is considerable risk in terms of the likely SHIP delivery timetable, and as a result, there is a high likelihood of considerably more flexibility within the SHF projected expenditure. This will be monitored closely to allow for efficient use of any SHF underspend.

|                                  | 2024-25<br>£m | 2025-26<br>£m | 2026-27<br>£m | 2027-28<br>£m | 2028-29<br>£m |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Opening Balance</b>           | 8.763         | 7.578         | 6.955         | 4.314         | 2.486         |
| Estimated Income 2nd Homes       | 2.573         | 2.573         | 2.573         | 2.573         | 2.573         |
| <b>Expenditure</b>               |               |               |               |               |               |
| SHIP Profile                     | 0.972         | 2.724         | 4.728         | 3.900         | 4.416         |
| Outstanding Commitments          | 2.328         | 0.000         | 0.000         | 0.000         | 0.000         |
| Staffing Contribution            | 0.458         | 0.472         | 0.486         | 0.501         | 0.516         |
| <b>Estimated Closing Balance</b> | <b>7.578</b>  | <b>6.955</b>  | <b>4.314</b>  | <b>2.486</b>  | <b>0.127</b>  |

4.12 It is important to clarify, that, as of 1<sup>st</sup> April 2024, the Council has introduced a 200% Council Tax charge for Second Homes, but this additional income is not included in this report and will not contribute to the Strategic Housing Fund. Instead, it will be held in the Council's General Fund.

4.13 In addition to the above, the council has used reserves to advance loans to RSLs in line with the approach agreed in August 2013. Details of the loans advanced and balances outstanding at 31 March 2024 are set out below:

| RSL                    | Scheme Name                     | Amount Committed £m | Amount Advanced £m | Rate of Interest % | Repayment Period (Years) | Amount o/s 31/03/20 £m |
|------------------------|---------------------------------|---------------------|--------------------|--------------------|--------------------------|------------------------|
| FYNE                   | 6000 - Rothesay Court House     | 1.900               | 1.900              | 1.93               | 9                        | 0.000                  |
| ACHA                   | 6005 - Glenshellach             | 2.305               | 2.305              | 4.45               | 25                       | 1.671                  |
| ACHA                   | 6010 - Bonawe                   | 0.123               | 0.123              | 4.43               | 25                       | 0.091                  |
| ACHA                   | 6015 - Hood Court               | 0.603               | 0.603              | 4.43               | 25                       | 0.452                  |
| FYNE                   | 6020 - St Cuthberts             | 0.201               | 0.201              | 3.14               | 25                       | 0.000                  |
| WHA                    | 6025 - Imeraval                 | 0.955               | 0.955              | 2.85               | 25                       | 0.776                  |
| The Port Ellen Station | 6030- Port Ellen Police Station | 0.080               | 0.080              | 2.12               | 10                       | 0.034                  |
| <b>Total</b>           |                                 | <b>6.168</b>        | <b>6.168</b>       | <b>0.000</b>       | <b>0.000</b>             | <b>3.024</b>           |

## **5.0 CONCLUSION**

- 5.1 The SHF makes a significant contribution to the new affordable housing development programme in Argyll and Bute. The closing balance on the fund at 31 March 2024 was £11.843m with future outstanding commitments of £2.32m, leaving an uncommitted balance of £9.523m to further support the affordable housing development programme as set out in the Strategic Housing Improvement Plan (SHIP) report November 2023. The SHIP details plans for the delivery of 1,395 affordable houses which will require a commitment of £16.740m from the SHF.

## **6.0 IMPLICATIONS**

- 6.1 Policy: None.
- 6.2 Financial: None, SHF will continue to be administered in line with approved policy.
- 6.3 Legal: None.
- 6.4 HR: None.
- 6.5. Fairer Scotland Duty: None (Dealt with via LHS & SHIP).
- 6.5.1 Equalities: None (Dealt with via LHS & SHIP).,
- 6.5.2 Socio-Economic Duty: None (Dealt with via LHS & SHIP).
- 6.5.3 Islands Duty: None (Dealt with via LHS & SHIP).
- 6.6 Climate Change: None
- 6.7 Risk: None
- 6.8 Customer Service: None
- 6.9 The Rights of the Child (UNCRC): None

**Kirsty Flanagan, Executive Director / Section 95 Officer**

**Councillor Ross Moreland – Policy Lead for Finance and Commercial Services**

**27 June 2024**

## **APPENDICES**

- Appendix 1: SHF Income and Expenditure 2023/24
- Appendix 2: Usable Capital Receipts
- Appendix 3: Outstanding SHF Commitments

## APPENDIX 1

SHF Opening Balance 2023-24 - £7,247,496.21

## 2023-24 INCOME

Income from Council Tax on Second Homes - £2,573,067.31

## 2023-24 EXPENDITURE

| RSL  | Scheme                               | £            | £                   |
|--|--------------------------------------|--------------|---------------------|
| ACHA   | Travelling Persons Site              | 37,644.00    |                     |
| ACHA   | Eton Avenue, Dunoon                  | 48,000.00    |                     |
| <b>Total ACHA</b>                              |                                      |              | 85,644.00           |
|  |                                      |              |                     |
| Isle of Gigha Housing Trust                    | Ardminish Housing Development        | 99,048.40    |                     |
| <b>Total Isle of Gigha Housing Trust</b>       |                                      |              | 99,048.40           |
|  |                                      |              |                     |
| West Highland Housing Association              | Imeraval, Islay Phase 4              | 240,000.00   |                     |
| West Highland Housing Association              | North of Bealach-na-mara, Port Appin | 72,000.00    |                     |
| <b>Total West Highland Housing Association</b> |                                      |              | 312,000.00          |
|  |                                      | <b>TOTAL</b> | <b>496,692.40</b>   |
| <b>Other Spend</b>                             |                                      |              |                     |
| Empty Homes Grants                             |                                      | 10,111.56    |                     |
| Housing OT Post                                |                                      | 72,347.19    |                     |
| ABC Strategic Housing Staff                    |                                      | 439,332.53   |                     |
| Other  |                                      | 38,821.32    |                     |
| <b>Total Expenditure</b>                       |                                      |              | <b>1,057,305.00</b> |
| <b>SHF Closing Balance 2023-24</b>             |                                      |              | <b>8,763,258.52</b> |

## APPENDIX 2

**Strategic Housing Fund (SHF) 2023-24****Usable Capital Receipts (UCR)**

|   |   |                              |
|---|---|------------------------------|
|   | £ | £                            |
| <b><u>UCR Opening Balance 2023-24</u></b> |   | <b>2,934,846</b>             |
| <b><u>2023-24 INCOME</u></b>              |   |                              |
| HRA Revenue Interest on UCR Reserve       | 0 | <b>144,949</b>               |
| Disposal Receipts former HRA Property     | 0 | <b>0</b>                     |
|   |   | <hr/> <b>144,949</b>         |
| <b><u>UCR Closing Balance 2023-24</u></b> |   | <hr/> <b>3,079,795</b> <hr/> |

**APPENDIX 3**  
**Outstanding Strategic Housing Fund Commitments**

| RSL                                    | Scheme   | Grant Approved   | Total Drawn Down as at 31/03/24 | Commitment Remaining |
|--|--|------------------|---------------------------------|----------------------|
|  |  | £                | £                               | £                    |
| ABC                                    | Council Serviced Tenancies (SHQS)                                | 572,000          | 57,623                          | 514,377              |
| ABC                                    | Furnace Coastal Protection                                       | 69,000           | 57,784                          | 11,216               |
| ABC                                    | Site Investigations (6 sites, Coll, Tiree, Islay & Helensburgh)  | 22,000           |                                 | 22,000               |
| ABC                                    | Tobermory Worker Accommodation                                   | 250,000          | 0                               | 250,000              |
| ACHA                                   | Off the Shelf - St Oran's Place, Connel & Heatherbank, Cairnbann | 60,000           | 40,000                          | 20,000               |
| ACHA                                   | Connel   | 200,000          | 0                               | 200,000              |
| WHHA                                   | Port Mor   | 25,000           |                                 | 25,000               |
|  | Empty Homes  | 62,420           | 40,476                          | 21944                |
|  | Staff Costs  | 458,350          |                                 | 458,350              |
| Colonsay Community Development Company | Loan for Housing at Scalasaig Colonsay                           | 445,000          | 0                               | 445,000              |
| Colonsay Community Development Company | Grant for Housing at Scalasaig Colonsay                          | 100,000          | 0                               | 100,000              |
| 51437757200HSCP                        | Coll and Tiree   | 260,000          | 0                               | 260,000              |
| <b>TOTAL</b>                           |  | <b>2,523,770</b> | <b>195,883</b>                  | <b>2,327,887</b>     |

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**ARGYLL AND BUTE COUNCIL****COUNCIL****FINANCIAL SERVICES****27 JUNE 2024**

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**BUDGET APPROACH**

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**1. INTRODUCTION**

- 1.1 The purpose of this report is to agree a proposed approach to the budget setting process for 2025-26 which includes the formation of a Budget Working Group and to outline a draft high level budget timetable.

**2. RECOMMENDATIONS**

- 2.1 It is recommended that Council agree:
- a) The approach to the 2025-26 budget as outlined within this report.
  - b) The creation of a Budget Working Group comprising of six Members from the administration, three non-administration Members and two Trade Union representatives.

**3. DETAIL****3.1 Budget Outlook**

- 3.1.1 The latest budget outlook was reported to the Policy and Resources Committee on 9 May 2024. The estimated gap for 2025-26 in the mid-range scenario is £8.315m in 2025-26 rising to £23.849m by 2029-30. The estimated budget gap is calculated using a number of assumptions and I consider there to be three areas where a change to the assumptions could have the biggest impact on the estimates:
- Scottish Government Grant – within the mid-range scenario, a 0.5% decrease has been assumed which is similar to the reduction in 2024-25. Every 1% change is circa £1.4m.
  - Council Tax – within the mid-range scenario, a 5% increase has been assumed on the basis that the majority of Councils increased their Council Tax by at least 5% in 2023-24 prior to the freeze in 2024-25. This is an officer assumption, as this is a matter for Council to agree. Every 1% change is circa £600k.
  - Pay Award – within the mid-range scenario, a 2% increase has been assumed. Every 1% change is circa £1.7m.
- 3.1.2 The outcome of the 2024-25 pay award negotiations are being closely monitored as these could impact on the budget agreed for 2024-25 and therefore increase the base budget for 2025-26. The current pay offer, that was rejected by the Trade Unions, would add on a recurring pressure of circa £1.4m over and above what is budgeted.
- 3.1.3 It has to be recognised that the budget outlook is extremely challenging and difficult decisions will be required in order to balance the budget.

### **3.2 Budget Working Group (BWG)**

- 3.2.1 As part of the budget setting process, the last four years have seen the creation of a cross party Budget Working Group (BWG) comprising of six Members from the administration, three non-administration Members and two Trade Union representatives.
- 3.2.2 The BWG previously did not have any decision making powers, it was more a group that engaged with officers on developing budget options and could report and make recommendations to Council.
- 3.2.3 Given the significant budget gap and the positive comments received about the role of previous BWGs, it is recommended that a BWG is established not just for 2025-26 but as a permanent group that continues year on year supporting the budget process.

### **3.3 Identification of Options to Balance the Budget**

- 3.3.1 As previously noted, the budget outlook is extremely challenging and this is made more so by the ring-fenced and directed spend by Scottish Government resulting in the budget where the Council is able to exercise any control being a lot smaller. It is hoped that the Verity House agreement may bring opportunities for the un-ring-fencing of some areas of budget.
- 3.3.2 The default position, when identifying options to balance the budget, should be that any options are recurring in nature. Whilst there are likely to be some one-off savings Members are reminded that agreeing one-off savings simply delays the budget gap by one year.
- 3.3.3 There are four types of options that officers have started working on and the approach is to identify options that are spread over more than one year with the aim of being able to set multi-year budgets in the future. The one-year settlements from Scottish Government do not help with that ambition but we certainly should be able to consider options beyond one year so that the budget process is a continuing process rather than an annual process.
- 3.3.4 The four types of options officers are considering are:
1. Generation of additional income
  2. Spend-to-save opportunities
  3. Review of earmarked reserves (will provide one-off opportunities)
  4. Service reductions or changes to how services are delivered.
- 3.3.5 Generation of additional income: there are four main areas to consider for income generation:
- Increase to Council Tax – as noted earlier in this report, this is a matter for Council to agree, however, it should be noted that some Councils have already indicated that due to the Council Tax freeze in 2024-25 they are likely to increase Council Tax more significantly in 2025-26, some citing 10% as an option. Within the mid-range budget outlook, 5%



has been assumed, raising Council Tax by 10% would generate a further £3m of income and this would be recurring.

- Increase to Fees and Charges/Introduction of new Fees and Charges – within the mid-range budget outlook, a 6% increase has been assumed and with the reducing level of inflation, there may not be scope to increase the general rate of increase. However, our fees and charges should be benchmarked against other authorities to identify any areas of Council business we don't charge for where others do or where our fees and charges are less than others. This may provide some opportunities that would be recurring. It should be noted, however, that fees and charges are a small part of overall income, a 1% general increase in fees and charges amounts to around £60k.
- New commercial income – officers are always giving consideration as to where we can be more commercial and raise income. The full business case for Oban Business Park is being developed with opportunities for commercial income and Helensburgh Business Park is also coming to a conclusion. Raising commercial income is not easy and for Oban Business Park we are relying on TIF income and Levelling Up funding in order to make this a viable business proposition. Officers are also giving consideration as to opportunities for commercial income in respect of renewables.
- Introduction of Visitor Levy – Stage 3 of the visitor levy Bill has now gone through Scottish Parliament and we await further guidance and Royal Assent. Officers will bring forward a report to the September Council and if Council are minded to agree to introduce a visitor levy, the process of consultation and lead in time (as prescribed by Scottish Government) will mean that additional income will not be achieved until financial year 2026-27.

3.3.6 Spend-to-Save opportunities – the Council at the budget meeting on 22 February 2024 set aside savings from the temporary reduction in Strathclyde Pension Fund contributions to be used towards spend-to-save opportunities and transformation. There is £2m within this fund and officers will give consideration to how this could be best utilised, for example, previously funding has been used towards energy efficiency measures to reduce the level of utility costs in the future. Proposals will be brought forward as they are developed.

3.3.7 Review of earmarked reserves – officers have been reviewing all the earmarked reserves held within the General Fund challenging if they are still required and whether they could be released back to the General Fund for other purposes. It is intended that we will report the outcome of this exercise at the September Council meeting and some or all of any earmarkings that can be released could be used to help with the 2025-26 budget. This would only provide a one-off saving and as noted previously it is always better to identify recurring savings options to ensure the budget going forward remains sustainable.

3.3.8 Service reductions or changes to how services are delivered – there will inevitably have to be savings within services in order to balance the budget for next year and beyond. Senior Management have been considering each

service activity and have applied a savings target, where appropriate, to service activities relevant to the size of the service and whether the service is statutory or non-statutory. Officers will be asked to identify savings equal to this target over the summer with the intention that they will be reported to the Budget Working Group in the first instance.

Roads and Infrastructure Services are also part way through a thorough review of all service areas. Stage 1 of the process has concluded and we are moving onto Stage 2 to test the outputs from Stage 1 and then Stage 3 and 4 to develop a refined target operating model and a series of options to transform the service. Savings of £200,000 were agreed for 2024-25 and it is anticipated the further savings will be available for 2025-26 and in future years.

We have commenced the procurement process to appoint external support for a review of all Education service areas, in a similar way to the Roads and Infrastructure Services review. It is anticipated that a nominal amount of savings could be delivered in 2025-26 with further savings in future years.

- 3.3.9 Officers are mindful that the new Administration intends to bring forward a refreshed set of Council priorities after the summer and this may provide opportunities to streamline services to focus on the Council priorities.

### **3.4 Budget Consultation**

- 3.4.1 The Council has consulted on its budget in many different ways over the last number of years. Some consultations were high level, some were based on a general set of questions and some consulted on individual savings options. For the 2024-25 budget, a budget simulator was used that allowed the public to engage with the Council and understand potential implications of budget decisions at a high level.

- 3.4.2 Whilst the engagement on the budget simulator was disappointing, it was noted that more people started the budget simulator than finished it, quite possibly as it was too hard to get to a balanced position. There is a possibility that we could use the budget simulator again but focus on a particular service. Officers will consider options for the budget consultation for 2025-26 and bring a report to the Budget Working Group in the first instance.

### **3.5 Budget High Level Timetable**

- 3.5.1 Appendix 1 to this report sets out a draft budget timetable with some key dates highlighted in the table below. It should be noted that these timescales are indicative and assumes the Scottish Government will announce its draft budget in December. It is unclear, at this stage, as to whether the General Election and the appointment of a new Government could delay any budget announcements.

**Table 1: Key Dates**

| <b>Date</b>                     | <b>Event</b>                            | <b>Purpose</b>   |
|---------------------------------|---|--|
| 15 August 2024                  | Policy and Resources Committee          | Updated Budget Outlook.  |
| August 2024 (date tbc)          | Budget Working Group                    | First Budget Working Group meeting to consider latest budget outlook position and options identified to date.<br>Initial suggestions for budget consultation to be considered. |
| Mid December 2024 (estimated)   | Scottish Government Budget Announcement |  |
| Week beginning 16 December 2024 | Budget Working Group                    | Update following SG Budget Announcement.   |
| Prior to Christmas Break        | Briefing to All Members                 | Briefing issued to all Members summarising the impact the Scottish Government Settlement has on the budget.  |
| 6 February 2025                 | Budget Pack published                   | Budget pack included in release of Policy and Resources Committee papers.  |
| 20 February 2025                | Council                                 | Set budget and set level of Council Tax for 2025-26.   |

#### **4. CONCLUSION**

- 4.1 Officers continue to monitor the budget outlook position regularly and report updates to Members at each Policy and Resources Committee. The budget outlook is extremely challenging and difficult decisions will be required in order to balance the budget.
- 4.2 This report outlines an approach to the budget for 2025-26 and beyond and recommends that a Budget Working Group is established similar to previous years.
- 4.3 A draft high level budget timetable has been developed and is outlined in Appendix 1.

#### **5. IMPLICATIONS**

- 5.1 Policy – sets out that budget approach that will develop options to be considered to balance the budget.
- 5.2 Financial – Sets out the budget position as reported in the budget outlook.

- 5.3 Legal – None directly from this report but the Council will need to balance the budget.
- 5.4 HR – None directly from this report but there is a strong link between HR and budgets.
- 5.5 Fairer Scotland Duty:
  - 5.5.1 Equalities – None directly from this report but any proposals to address the estimated budget gap will need to consider equality issues.
  - 5.5.2 Socio Economic Duty - None directly from this report but any proposals to address the estimated budget gap will need to consider socio economic issues.
  - 5.5.3 Islands Duty - None directly from this report but any proposals to address the estimated budget gap will need to consider any island specific issues.
- 5.6 Climate Change – The Council is committed to addressing climate change and reviews how Services are delivering this on an ongoing basis within the available budget resources.
- 5.7 Risk - None directly from this report but any proposals to address the estimated budget gap will need to consider risk.
- 5.8 Customer Service - None directly from this report but any proposals to address the estimated budget gap will need to consider customer service.
- 5.9 The Rights of the Child (UNCRC) – None directly from this report but any proposals to address the estimated budget gap will need to consider the Rights of the Child.

**Kirsty Flanagan, Executive Director/Section 95 Officer**

**Councillor Ross Moreland: Policy Lead for Finance and Commercial Services**

**10 June 2024**

**APPENDICES:**

Appendix 1 – 2025-26 Draft Budget Timetable

For further information contact:

Anne Blue, Head of Financial Services  
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**APPENDIX 1  
2025-26 DRAFT BUDGET TIMETABLE**

| <b>Date</b>                         | <b>Event</b>   | <b>Purpose</b>  |
|-------------------------------------|--|---|
| 27 June 2024                        | Council  | Budget Approach agreed and Budget Working Group established.  |
| 15 August 2024                      | Policy and Resources Committee   | Updated Budget Outlook.   |
| August 2024 (date tbc)              | Budget Working Group   | First Budget Working Group meeting to consider latest budget outlook position and options identified to date. Initial suggestions for budget consultation to be considered.   |
| September 2024 (date tbc)           | Budget Working Group   | Updated budget gap and further information on emerging options.   |
| 10 October 2024                     | Policy and Resources Committee   | Updated Budget Outlook and identification of options referred from the Budget Working Group. Agree Budget Consultation exercise.  |
| Post Policy and Resources Committee | Employee statutory consultation/Trade Union Consultation where/if required.<br><br>Budget Consultation opens | Where/if required employee statutory consultation period begins for those at risk of redundancy and also consultation with Trade Unions.<br><br>Budget consultation opens for a period of ??weeks (still be to determined). |
| November 2024 (date tbc)            | Budget Working Group   | Updated budget gap and further information on emerging options.   |
| 5 December 2024                     | Policy and Resources Committee   | Updated Budget Outlook and identification of options referred from the Budget Working Group.  |
| Post Policy and Resources Committee | Employee statutory consultation/Trade Union Consultation where/if required.                                  | Where/if required employee statutory consultation period begins for those at risk of redundancy and also consultation with Trade Unions.  |
| Mid December 2024 (estimated)       | Scottish Government Budget Announcement  |   |
| Week beginning 16 December 2024     | Budget Working Group   | Update following SG Budget Announcement.  |
| Prior to Christmas Break            | Briefing to All Members  | Briefing issued to all Members summarising the impact the   |

| Date                           | Event                          | Purpose  |
|--------------------------------|--------------------------------|--|
|                                |                                | Scottish Government Settlement has on the budget.                                    |
| Week beginning 13 January 2025 | Budget Working Group           | Update on options to balance the budget.<br>Output from Budget Consultation exercise |
| End of January 2025            | Elected Members Seminar        | Budget 2025-26 Update.   |
| 6 February 2025                | Budget Pack published          | Budget pack included in release of Policy and Resources Committee papers.            |
| 13 February 2025               | Policy and Resources Committee | Consider budget proposals and make recommendations to Council.                       |
| Mid February 2025              | EJCC                           | Budget 2025-26 Update.   |
| 20 February 2025               | Council                        | Set budget and set level of Council Tax for 2025-26.                                 |

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**ARGYLL AND BUTE COUNCIL****COUNCIL****DEVELOPMENT AND ECONOMIC GROWTH****27 JUNE 2024**

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**ARGYLL AND BUTE LOCAL DEVELOPMENT PLAN 2: ACTION PROGRAMME**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 It is a statutory requirement that Local Development Plan 2 (LDP2), adopted 28<sup>th</sup> Feb 2024, be accompanied by an Action Programme. This sets out how the planning authority proposes to implement LDP2. It is required to set out a list of actions required to deliver each of the plan's policies and proposals, including allocations and potential development areas. The Action Programme also sets out who is responsible for delivery and a timeframe for this. It is a key tool in instigating action and co-ordinating the activity of a range of agencies and organisations.
- 1.2 A Draft Action Programme was produced in parallel with and reflecting the content of the Proposed LDP2. It was published alongside Proposed LDP2 and submitted to the Scottish Ministers as part of the LDP2 Examination Process. The proposed Action Programme (Appendix 1) has now been updated to take into account comments received from the Key Agencies and Scottish Ministers during consultation, to reflect the outcome of the Examination process and to take into consideration National Planning Framework 4.
- 1.3 The Action Programme requires to be adopted by the planning authority and published with 2 copies sent to the Scottish Ministers, copies in local libraries and on Council's website.
- 1.4 This Action Programme requires to be monitored and updated every 2 years. The Planning (Scotland) Act 2019 and associated regulations and guidance have changed the process for updating and preparing Action Programmes. These will apply to subsequent Action Programmes, which will be renamed Delivery Programme and will be one of the duties of the Head of the Planning Authority's paid service.

**RECOMMENDATIONS**

It is recommended that Members:

- i. note and consider the content of this paper and the draft Local Development Plan 2 Action Programme (Appendix 1);

- ii. agree to adopt and publish the Local Development Plan 2 Action Programme.



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ARGYLL AND BUTE COUNCIL  
DEVELOPMENT AND ECONOMIC GROWTH

COUNCIL  
27 JUNE 2024

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## ARGYLL AND BUTE LOCAL DEVELOPMENT PLAN 2: ACTION PROGRAMME

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### 2.0 INTRODUCTION

- 2.1 The Development Plan promotes and manages development across the planning authority area of Argyll and Bute. It consists of Adopted Local Development Plan 2 (LDP2), which was adopted 28<sup>th</sup> Feb 2024 and National Planning Framework 4. Planning decisions must be made in accordance with the development plan unless material considerations indicate otherwise.
- 2.2 There is a statutory requirement that LDP2 is accompanied by an *Action Programme*, which sets out how the planning authority proposes to implement LDP2. The Action Programme contains a list of actions required to deliver each of the plan's policies and proposals. The Action Programme proposed for Adoption by the Council is contained in Appendix 1 of this report.

### 3.0 RECOMMENDATIONS

- 3.1 It is recommended that Members:
- i. note and consider the content of this paper and the proposed Local Development Plan 2 Action Programme (Appendix 1);
  - ii. agree to adopt and publish the Local Development Plan 2 Action Programme.

### 4.0 DETAIL

- 4.1 Action Programmes are an integral element of the development plan process and set out how the planning authority and other key stakeholders propose to implement the Local Development Plan. The LDP2 Action Programme should be used as a key tool in instigating action and co-ordinating the activity of a range of agencies and organisations, including within the Council, to enable delivery of development. It includes information to assist with the delivery of key

infrastructure, allocations, potential development areas, other LDP2 proposals and policies. LDP2 Action Programme main roles are:

- Promotional – highlighting the development opportunities throughout Argyll and Bute.
- Delivery – sets out the actions required to enable delivery of the sites, policies and proposals of LDP2, including housing sites. Sets out who is responsible for these actions and a broad time frame of when they are anticipated.
- Co-ordination – agencies, organisations, developers and landowners are enabled to co-ordinate their actions in order to deliver the identified development opportunities.
- Investment - helps prioritise funding and inform the investment plans of a range of infrastructure providers.
- Development Management – constitutes the implementation document that sits alongside Local Development Plan 2. It acts as a *material consideration* in the determination of planning applications.

- 4.2 The draft Action Programme preparation involved consultation with the Key Agencies. The draft Action Programme was published alongside the Proposed Local Development Plan 2 during the 2019 consultation following full Council [meeting on 26/09/2019](#). There was no statutory requirement for public consultation. The draft Action Programme was also submitted to the Scottish Ministers as part of the LDP2 Examination process.
- 4.3 The Town and Country Planning (Scotland) Act 1997 (as amended) and associated regulations require that the Action Programme be adopted by the planning authority to support the Local Development Plan. Publication requirements involve sending 2 copies to the Scottish Ministers, placing copies in all public libraries in the planning authority area and electronic publication on the Council website.
- 4.4 Since the initial draft Action Programme was published it has been updated to take into account comments received from the Key Agencies and Scottish Ministers during consultation. There were also matters that needed amendment to reflect the outcome of the Examination process, for example introduction of new sites or further information on development actions. The draft Action Programme has also had some minor adjustments to take into consideration and better align with National Planning Framework 4, including identified national priorities and the infrastructure first approach.
- 4.5 An important element is enabling the delivery of allocated sites (including housing) and potential development areas that are identified in LDP2. The Action Programme contains Mini Development Briefs setting out the actions required to deliver the site, timeframe and those responsible for delivery. They also identify the use or range of uses considered appropriate, the constraints that need to be resolved and those policies which require to be taken into account. These have been supplemented by expanded site development

briefs with maps and additional detail. These have been prepared for housing allocations and some potential development areas that do not benefit from either a masterplan or extant planning application covering the whole site.

- 4.6 The Action Programme also provides details for the Areas for Action (AFAs), which are the focus for partnership or community action. These are areas that require actions to take forward regeneration and environmental enhancement activities which support the delivery of the spatial strategy and objectives in LDP2. This information assists with integration of actions identified in other programmes and strategies such as the Rural Growth Deal and the Economic Strategy. Area remits for these AFAs are shown in the Action Programme. These may be further developed outwith the Action Programme process and in conjunction with internal and external partners. These area remits may include investment and funding packages, land assembly and asset management programmes, development and redevelopment proposals, infrastructure provision and environmental enhancement proposals.
- 4.7 This Action Programme requires to be monitored and updated every 2 years. This will demonstrate progress with delivery and highlight continued areas of opportunity and challenge. The Planning (Scotland) Act 2019 and associated regulations and guidance have changed the process for updating and preparing Action Programmes. These will apply to subsequent Action Programmes, which will in future will be named Delivery Programmes and will be one of the duties of the Head of the Planning Authority.

## **5.0 CONCLUSION**

- 5.1 The Action Programme (Appendix 1) sets out how LDP2 can be implemented showing the actions required to deliver its sites, proposals and policies. It is a statutory requirement to adopt and publish the Action Programme following adoption of LDP2. It is considered that the Action Programme attached meets with the statutory requirements and will support the delivery of LDP2.

## **6.0 IMPLICATIONS**

- 6.1 Policy - Action Programmes are required to be Adopted by the Planning Authority as the implementation document accompanying the Local Development Plan. It acts as a *material consideration* in the determination of planning applications.
- 6.2 Financial - Printing and deposit costs – within Development Policy budget est. £200-£250.
- 6.3 Legal - The Planning Authority is required to follow statutory procedures to Adopt this Action Programme.

- 6.4 HR – None.
- 6.5 Fairer Scotland Duty: None (dealt with via LDP).
  - 6.5.1 Equalities - protected characteristics None (dealt with via LDP2).
  - 6.5.2 Socio-economic Duty - None (dealt with via LDP2).
  - 6.5.3 Islands - None (dealt with via LDP2).
- 6.6 Climate Change - None (dealt with via LDP2).
- 6.7 Risk - Failure to adopt an Action Programme means the planning authority failing to carry out its statutory duty in respect of the development plan process. Implementation of LDP2 could be impeded by the lack of delivery information related to policies and proposals (including allocations).
- 6.8 Customer Service – None.
- 6.9 The Rights of the Child (UNCRC) – None.

**Kirsty Flanagan, Executive Director with responsibility for Development and Economic Growth**

**Councillor Kieron Green, Policy Lead for Planning and Regulatory Services**

May 2024

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**APPENDICES**

Appendix 1 - Local Development Plan 2: Action Programme



# Argyll and Bute Local Development Plan 2:

## Action Programme

June 2024

# Contents

1. Introduction
2. Delivery Partners
3. Vision and Spatial Strategy – Strategic Actions
4. Local Development Plan 2 Policies and Proposals
5. Allocated Sites
6. Potential Development Areas
7. Areas for Action
8. Other Locations

# 1 Introduction

Action programmes are important documents which provide clarity as to the steps required to achieve the goals and visions set out in Local Development Plans, indicate who should be involved and who is leading the action process and sets out clearly the stages and timescales to which the deliverers are working in order to let the public know how development the goals set out in LDP2 will be achieved.

This Action Programme sets out the various actions needed to deliver the opportunities identified in the Local Development Plan 2 (LDP2) for Argyll and Bute Council area (excluding Loch Lomond and the Trossachs National Park). There are set requirements for what is included in the Action Programme as follows:

- a list of actions required to deliver each of the plan's policies and proposals;
- the name of the person or organisation who is to carry out the action; and
- the timescale for carrying out each action.

It is recognised that the private sector, Key Agencies and our Community Planning partners will all play a role alongside the planning authority in helping deliver the development opportunities identified in the LDP2.







The Action Programme will be updated at least every 2 years and will reflect progress with the identified development proposals. It can also be used as a key tool in instigating action and co-ordinating the activity of a range of agencies and organisations.

In preparing LDP2 and this associated Action Programme we consulted and considered the views of the key agencies; the Scottish Ministers and those organisations named in the Action Programme.

The Action Programme accompanying LDP2 follows the order shown in the Plan in the main. But where possible similar actions have been grouped together to simplify the document by avoiding repetition.

## 2 Delivery Partners

Delivery partners who have been named in this action programme are listed below











| Partner  | Logo  | Abbreviation  |
|--|---|---|
| Argyll and Bute Council                          |    | ABC<br><br>ABC Ec Dev – Economic Growth<br><br>ABC Dev Mgt Development Management<br><br>ABC Dev Pol – Development Policy<br><br>ABC Roads – Roads and Amenity Services |
| Argyll and Bute Renewable Energy Alliance        |   | ABRA  |
| Caledonian Macbrayne Hebridean and Clyde Ferries |     | CALMAC  |
| Caledonian Maritime Assets Ltd                   |    | CMAL  |
| Clyde Marine Planning Partnership                |  | CMPP  |
| Community Planning Partnership                   |  | CPP   |
| Dunoon Area Alliance                             |  | DAA   |



## 2 Delivery Partners

|  |  |         |
|--|--|---------|
| Highlands and Islands Airports Ltd     |  The logo for Highlands and Islands Airports Limited (hia) features the lowercase letters 'hia' in a blue, stylized font. To the right, the full name 'Highlands and Islands Airports Limited' is written in a smaller font, along with its Gaelic equivalent 'Pàirt-adhair na Gàidhealtachd is nan Eilean Siar'. | HIAL    |
| Highlands and Islands Enterprise       |  The logo for Highlands and Islands Enterprise (HIE) consists of a green and blue geometric shape resembling a stylized 'H' or a mountain range, with the letters 'HIE' in blue below it.   | HIE     |
| Highlands and Islands Transport        |  The logo for HI TRANS features the letters 'HI' in purple, a stylized yellow and red arrow pointing right, and the word 'TRANS' in purple. Below it is the tagline 'THE HIGHLANDS AND ISLES TRANSPORT PARTNERSHIP'.  | HiTrans |
| Historic Environment Scotland          |  The logo for Historic Environment Scotland is a stylized green and blue fan-like shape.  | HES     |
| Isle of Bute Trust                     |  The logo for Isle of Bute Trust features the text 'Isle of Bute Trust' in green and blue, with the tagline 'Developing our island for locals and visitors' below it.   | IoBT    |
| Machrihanish Airbase Community Company |  The logo for Machrihanish Airbase Community Company (MACC) features a blue silhouette of an airbase with the letters 'MACC' in bold blue below it, and 'Machrihanish Airbase Community Company' in smaller text.   | MACC    |
| Ministry of Defence                    |  The logo for the Ministry of Defence features the Royal Coat of Arms crest above the text 'Ministry of Defence'.  | MoD     |
| NHS Highland                           |  The logo for NHS Highland features the letters 'NHS' in blue above the word 'Highland' in blue.  | NHS     |
| Oban & the Isles Airports              |  The logo for Oban & The Isles Airports features a blue and white stylized 'O' with horizontal lines, followed by the text 'Oban & The Isles Airports' in white on a blue background.   | O&IA    |
| Scottish Canals                        |  The logo for Scottish Canals features the words 'Scottish Canals' in white on a black background.  |         |

## 2 Delivery Partners

|   |   |          |
|---|---|----------|
| Scottish Environment Protection Agency  |    | SEPA     |
| Scottish Forestry                       |    | SF       |
| The Scottish Government                 |    | Scot Gov |
| Nature Scot                             |    | SNH      |
| Scottish Water                          |    | SW       |
| Strathclyde Partnership for Transport   |    | SPT      |
| Scotland's Regeneration Forum           |    | SURF     |
| Sustrans                                |   |          |
| Transport Scotland                      |  | TS       |
| University of the Highlands and Islands |  | UHI      |
| Visit Scotland                          |  | VS       |

### 3 Vision and Spatial Strategy - Strategic Actions

| Strategic Actions           |   |  |                         |  |  |   |
|-----------------------------|---|--|-------------------------|--|--|---|
| Objective                   | Strategic Direction   | Action   | Responsible/Lead        | Other partners                                   | Timescale  | Progress  |
| Vision and Spatial Strategy | Promote a less prescriptive approach to new development in Argyll and Bute, whilst recognising the importance of ensuring all new development encompasses a sustainable approach. | Deliver a Regional Spatial Strategy that reflects the strategic direction in ABOIP, LDP2 and ABC Economic Strategy   | ABC Plan Pol/ABC Ec Dev | Key Agencies, ABC Community Planning Partnership | Guided by emerging regulations, anticipated 2024 | <p>New regulations are not yet in place. An indicative Regional Spatial Strategy has been published.</p> <p>NPF4 has incorporated a significant number of key points from the iRSS, which contains further detail.</p>                          |
|                             | Diagram 1, 2, 4 and 5: - Growth Areas   | Promote the identified growth areas of Tobermory to Dalmally Growth Corridor (TDGC) and Helensburgh and Lomond Growth Area (HLGA), including through Strategic Development Frameworks. | ABC                     | HIE, SE, MoD                                     | During lifetime of the plan                      | <p><a href="#">Economic Strategy</a> updated.</p> <p>NPF4 shows as TDGC as strategic connection</p> <p>NPF4 shows HLGA in Clyde Mission project.</p> <p>Maritime Change Project instigated</p> <p>Strategic Development Frameworks underway</p> |

### 3 Vision and Spatial Strategy - Strategic Actions

|                                 |  |  |             |                     |          |   |
|---------------------------------|--|--|-------------|---------------------|----------|---|
|                                 | Diagram 1 – Regeneration Areas   | Support the identified regeneration areas of Campbeltown, Dunoon and Rothesay  | ABC         | HIE                 | On going | <p>CHORD Project delivered town centre/waterfront improvements<br/>Campbeltown identified as a <a href="#">Climate Change Town</a><br/>Dunoon LPP underway</p> <p>NPF4 notes Campbeltown as an important hub and the need for collective efforts for regeneration in Rothesay and Dunoon.</p> |
| Diverse and Sustainable Economy | Facilitating inclusive and sustainable economic growth in accordance with the spatial strategy by identifying a range of sites for the creation of new jobs and by the strengthening of economic capacity and resilience within communities. | Monitor the locations for economic development identified in Diagram 5, on the proposals maps and in the Schedules to ensure an effective supply of employment land is maintained. | ABC Dev Pol | HIE, SE, ABC Ec Dev | Ongoing  | <p><a href="#">Monitoring Report – audit underway</a></p> <p><a href="#">Engagement with HIE ongoing.</a></p>   |

### 3 Vision and Spatial Strategy - Strategic Actions

|  |  |  |  |  |  |   |
|--|--|--|--|--|--|---|
|  | Focus on our Priority Sector of tourism  | Support the identified Tourist Development Opportunities in Diagram 6 , including long distance routes (see connectivity)  | ABC Dev Man  | ABC Ec Dev, HIE, SE, VisitScotland         | During the lifetime of the plan          | Identified opportunities and constraints relating to the TDOs in Diagram 6. See “Other Locations” section of this Action Programme for detail<br><br>NPF4 notes as a key sector for rural revitalisation, in particular in the north and west coast and the islands |
|  | Focus on our Priority Sector of food and drink (including aquaculture and distilleries), | Taking account of net economic benefit in Economically Fragile Areas<br><br>Work with Regional Marine Partnerships on the preparation of Regional Marine Plans                         | ABC Dev Mgt<br><br>Clyde Marine Planning Partnership | ABC Dev Pol and other Marine Plan partners | Ongoing (for Clyde Regional Marine Plan) | Economically Fragile Areas identified in LDP2<br><br>NPF4 notes as a key sector for rural revitalisation, in particular in the north and west coast and the islands<br><br>Pre consultation on <a href="#">Clyde Regional Marine Plan</a> held                      |
|  | Focus on our Priority Sector of Creative Industries (including film and TV production    | Provide a support service to identify suitable film locations within Argyll and Bute.<br><br>NPF4 - Recognise and support opportunities for jobs and investment in the creative sector | ABC Ec Dev<br><br>Dev Pol                            |  |  | Support service in place  |

### 3 Vision and Spatial Strategy - Strategic Actions

|  |  |   |                                |  |          |  |
|--|--|---|--------------------------------|--|----------|--|
|  | Focus on our Priority Sectors of forestry  | Review the ABC Woodland and Forestry Strategy   | ABC Dev Pol/ Scottish Forestry | Key Agencies: SNH, SEPA, Transport Scotland<br>ABC Ec Dev<br>Forestry Industry<br>National and local bodies with a forestry interest<br>Community Groups | 2025     | <a href="#">ABC WFS</a> prepared 2011 in place<br><br>Ongoing engagement with Scottish Forestry  |
|  | Focus on our Priority Sector of renewables | Promote the full range of renewable energy resources in our area, in a manner that promotes sustainable economic development and recognises the need for co-existence with other economic activities, our environment, and our communities by developing partnerships with renewable energy companies to maximise the benefits for our communities. | ABC Ec Dev                     | Argyll and Bute Renewable Energy Alliance (ABRA)   | On going | <a href="#">Renewable Energy Action Plan prepared</a><br><br><a href="#">NPF4- notes importance of renewables, including Carbon Neutral Islands project on Islay and Pumped hydro storage at Cruachan Dam</a>  |
|  | Focus on Priority Sector Marine Industries | Support the growth of the sector through partnership working  | ABC Ec Dev                     | HIE, SAMS, MoD   | On going | <a href="#">Economic Strategy reviewed 2024</a><br><a href="#">NPF4 – North West and Coast - noted need for</a><br>Collaboration and strong alignment of terrestrial and marine planning, at all levels, European Marine Science Park and cruise, freight and leisure potential. |

### 3 Vision and Spatial Strategy - Strategic Actions

|                  |   |  |  |   |                          |   |
|------------------|---|--|--|---|--------------------------|---|
|                  | Focus on Priority Sector Engineering including defence industries   | Support the growth of the sector through partnership working in particular through the Maritime Change Project   | ABC / MoD                              |   | On going                 | <a href="#">Economic Strategy reviewed 2024</a> |
| Connected Places | Creating reliable, resilient and secure routes to market is a top priority of the Council.<br><br>Good connectivity created through our transport and digital infrastructure is critical. | Secure Transport Connectivity Investment and digital infrastructure investment through our Rural Growth Deal that supports the growth of our economy                         | ABC Econ Dev                           | Transport Scotland, SPT, Hitrans, HIE; SE   | 2019 and ongoing         | £50M Rural Growth Deal secured Oct 2019         |
|                  | Working towards common priorities and objectives through the Regional Transport Strategies and STPR2  | Inform and influence the review of the National Transport Strategy 2<br><br>Inform our Regional Transport Strategies for Argyll and Bute that meets the needs of our economy | Transport Scotland<br><br>HiTrans; SPT | Scottish Government; ABC Strat Trans, ABC Roads, ABC Dev Pol; SPT; Hitrans<br><br>ABC | Completed<br><br>Ongoing | STPR2 published<br><br>Engagement in process    |
|                  | Priorities identified on Connectivity Diagram   | <b>Oban airport (Diag 8):</b> Influence and facilitate through the Rural Growth Deal the establishment of  | ABC                                    | UK & Scottish Government; HIAL; HIE; HiTrans; Transport Scotland                      | 2021                     | Rural Growth Deal secured - 2019                |

### 3 Vision and Spatial Strategy - Strategic Actions

|  |   |   |                                    |  |         |  |
|--|---|---|------------------------------------|--|---------|--|
|  |   | Oban Airport as a regional hub connecting to the central belt and the Highland and Island regions   |                                    |  |         | Economic Strategy published 2019, reviewed 2024. |
|  | Integration of land uses and transport infrastructure to support a low carbon economy | Key connectivity projects shown in <b>(Diag 8)</b><br>Influence and facilitate the top transport priorities identified for Argyll and Bute, including:-<br>A83 Trunk Road – Road Upgrades including Strone point (Completed), Erines, Dunderave and Tarbert<br>A816 Oban to Lochgilphead Road Upgrade;<br>A85 Trunk Road Upgrade - Oban to Tyndrum/Oban Development Road;<br>Dunoon – Colintrave – Portavadie Road Upgrade ;(B836/A8003/B8000)<br>A848 Salen –Tobermory Upgrade;<br>Creation of new station at Shandon to service HMNB Clyde – or enhanced public bus service;<br>Oban Integrated Transport Hub;<br>Argyll and Bute Council Pier upgrade - Caignure Pier –interrelated to | Transport Scotland/HiTrans/SPT/ABC |  | Ongoing | Actions included as ABC top transport priorities |



### 3 Vision and Spatial Strategy - Strategic Actions

|                         |   |   |                               |  |         |  |
|-------------------------|---|---|-------------------------------|--|---------|--|
|                         |   | Growth Corridor and Proposal A OSDF Helensburgh to Cardross/W. Dunbartonshire cycleway (Regional Route 42); Pennygael Bridge Mull - structural repair/replacement required A848   |                               |  |         |  |
|                         | Support more active lifestyles, contributing to health in terms of both physical and mental wellbeing.  | Work with relevant agencies and bodies to help support the identified Long Distance Routes in Diagram 6   | ABC Dev Pol                   | ABC Ec Dev, ABC Access Fora, Sustrans. | Ongoing | Identified in <a href="#">Core Path Plan</a> and promotional literature on <a href="#">Council website</a> |
| Sustainable Communities | Good quality places are successful and sustainable, low carbon, natural and resilient, well-connected, where people want to live, work and visit. Placemaking is a creative, collaborative process, which seeks to achieve these goals. | Identify a range of allocations for community facilities<br><br>Set a flexible policy framework to support the production of Local Place Plans where appropriate (See section "Other Locations" for details of <b>Diagram 9</b> , LDP2 locations) | ABC Dev Pol/Local Communities | Local Communities                      | Ongoing | LDP2 identified Community Facility Allocations and potential locations for community or local place plans  |

# 4 Local Development Plan 2 Policies and Proposals

The LDP2 contains a number of policies and proposals. The actions required to deliver these are set out below

| Objective                       | Policy Ref | Policy Name              | Action   | Responsible/Lead | Other partners                         | Timescale               | Progress to date   |
|---------------------------------|------------|--------------------------|--|------------------|--|-------------------------|--|
| Achieving the Vision            | ALL1       | All Policies             | Take planning decisions in line with policy                        | ABC Dev Mgt      | ABC Dev Pol, Local Review Body, PPSL   | Ongoing                 | Planning applications will be determined in accordance with the adopted Local Development Plan 2 unless material considerations indicate otherwise                                 |
|                                 | ALL2       | All Policies             | Training for PPSL and Development Management on key policy changes | ABC Dev Pol      | ABC Dev Mgt, PPSL                      | Prior to adoption       | Seminar with Councillors including PPSL undertaken on strategic policy direction of LDP2. Seminar was held in December 2019 for planning staff with HES, SNH and SEPA contributing |
|                                 | ALL3       | All policies             | Review and set up monitoring regime for key indicators.            | ABC Dev Pol      | ABC Dev Mgt, ABC Econ Dev, ABC Housing | Prior to adoption       | Monitoring regimes in place for HLA, VDLS, TCHC.   |
| Spatial and Settlement Strategy | Policy 01  | Settlement Areas         | Review settlement boundaries                                       | ABC Dev Pol      | ABC Dev Mgt                            | During lifetime of plan | Review of boundaries undertaken for LDP2.  |
|                                 | Policy 02  | Outwith Settlement Areas | -  | -                | -                                      | -                       | -  |

| Objective | Policy Ref | Policy Name  | Action   | Responsible/Lead | Other partners   | Timescale   | Progress to date  |
|-----------|------------|--|--|------------------|--|---|---|
|           | Policy 03  | Simplified Planning Zones and Masterplan Consent Areas |  | ABC Dev Pol      | ABC Dev Mgt  | During lifetime of plan                               | 2 SPZ Schemes being were part-developed at Salen (Mull) and Lochgilphead but were cancelled as considered to not be the most effective way to deliver these sites.                                      |
|           | Proposal A | Oban Strategic Development Framework                   | <p>Set up a Strategic Development Framework for the wider Oban area to:</p> <ul style="list-style-type: none"> <li>-Raise the strategic issues in NPF4 and STPR2 engagement</li> <li>-Address Strategic Transport Infrastructure issues</li> <li>- Consider Traffic Management</li> <li>- Framework to progress the realisation of development opportunities – through restructuring, redevelopment and delivering constrained areas</li> <li>-Consider Flooding issues, including potential areas for upslope natural flood management</li> </ul> | ABC              | <p>Scot Gov;<br/>Key Agencies – Scot Water, Trans Scot, HIE, SEPA<br/>Housing Associations, private sector<br/>Local Communities</p> | Prepare prior to adoption of LDP2. Delivery on going. | <p>Project funding allocated by ABC Policy and Resources Committee.<br/>Draft OSDF PID written<br/>Project Team identified<br/>Draft Project plan written<br/>Initial evidence gathering commenced.</p> |

| Objective | Policy Ref | Policy Name  | Action   | Responsible/Lead | Other partners  | Timescale               | Progress to date   |
|-----------|------------|--|--|------------------|---|-------------------------|--|
|           | Proposal B | Helensburgh and Lomond Strategic Development Framework | Set up a Strategic Development Framework for the Helensburgh and Lomond area | ABC Dev Pol      | ABC Strategic Transport, ABC Housing, ABC Econ Dev, Key Agencies:SW, SE, SPT, TS. MoD, Housing Associations, Network Rail, private sector | During lifetime of plan | Project funding allocated by ABC Policy and Resources Committee. Draft HSDF PID written Project Team identified Draft Project plan written Initial evidence gathering commenced. |
|           | Proposal C | Bowmore Strategic Development Framework                | Set up a strategic development Framework for Bowmore                         | ABC Dev Pol      | ABC Roads, ABC Housing, ABC Dev Mgt, Key Agencies, ABC Econ Dev, Housing Associations, Community Council, private sector                  | During lifetime of plan | Masterplan prepared for Mixed Use Allocation.  |
|           | Proposal D | Tobermory Strategic Development Framework              | Set up a strategic development Framework for Tobermory                       | ABC Dev Pol      | ABC Roads, ABC Housing, ABC Dev Mgt, Key Agencies, ABC Econ Dev, Housing Associations, Community Council, private sector                  | During lifetime of plan |  |

| Objective | Policy Ref | Policy Name   | Action   | Responsible/Lead                | Other partners   | Timescale        | Progress to date  |
|-----------|------------|---|--|---------------------------------|--|------------------|---|
|           | Proposal E | Cruachan Dam Pumped Storage Hydro-electric facility expansion | <p>Work with relevant bodies to progress the NPF3 identified project whilst minimising negative impacts and maximising community and economic benefits.</p> <p>The effects of Proposal E: Cruachan Dam Pumped Storage Hydro-electricity Facility Expansion is a significant national infrastructure project and will require to be subject to separate project level HRA in relation to the Glen Etive and Glen Fyne SPA and the Loch Etive Woods SAC.</p> <p>The suggested mitigation measures are as follows:</p> <ul style="list-style-type: none"> <li>Avoid construction on sensitive habitat (e.g. SPA bird roosting sites) through project planning and design.</li> <li>Undertake construction work (including helicopters associated with restringing power lines) at times of the year appropriate for the species in question i.e. avoiding golden eagle breeding periods. Consult</li> </ul> | Scottish Government, Drax Power | ABC Dev Pol, ABC Econ Dev, ABC Roads and Amenity Services, Key Agencies – SNH, HIE, SEPA, Trans Scot | Mid to long term | <p>NPF3 project. Initial survey work and engagement. ABC Indicative Regional Spatial Strategy proposed this as anNPF4 project and was included</p> <p>Section 36 application</p> <p>Visitor Centre upgraded</p> |

| Objective | Policy Ref | Policy Name | Action  | Responsible/Lead | Other partners | Timescale | Progress to date |
|-----------|------------|-------------|---|------------------|----------------|-----------|------------------|
|           |            |             | <p>with SNH on most appropriate times.</p> <ul style="list-style-type: none"> <li>• Planning and design measures required to minimise disruption including mitigation measures to be built into construction methodology to avoid or minimise impacts.</li> <li>• Transmission lines should not be commissioned until a plan for maintenance and emergency repair works has been approved.</li> <li>• Use of clearly delineated exclusion zones within the work corridor to avoid construction staff and activities straying into sensitive areas.</li> <li>• No permanent access tracks to be constructed in Natura sites and existing tracks to be used wherever possible.</li> </ul> <p>Project level HRA to be undertaken, encompassing all phases of development, to ensure that there are no adverse effects on the integrity of European/Ramsar sites from projects either alone</p> |                  |                |           |                  |

| Objective           | Policy Ref | Policy Name                            | Action  | Responsible/Lead | Other partners | Timescale               | Progress to date   |
|---------------------|------------|--|---|------------------|----------------|-------------------------|--|
|                     |            |  | <p>or in-combination with other plans or projects.</p> <p>Assess impact on Ancient Woodland and mitigate as appropriate.</p> <p>Electricity grid infrastructure upgrades may be an important element required to support this expansion</p> |                  |                |                         |  |
|                     | Policy 04  | Sustainable Development                | Update Sustainability Checklist and prepare a Sustainable Building Checklist  | ABC Dev Pol      | ABC Dev Mgt    | Prior to adoption       | Sustainability Technical Note and Checklist in place. Sustainable Buildings Technical Note and Checklist in place. |
| High Quality Places | Policy 05  | Design and Placemaking                 | Sustainable Design Guidance to be consolidated and updated  | ABC Dev Pol      | ABC Dev Mgt    | During lifetime of plan | Sustainable Design Guidance in place   |
|                     | Policy 08  | Sustainable Siting                     |   |                  |                |                         |  |
|                     | Policy 09  | Sustainable Design                     |   |                  |                |                         |  |
|                     | Policy 10  | Design – All Development               |   |                  |                |                         |  |
|                     | Policy 11  | Design – Conversions and Change of Use |   |                  |                |                         |  |
|                     | Policy 12  | Shopfront Design                       | See ALL1 - 3  | -                | -              | -                       | -  |
|                     | Policy 13  | Advertisements                         |   |                  |                |                         | Technical Note in place  |

| Objective | Policy Ref | Policy Name   | Action  | Responsible/Lead          | Other partners                                    | Timescale               | Progress to date  |
|-----------|------------|---|---|---------------------------|---|-------------------------|---|
|           | Policy 06  | Green and Blue Infrastructure   | Update Open Space Audit and prepare Open Space Strategy.  | ABC Dev Pol/ABC Roads     | Key Agency – SNH, other partners to be identified | During lifetime of plan | Open Space Audit in place for 6 Main Towns.   |
|           | Policy 07  | Provision of Temporary Green Infrastructure on Sites                                      | Prepare Technical Note LDP TN11 Green Infrastructure  | ABC Dev Pol               |   |                         |   |
|           | Policy 14  | Bad Neighbour Development   | -   | -                         | -   | -                       | -   |
|           | Policy 15  | Supporting the Protection, Conservation and Enhancement of Our Historic Built Environment | Continue to seek regeneration initiatives for our built heritage e.g. Heritage and Place Programmes | ABC Dev Pol; ABC Econ Dev | HES   | On going                | Conservation Area Appraisals available for: Campbeltown Dunoon Helensburgh (Upper and Hill House) |
|           | Policy 16  | Listed Buildings  | Continue to review existing and potential   |                           |   |                         |   |



| Objective                       | Policy Ref | Policy Name                        | Action  | Responsible/Lead  | Other partners   | Timescale                 | Progress to date  |
|---------------------------------|------------|------------------------------------|---|---|--|---------------------------|---|
|                                 | Policy 17  | Conservation Areas                 | <p>Conservation Area designations</p> <p>Continue to develop Conservation Area Appraisals and Management Plans</p> <p>To work closely with, and support, other environmental bodies and local community groups and Trusts to promote conservation of our built heritage</p> |   |  |                           | <p>Helensburgh Town Centre</p> <p>Lochgilphead</p> <p>Rothesay Town Centre</p> <p>Inveraray</p> <p>Ellenabeich</p> <p>Easdale Island</p> <p>Tarbert (draft)</p> |
|                                 | Policy 18  | Enabling Development               | Prepare Technical Note LDP2 TN10 Enabling Development   | ABC Dev Pol   | Dev Mgt  | Prior to adoption of LDP2 | Technical Note drafted  |
|                                 | Policy 19  | Scheduled Monuments                | -   | -   | HES  | -                         | -   |
|                                 | Policy 20  | Gardens and Designed Landscapes    |   |   | HES  |                           |   |
|                                 | Policy 21  | Sites of Archaeological Importance |   |   | WoSAS  |                           |   |
| Diverse and Sustainable Economy | Policy 22  | Economic Development               | <p>Support the development of a sustainable Creative Business sector through the creation of a network of effective regional hubs</p> <p>To support Film and TV production in Argyll</p>  | <p>ABC Econ Dev – Influence and facilitation</p> <p>ABC Econ Dev – Influence and facilitation</p> | <p>Creative Scotland; CHArts/Creative sector</p> <p>Council Services; Creative Scotland; Screen Scotland</p> | Ongoing                   | -   |

| Objective | Policy Ref | Policy Name  | Action   | Responsible/Lead   | Other partners          | Timescale  | Progress to date  |
|-----------|------------|--|--|--|-------------------------|--|---|
|           | Policy 23  | Tourist Development, Accommodation, Infrastructure and Facilities  | To deliver a new Regional Tourism Strategy and 10 year Action Plan   | ABC Ec Dev   | HIE; SE; VisitScotland. | 2020 onwards   | Argyll and the Isles Strategic Tourism Partnership – Visitor Economy Recovery and Growth Strategy 2022 to 2025 published. |
|           | Policy 24  | Existing Tourism Uses  |  |  |                         |  |   |
|           | Policy 25  | Tourism Development Opportunities                                  |  |  |                         |  |   |
|           | Policy 26  | Informal Public Outdoor Recreation and Leisure Related Development | -  | -  | -                       | -  | -   |
|           | Policy 27  | Huts and Hutting Developments                                      | -  | -  | -                       | -  | -   |
|           | Policy 28  | Supporting Sustainable Aquatic and Coastal Development             | Review Supplementary Guidance to Technical Note LDP2 TN20 Marine and Aquaculture<br><br>Contribute to the Clyde Regional Marine Plan | ABC Dev Pol<br><br>Clyde Marine Planning Partnership (inc ABC Dev Pol) |                         | Prior to adoption of LDP2<br><br>During lifetime of Plan | Supplementary Guidance currently in place<br><br>Regional Clyde Marine Plan Consultative Draft 2019                       |
|           | Policy 29  | Existing Fish Farm Consolidation and Rationalisation               | -  | -  | -                       | -  | -   |
|           | Policy 30  | The Sustainable Growth of Renewables                               | Review Supplementary Guidance to Technical Note LDP2 TN12 Renewable Energy   | ABC Dev Pol  | ABC Econ Dev            | During lifetime of plan                                  | <a href="#">Argyll and Bute Landscape Wind Capacity Study 2017</a>  |
|           | Policy 31  | Minerals   | -  | -  | -                       | -  | -   |

| Objective        | Policy Ref | Policy Name                     | Action   | Responsible/Lead        | Other partners  | Timescale | Progress to date  |
|------------------|------------|---------------------------------|--|-------------------------|---|-----------|---|
| Connected Places | Policy 32  | Active Travel                   | The Council will work with external partners to secure funding to improve our active travel routes. Key priorities include: Helensburgh to Cardross / West Dunbartonshire cycleway (Regional Route 42); An off-road route for the entire length of NCN78, The Caledonia Way, linking Campbeltown to Lochgilphead, Oban and Fort William; Cross Scotland Pilgrims Way: Iona – Mull – Oban – Tyndrum – St Andrews; Active Travel Routes on Islay; Cycle Tour routes e.g. 5 Ferries Route – Arran / Kintyre Peninsula (Claonaig – Kennacraig – Tarbert); Cowal Peninsula (Portavadie – Colintrave); Bute (Rhubodoch – Rothesay) | ABC Ec Dev, ABC Dev Pol | Sustrans, Transport Scotland, HiTrans, SPT, SNH and Scottish Government | Ongoing   | <a href="#">Core Path Plan</a> in place<br><br>Path publicity published |
|                  | Policy 33  | Public Transport Infrastructure | -  | -                       | -   | -         | -   |

| Objective               | Policy Ref | Policy Name   | Action  | Responsible/Lead | Other partners        | Timescale                 | Progress to date   |
|-------------------------|------------|---|---|------------------|-----------------------|---------------------------|--|
|                         | Policy 34  | Electric Vehicle Charging   | -   | -                | -                     | -                         | Publically available charging points in place across Argyll and Bute as per the Connectivity <b>Diagram 8, PLPD2</b> |
|                         | Policy 35  | Design of New and Existing, Public Roads and Private Access Regimes       | Prepare Local Roads Development Guide to sit alongside the National Roads Development Guide | ABC Roads        | ABC Dev Pol           | Prior to Adoption of LDP2 | Suite of guidance in place<br><br>Draft Local Roads Guide being prepared   |
|                         | Policy 36  | New Private Accesses  |   |                  |                       |                           |  |
|                         | Policy 37  | Development Utilising an Existing Private Access or Existing Private Road |   |                  |                       |                           |  |
|                         | Policy 38  | Construction Standards for Public Roads                                   |   |                  |                       |                           |  |
|                         | Policy 39  | Construction Standards for Private Access                                 |   |                  |                       |                           |  |
|                         | Policy 40  | Vehicle Parking Provision   |   |                  |                       |                           |  |
|                         | Policy 41  | Off Site Highway Improvements   |   |                  |                       |                           |  |
|                         | Policy 42  | Safeguarding Piers, Ports and Harbours                                    | Marine Infrastructure Audit   | ABC Dev pol      | Key Agency - HIE, ABC | During lifetime of LPD2   | -  |
|                         | Policy 43  | Safeguarding of Aerodromes  | Production of Development Management Constraints map  | ABC Dev Pol      | ABC Dev Mgt           | During lifetime of plan   | -  |
|                         | Policy 44  | Telecommunications  | -   | -                | -                     | -                         | -  |
| Sustainable Communities | Policy 45  | Supporting our Town Centres and Retailing                                 |   | ABC Dev Pol      | -                     | Annual survey             |  |

| Objective | Policy Ref | Policy Name   | Action   | Responsible/Lead    | Other partners                                 | Timescale                              | Progress to date   |
|-----------|------------|---|--|---------------------|--|--|--|
|           | Policy 46  | Retail Development – The Sequential Approach          | Annual Town Centre Health Check for the 6 Main Towns   |                     |  |  | TCHC 2023 underway   |
|           | Policy 47  | Change of Use of Class 1 Shops in Core Shopping Areas |  |                     |  |  |  |
|           | Policy 48  | Developer Contributions                               | Report on Section 75s  | ABC Dev Man         | -  | Annual                                 | New requirement  |
|           | Policy 49  | Sport, Recreation and Community Facilities            | -  | -                   | -  | -                                      | -  |
|           | Policy 50  | Retention of Community Facilities                     | -  | -                   | -  | -                                      | -  |
|           | Policy 51  | Retention of Key Services                             | -  | -                   | -  | -                                      | -  |
|           | Policy 52  | Community Plans, Local Place Plans and Locality Plans | Take into account any emerging regulation in respect of Local Place Plans<br><br>Prepare Technical Guidance Note LDP2 TN14 Community Plans and Local Place Plans | ABC Dev Pol         | Community Bodies                               | Ongoing<br><br>During lifetime of LDP2 |  |
|           | Policy 53  | Crofting Townships                                    | Prepare Technical Note LDP2 TN15 Crofting Townships  | ABC Dev Pol         | Crofting Commission                            | During lifetime of LDP2                | -  |
|           | Policy 54  | Safeguarding Zones of Notifiable Installations        | -  | -                   | -  | -                                      | -  |
|           | Policy 55  | Flooding  | Prepare Local Flood Protection Schemes: Campbeltown; Tarbert; Lochgilphead; Clachan; Oban.   | ABC, Scottish Govt. | Scottish Water, SEPA, Scottish Forestry, LLTNP | Ongoing                                | Published Highland and Argyll Local Flood Risk Management Plan 2016 – 2022 |

| Objective | Policy Ref | Policy Name                                   | Action  | Responsible/Lead                               | Other partners | Timescale                                | Progress to date   |
|-----------|------------|---|---|--|----------------|--|--|
|           |            |   | Review Supplementary Guidance to Technical Note LDP2 TN16 Flood Risk Framework  | Dependent on SEPA updating flood risk guidance | As above       | Ongoing                                  | Clyde and Loch Lomond Local Flood Risk Management Plan 2016 - 2022   |
|           | Policy 56  | Land Erosion                                  | Planning Authority to assess development proposals against this policy, as appropriate, with input from developer, as required.   | ABC Dev Man Developer                          |                | Throughout lifetime of plan              | Policy in place  |
|           | Policy 57  | Risk Appraisals                               | Flood Risk Assessments, Drainage Impact Assessments, or land Erosion Risk Appraisals to be undertaken by developer as required by Planning Authority or in consultation with SEPA | ABC Dev Man SEPA Developer                     |                | Throughout lifetime of plan              | Policy in place  |
|           | Policy 58  | Private Water Supplies and Water Conservation | Partnership working to increase the availability of public water supplies to meet projected needs<br><br>Prepare Technical Note LDP2 TN17 Minimising Water Consumption            | Scottish Water<br><br>ABC Dev Pol              | ABC, SEPA      | Ongoing<br><br>Prior to adoption of LDP2 | Technical Note prepared<br>-   |
|           | Policy 59  | Water Quality and The Environment             | Engage with SEPA on the preparation of the 3 <sup>rd</sup> River Basin Management Plan in our area  | SEPA<br>ABC                                    |                | Ongoing                                  | 2 <sup>nd</sup> <a href="#">River Basin Management Plan for the Scotland River Basin District 2015 – 2027</a> in place |
|           | Policy 60  | Private Sewage Treatment Plants and           | Connections to public sewer for development   | ABC Dev Man Developer                          | -              | Throughout lifetime of plan              | Policy in place  |

| Objective        | Policy Ref | Policy Name  | Action  | Responsible/Lead      | Other partners     | Timescale                   | Progress to date  |
|------------------|------------|--|---|-----------------------|--------------------|-----------------------------|---|
|                  |            | Wastewater Drainage Systems                          | proposals will be required in accordance with the policy.<br>Proposals seeking private waste water systems will be assessed against the policy by the planning authority. |                       |                    |                             |   |
|                  | Policy 61  | Sustainable Drainage Systems (SUDS)                  | The planning authority will require Sustainable drainage systems to be provided by the developer in accordance with the policy.   | ABC Dev man Developer | -                  | Throughout lifetime of plan | Policy in place   |
|                  | Policy 62  | Drainage Impact Assessments                          | The planning authority will require Drainage Impact Assessments to be provided by the developer in accordance with this policy.   | ABC Dev man Developer | -                  | Throughout lifetime of plan | Policy in place   |
|                  | Policy 63  | Waste Related Development and Waste Management       | -   | -                     | -                  | -                           | -   |
| Homes for People | Proposal F | Housing Development on Allocated Housing Sites       | Prepare a Housing Land Audit annually   | ABC Dev Pol           | Homes for Scotland | Annually                    | <a href="#">Argyll and Bute HLA 2023</a> available on line in storymap<br>Technical Note<br>Houses in Multiple Occupation approved 2019 |
|                  | Policy 64  | Housing Development on Allocated Housing Sites       |   |                       |                    |                             |   |
|                  | Policy 65  | Proposals for Other Uses on Allocated Housing Sites  | Submit Supplementary Guidance Houses in Multiple to Scottish Government   |                       |                    |                             |   |
|                  | Policy 66  | New Residential Development on Non-Allocated Housing |   |                       |                    |                             |   |

| Objective                | Policy Ref | Policy Name   | Action   | Responsible/Lead | Other partners | Timescale                  | Progress to date                                       |
|--------------------------|------------|---|--|------------------|----------------|----------------------------|--|
|                          |            | Sites within Settlement Areas   |  |                  |                |                            |  |
|                          | Policy 67  | Provision of Housing to Meet Local Needs including Affordable Housing                           | Review Supplementary Guidance to Technical Note LDP2 TN03 Delivery of Affordable Housing | ABC Dev Pol      | ABC Dev Man    | Prior to Adoption of LDP2  | Supplementary Guidance currently in place.             |
|                          | Policy 68  | Housing Greenspace  | Review Supplementary Guidance to Technical Note LDP2 TN18 Residential Greenspace         |                  |                |                            | Supplementary Guidance currently in place              |
|                          | Policy 69  | Residential Caravans and Sites (for Permanent Homes)  | -  | -                | -              | -                          | -  |
| High Quality Environment | Policy 70  | Development Impact on National Scenic Areas (NSA's)   | -  | -                | -              | -                          | -  |
|                          | Policy 71  | Development Impact on Local Landscape Area (LLA)  | -  | -                | -              | -                          | -  |
|                          | Policy 72  | Development Impact on Areas of Wild Land  | -  | -                | -              | -                          | -  |
|                          | Policy 73  | Development Impact on Habitats, Species and Biodiversity  | Review Supplementary Guidance to Technical Note TN04 Biodiversity Checklist              | ABC Dev Pol      | -              | Prior to adoption of LDP 2 | Biodiversity Checklist Supplementary Guidance in place |
|                          | Policy 74  | Development Impact on Sites of International Importance   | -  | -                | -              | -                          | -  |
|                          | Policy 75  | Development Impact on Sites of Special Scientific Interest (SSSIs) and National Nature Reserves | -  | -                | -              | -                          | -  |



| Objective | Policy Ref                               | Policy Name  | Action  | Responsible/Lead      | Other partners                                 | Timescale                   | Progress to date   |
|-----------|--|--|---|-----------------------|--|-----------------------------|--|
|           | Policy 76                                | Development Impact on Local Nature Conservation Sites (LNCS) | Prepare Technical Note LDP2 TN05 Local Nature Conservation Sites                    | ABC Dev Pol           | -  | Prior to adoption of LDP2   | Boundaries of current LNCS mapped in LDP                       |
|           | Proposal G                               | Forestry, Woodland and Trees                                 | Undertake a review and update of the Argyll and Bute Woodland and Forestry Strategy | ABC Dev Pol           | Scottish Forestry                              | During lifetime of the plan | <a href="#">Argyll and Bute Woodland and Forestry Strategy</a> |
|           | Policy 77                                |  | -   | -                     | -  | -                           | -  |
|           | Policy 78                                | Woodland Removal   | -   | -                     | -  | -                           | -  |
|           | Policy 79                                | Protection of Soil and Peat Resources                        | -   | -                     | -  | -                           | -  |
|           | Policy 80                                | Geodiversity   | -   | -                     | -  | -                           | -  |
|           | Policy 81                                | Open Space Protection Areas                                  | Publish current Open Space Audit as Technical Note LDP2 TN19.                       | ABC Dev Pol           | Key Agency: SNH, Key partners to be identified | During lifetime of LPD2     | Open Space Audit for 6 Main Towns in place                     |
|           |  |  | Review current audit and prepare open space strategy in LDP2 TN19 Open Space        | ABC Dev Pol/ABC Roads |  |                             |  |
| Policy 82 | Contaminated Land                        | -  | -   | -                     | -  | -                           |  |
| Policy 83 | Safeguarding Agricultural and Croft Land | -  | -   | -                     | -  | -                           |  |

# 5 Allocations

A key role of the LDP2 is to provide an effective land supply for new development during the lifetime of the plan. Therefore, applications require to demonstrate adequately how the potential of the allocation will be delivered in terms of capacity, infrastructure, open space, affordable housing, integration with the wider area, the development brief and phasing. This provision is primarily set out in the form of Allocations arranged under the headings of business and industry; housing; community facilities; minerals; mixed use and tourism. The Allocations are listed in the schedules of the Written Statement and mapped in the Proposals Maps. The schedules provide an indication of the number of homes that may be accommodated on the housing allocations; the site size of the other allocations; and for mineral allocations their anticipated life expectancy. These details are provided in order to ensure that the plan makes sufficient land available to meet anticipated requirements during the plan period. The housing provision numbers are indicative and in appropriate circumstances may be varied at the discretion of the planning authority, including place making principles.

The Action Programme provides information on the key actions that are required to deliver the allocations. Development briefs have been prepared for allocations and are included below (these have not been prepared for sites where there is a masterplan or extant consent across the whole site). This Action Programme shows the main actions known at the time of preparation of this Action Programme. It should be noted that as proposals come forward other actions may be required to deliver the allocations that have not been identified at this stage.





















Masterplans have already been prepared for some allocations. These provide a framework for the development of the site in a holistic manner. Approved masterplans are material considerations in respect of related planning applications and require to be read in conjunction with the Report of Handling and Decision Notice. These may address some of the constraints noted either in full or in part.

## Housing Allocations

Further detail on individual housing allocations in respect of developer, programming, planning applications, completions and remaining capacity is included in the annual [Housing Land Audit](#), which is available in Storymap format.

Note for all housing allocations consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision. See LDP2 policies 6 and 68

Early engagement with Scottish Water is strongly advised via a Pre Development Enquiry to Scottish Water, in particular if there is a desire to increase unit numbers over that indicated in the plan on a site.

|   |                           |  |                                 |
|---|---------------------------|--|---------------------------------|
|    | Site Boundary             |  | Live planning consent           |
|    | Existing building         |  | Overlooking constraint          |
|    | Non-developable area      |  | Natural environment designation |
|    | View in                   |  | Built heritage designation      |
|    | View out                  |  | Power Line                      |
|    | Pedestrian access         |  | Water Course                    |
|    | Path through site         |  |                                 |
|    | Vehicle access            |  |                                 |
|   | Tree/ large shrub         |  |                                 |
|  | Bog                       |  |                                 |
|  | Slope downward            |  |                                 |
|  | Key feature               |  |                                 |
|  | Constraint                |  |                                 |
|  | Potential flood risk area |  |                                 |

## Key to Development Brief Maps

Please note that annotated site features are indicative for general information only and do not replace the need for full and detailed surveys.

## H1001: Sandbank

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA   | DM Zone         | DM Zone Name | Primary School        | Secondary School        |
|-----------|---------------|--------------------------------|---------------------------------------|-----------|------------|-------|-----------------|--------------|-----------------------|-------------------------|
| 1.98ha    | 58            | 25%                            | Landowner/Developer<br>Scottish Water | Short     | BC         | Cowal | Settlement Area | Sandbank     | Sandbank;<br>St Munns | Dunoon<br>Gramma School |

### EXISTING USE:

Grazing

### ACCESS:

From B836 there is an existing access which would require to be upgraded. There is no pedestrian footpath on the B836. Alternatively from A815 (within national speed limit zone). There is a pedestrian footpath on the other side of the road but not directly adjacent to the site.

### FLOOD RISK:

Risk of surface water flooding on parts of site to north and south indicated on SEPA maps. There is a problem with surface water flooding at the eastern corner of the allocation where it abuts with the existing housing at the Sandhaven development. The field currently floods and it has affected neighbouring properties. This would have to be fully and properly addressed.

A minor watercourse flows adjacent to the site boundary which could represent a potential flood risk. A basic Flood Risk Assessment, consisting of topographic information in the first instance and a detailed layout plan will be required. A surface water flood hazard has been identified and should be discussed with FPA and Scottish Water. Appropriate surface water management measures should be adopted

### TOPOGRAPHY:

Part of a large field which slopes down gently from west to east

### TREES:

Tree group to immediate north of the site

### CONSTRAINTS:

Overhead power line crosses through the centre of the site

**FORM OF DEVELOPMENT:**

Adjacent properties are 2 storey terraced dwellings. This is a prominent site that (although designated as settlement area) would effectively extend Sandbank further in ribbon development style.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

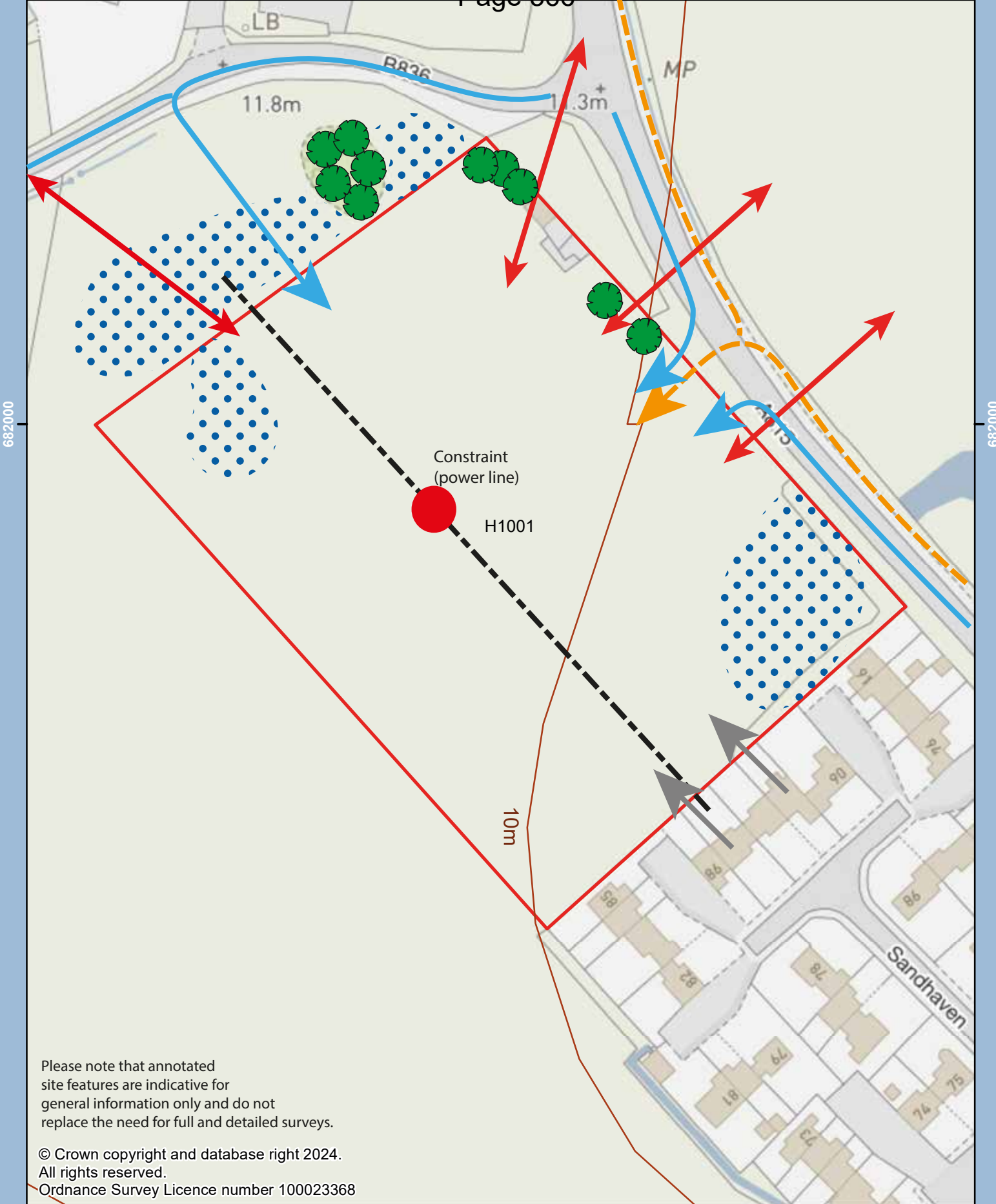
If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

**ACTIONS**

- Flood Risk Assessment required
- Drainage Impact Assessment required – Surface Water Management Plan in place
- Water Network – Water Impact Assessment required
- Waste Water Treatment Works - Growth project is required. To initiate this the developer should demonstrate the 5 Growth Criteria. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.
- Nature Conservation Constraint – check for European protected species (otters)



Please note that annotated site features are indicative for general information only and do not replace the need for full and detailed surveys.

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### H1001 Sandbank



**H1002: Former Upper Academy Site, Westland Road, Rothesay**

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale             | Admin Area | HMA  | DM Zone         | DM Zone Name | Primary School       | Secondary School |
|-----------|---------------|--------------------------------|---------------------|-----------------------|------------|------|-----------------|--------------|----------------------|------------------|
| 1.59ha    | 25            | 25%                            | Landowner/Developer | Short / Medium / Long | BC         | Bute | Settlement Area | Rothesay     | Rothesay; St Andrews | Rothesay Academy |

**EXISTING USE:**

Brownfield site (recent demolitions) with areas of greenfield to north.

**ACCESS:**

The access roads would require to be adopted if serving more than 5 dwellings. Housing courts as car parks served from an adopted road network may be an alternative. Sightlines to be 42m x 2.4m. Surface water currently flows to NE and this may require some form of attenuation. 2m footway should be provided across the frontage of the site where it abuts the road network and all access to be 90 degrees to the existing carriageway.

**FLOOD RISK:**

None within site but risk of surface water to immediate north of site indicated on SEPA flood maps.

**TOPOGRAPHY:**

Predominantly flat. Site slopes gradually downwards from south to north.

**TREES:**

No trees on site but some shrubs trees around perimeter.

**NATURAL ENVIRONMENT DESIGNATIONS:**

Local Landscape Area: Bute & South Cowal

**FORM OF DEVELOPMENT:**

Detached cottages in surrounding area. Design should follow a similar pattern and layout as dwellings around them. Low density.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network – Water Impact Assessment required</li><li>• Waste Water Treatment Works – Capacity dependent on numbers. Early engagement with Scottish Water via Pre-Development Enquiry.</li><li>• Drainage Impact Assessment required</li><li>• Assess impact on trees/woodland – Mature Woodlands</li><li>• Potential for bat roosts in trees, bat survey may be required</li><li>• Green Network - demonstrate how impacts on green network will be mitigated.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |





### H1003: Ardkinglas

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA   | DM Zone             | DM Zone Name | Primary School | Secondary School         |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|-------|---------------------|--------------|----------------|--------------------------|
| 4.13ha    | 13            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | BC         | Cowal | Countryside<br>Area | Inveraray    | Strachur       | Dunoon<br>Grammar School |

#### EXISTING USE:

Vacant land within estate

#### ACCESS:

Access to site can be achieved from existing access from A815 to south of site.

#### TREES:

Ancient Woodland (Lochgoilhead & Kilmorich) to north/west of site. Existing trees should be incorporated into site layout.

#### NATURAL ENVIRONMENT DESIGNATIONS:

Local Landscape Area: North Argyll

Ancient Woodland (Lochgoilhead & Kilmorich)

#### BUILT ENVIRONMENT DESIGNATIONS:

Gardens and Designed Landscapes: Ardkinglas and Strone

#### FORM OF DEVELOPMENT:

Sensitive area, low density development that does not impact on historic surrounding. Follow form and pattern of newer built properties to south of site.

#### CAPACITY:

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

FOOD GROWING:

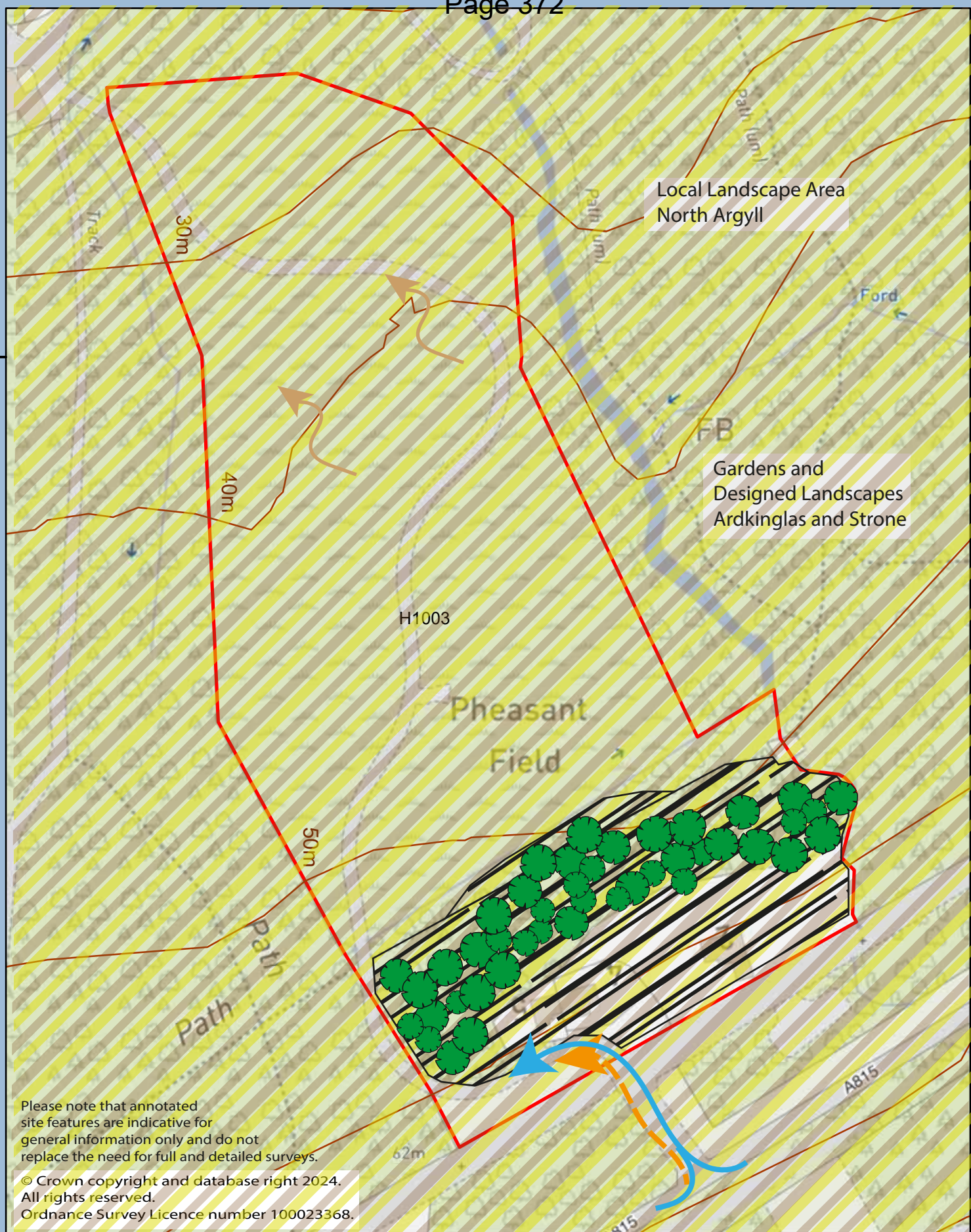
Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

ACTIONS

- Flood Risk Assessment required
- Water Network – Water Impact Assessment required
- Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.
- Waste Water Network – Considerable distance from public network. Any installation of network from site to the public sewer must be funded and carried out by the developer.
- Drainage Impact Assessment required
- Nature Conservation Constraint – check for European protected species (otters)

710000

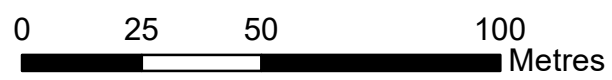
710000



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### H1003 Ardkinglas



## H1004: Rothesay – Barone Road

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale | Admin Area | HMA  | DM Zone         | DM Zone Name | Primary School          | Secondary School |
|-----------|---------------|--------------------------------|---------------------|-----------|------------|------|-----------------|--------------|-------------------------|------------------|
| 0.81ha    | 24            | 25%                            | Landowner/Developer | Short     | BC         | Bute | Settlement Area | Rothesay     | Rothesay;<br>St Andrews | Rothesay Academy |

### EXISTING USE:

Vacant land

### ACCESS:

Access to be taken from Barone Road. A relatively straight road with a few junctions already. The entire frontage of the site onto Barone Road contains lay-by parking for residents so, if this lay-by parking is maintained, acceptable visibility from a new access might be obscured due to parked vehicles. May require nibs to be constructed to avoid sightline issues

### FLOOD RISK:

No flood risk indicated on SEPA maps.

### TOPOGRAPHY:

Relatively flat sloping down slightly to the south east

### TREES:

There are a number of trees on the site and it would be desirable if some of these could be incorporated into the scheme layout.

### NATURAL ENVIRONMENT DESIGNATION:

Local Landscape Area – Bute and South Cowal

### CONSTRAINTS:

Power lines to south of site

**FORM OF DEVELOPMENT:**

The residential buildings in the vicinity of the site are relatively substantial, both in terms of footprint and vertical scale. The existing LDP states a capacity of 24 units. In examining the surrounding built form, it is conceivable that six blocks of four flats could physically fit into the site. However, 20 or more units would require equipped and casual play space, which might prove difficult to incorporate into the scheme. Perhaps, 19 would be a more realistic number which could also lead to a diversity in the type of accommodation – flats; semi-detached; and detached units.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

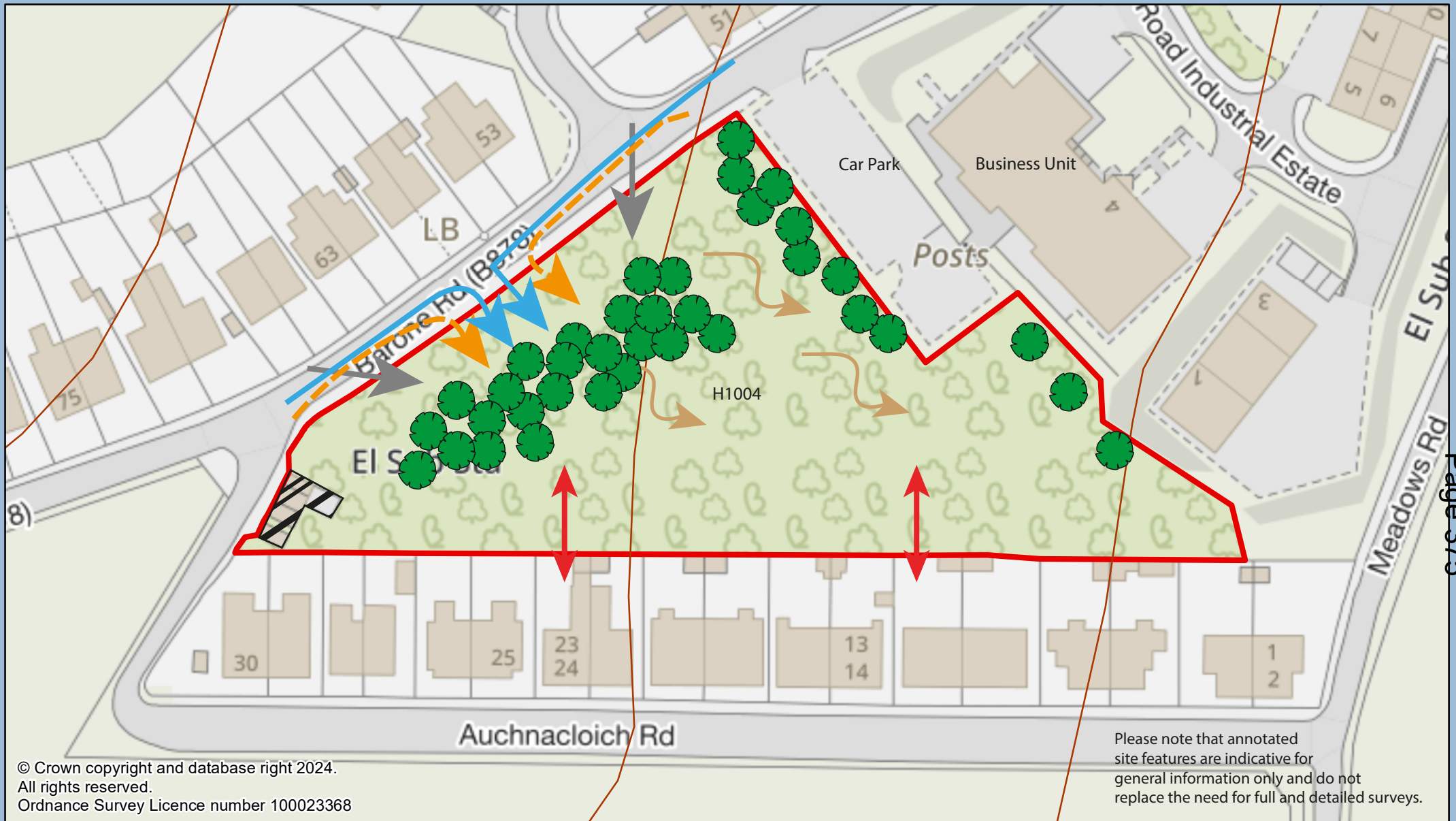
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Water Network – Water Impact Assessment required</li><li>• Waste Water Treatment Works – Capacity dependent on numbers. Early engagement with Scottish Water via Pre-Development Enquiry</li><li>• Drainage Impact Assessment required</li><li>• Potential Asset Conflicts – 12” main runs immediately outside this proposed site. Early engagement with Scottish Water required.</li></ul> |



# H1004 Barone Road, Rothesay



## H1006: Port Bannatyne – Kyles Hydro

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale | Status                      |
|---------------|--------------------------------|---------------------|-----------|-----------------------------|
| 17            | 25%                            | Landowner/Developer | Short     | Masterplan approved on site |

### ACTIONS

- Flood Risk Assessment required
- Water Network – Water Impact Assessment required
- Waste Water Treatment Works – Capacity dependent on numbers. Early engagement with Scottish Water via Pre-Development Enquiry
- Developers to check for European Protected Species (otter)
- Masterplan Approved 15/00693/MPLAN
- Early engagement with Environmental Health (Anthony Carson) required in relation to possible asbestos on the site
- Refer to policy 77 – woodland resources



## H1007: Sandbank – Ardnadam Farm

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA   | DM Zone         | DM Zone Name | Primary School        | Secondary School         |
|-----------|---------------|--------------------------------|---------------------------------------|-----------|------------|-------|-----------------|--------------|-----------------------|--------------------------|
| 0.6ha     | 9             | 25%                            | Landowner/Developer<br>Scottish Water | Short     | BC         | Cowal | Settlement Area | Sandbank     | Sandbank;<br>St Munns | Dunoon<br>Grammar School |

### EXISTING USE:

Rough Grazing

### ACCESS:

From A815. Possible pedestrian access from Ardnadan Road which is a core path (C211(c) Ardnadam Heritage Trail Loop). Note Ardnadan Road is not adopted.

### FLOOD RISK:

Risk of surface water flooding on the boundary area to the west of the site indicated on SEPA maps. Small watercourse/drain flows through allocation and potential flood risk from this source should be taken cognisance of. The minor watercourse potentially goes into culvert at High Road adjacent to the site boundary.

### TOPOGRAPHY:

Site slopes down from the public road to a burn/watercourse that traverses the site.

### TREES:

Trees at north west boundary

### BUILT ENVIRONMENT DESIGNATIONS:

Scheduled Monument SM6552 Adams Cave. It is however unlikely that this setting would be affected especially as the boundary of the allocation has been adjusted from LDP 2015.

### OPPORTUNITIES:

The site provides opportunities for active travel connections via the C211(c) Ardnadam Heritage Trail Loop and the C225 Dunoon to Sandbank core paths.

**FORM OF DEVELOPMENT:**

Semi detached bungalows to opposite side of A885. 2 storey properties to Allan Terrace. A mix of similar scales would potentially be suitable.

**PLANNING CONSENTS:**

15/01709/PPP Renewal of planning permission in principle ref. 11/01158/PPP (Site for the erection of 7 dwellinghouses and 2 flats and formation of vehicular access), granted 14.06.2016

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

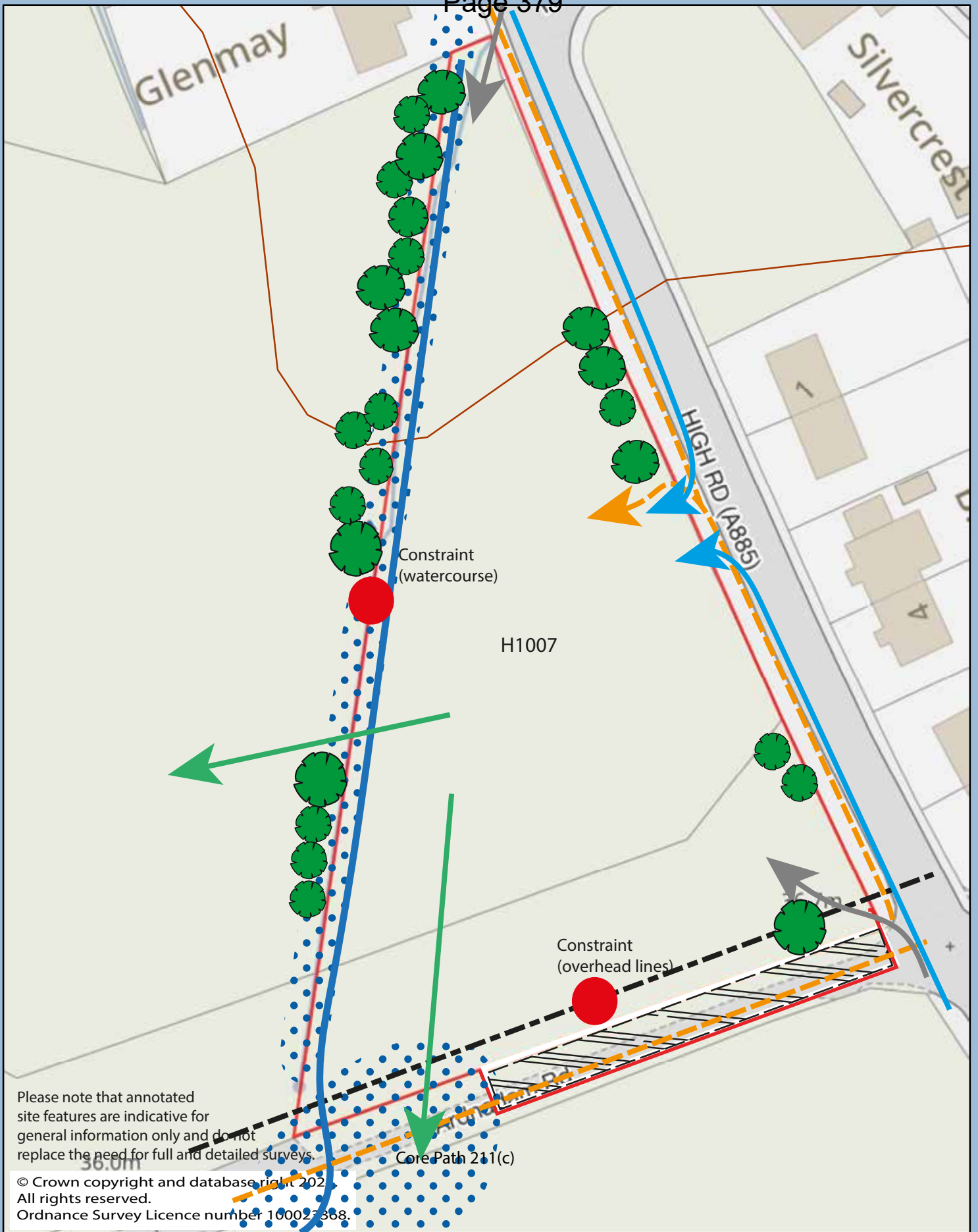
If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

**ACTIONS**

- Flood Risk Assessment required
- Water Network – Water Impact Assessment required
- Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.
- Drainage Impact Assessment required – Surface Water management Plan
- Potential Asset Conflict - 450mm trunk main and a 250mm DI main runs across this site. Early engagement with Scottish Water is required
- Nature Conservation Constraint – check for European protected species (otters)



### H1007 Sandbank - Ardnadam Farm



**H1008: Dunoon - Bullwood**

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Status   |
|---------------|--------------------------------|---------------------------------------|-----------|--|
| 10            | 25%                            | Landowner/Developer<br>Scottish Water | Short     | Various planning consents covering whole site, albeit some have now expired. |

**ACTIONS**

- Flood Risk Assessment required
- Water Network – Water Impact Assessment required
- Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.
- Drainage Impact Assessment required– Surface Water management Plan
- Potential Asset Conflict - – Water and Sewer infrastructure run through proposed site. Early engagement with Scottish Water required.
- Nature Conservation Constraint – check for European protected species (otters)

## H1010: Sandbank – Broxwood

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA   | DM Zone         | DM Zone Name | Primary School        | Secondary School      |
|-----------|---------------|--------------------------------|---------------------------------------|-----------|------------|-------|-----------------|--------------|-----------------------|-----------------------|
| 1.29ha    | 17            | 25%                            | Landowner/Developer<br>Scottish Water | Short     | BC         | Cowal | Settlement Area | Sandbank     | Sandbank;<br>St Munns | Dunoon Grammar School |

### EXISTING USE:

Rough Grazing

### ACCESS:

From A815.

### FLOOD RISK:

Risk of surface water flooding on a small part of the site to the north east indicated on SEPA maps. Multiple minor watercourses flow through or along the site boundary which could represent a potential flood risk.

### TOPOGRAPHY:

Site slopes down gently from west to east.

### TREES:

The trees to the rear of the site are semi natural ancient woodland. The majority of this sits outwith the site boundary however should any of these trees sit within the site (south edge of site) then these should be retained. Additionally, root areas of the trees immediately outwith the boundary should be protected

### NATURAL ENVIRONMENT DESIGNATIONS:

LNCS and Local Nature Reserve (Holy Loch) across the A815.

### FORM OF DEVELOPMENT:

2 detached properties sit within the general site area. The density, massing and design must take cognisance of these properties.

**PLANNING CONSENTS:**

04/01929/DET Erection of 17 dwellinghouses and formation of vehicular access and associated drainage works, granted 25.11.2005. This permission is extant as a result of drainage and access works although there has been no recent activity on the site.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

**ACTIONS**

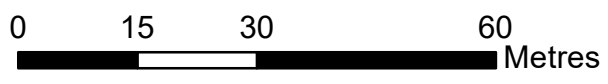
- Flood Risk Assessment required
- Water Network – Water Impact Assessment required
- Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates
- Drainage Impact Assessment required – Surface Water management Plan
- Potential Asset Conflict - Sewer infrastructure run through proposed site. Early engagement with Scottish Water required.
- Nature Conservation Constraint – check for European protected species (otters)

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### H1010 Sandbank - Broxwood



**H1011: Toward – March Cottage**

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale | Admin Area | HMA   | DM Zone         | DM Zone Name | Primary School      | Secondary School      |
|-----------|---------------|--------------------------------|---------------------|-----------|------------|-------|-----------------|--------------|---------------------|-----------------------|
| 1.77ha    | 22            | 25%                            | Landowner/Developer | Short     | BC         | Cowal | Settlement Area | Toward       | Toward;<br>St Munns | Dunoon Grammar School |

**EXISTING USE:**

Vacant Land

**ACCESS:**

From A815. There is currently no pedestrian footpath along the A815.

**FLOOD RISK:**

Risk of surface water flooding on north and central parts of the site indicated on SEPA flood maps.

**TOPOGRAPHY:**

Predominantly flat.

**TREES:**

Some small trees to south of site.

**BUILT ENVIRONMENT DESIGNATION:**

Scheduled Monument SM5431 Tollard House rock carvings (setting)

**CONSTRAINTS:**

HIE fragile area

**FORM OF DEVELOPMENT:**

Largely open landscape area however there is also a development site to the south. Development on both sites should be harmonious.



**PLANNING CONSENTS:**

06/00959/DET Erection of residential development comprising 16 dwellinghouses, formation of new vehicular accesses and associated drainage/culvert works and ground engineering works, granted 12.12.2006. This permission live by virtue of septic tank installation and ground engineering works. No recent development activity. Applications 23/00501/PPP, 23/00503/PPP and 23/00507/PP for development to the west side of the plot pending consideration as at April 2024.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

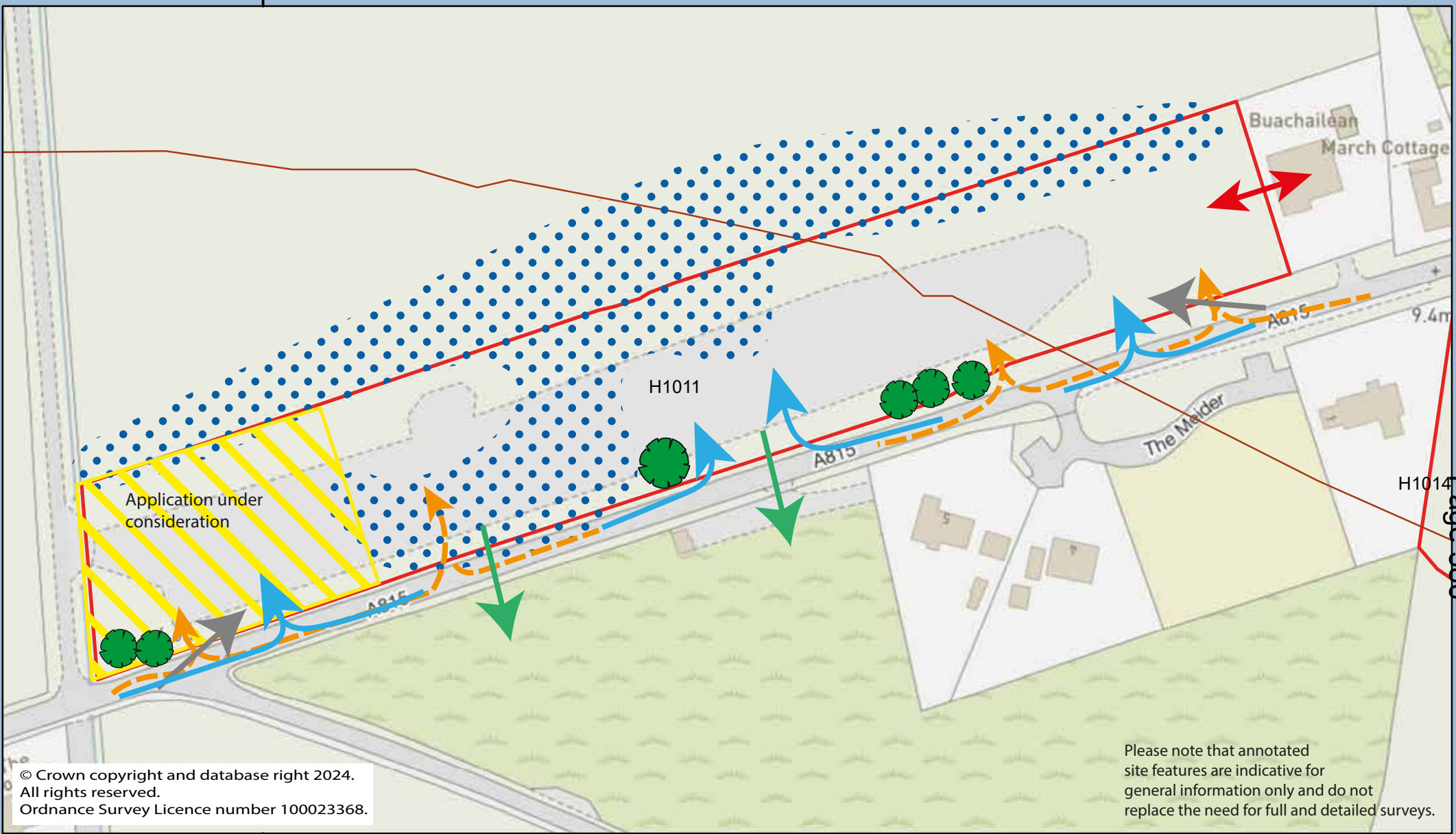
If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network – Water Impact Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |

213000



Application under consideration

H1011

A815

A915

Buachailean March Cottage

The Minder

H1014

Page 386

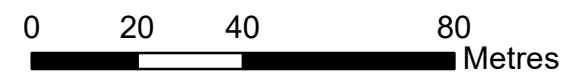
9.4m

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213000

# H1011 Toward - March Cottage



## H1012: Strachur - Creggans

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale      | Admin Area | HMA   | DM Zone         | DM Zone Name                            | Primary School | Secondary School      |
|-----------|---------------|--------------------------------|---------------------|----------------|------------|-------|-----------------|---|----------------|-----------------------|
| 1.16ha    | 12            | 25%                            | Landowner/Developer | Short / Medium | BC         | Cowal | Settlement Area | Strachur (including Creggans/Midletter) | Strachur       | Dunoon Grammar School |

### EXISTING USE:

Sloped wooded moorland with clearings

### ACCESS:

Access point from the rear of the Creggans Inn. Access is too steep to accommodate an adopted road

### FLOOD RISK:

No flood risk indicated on SEPA maps. Marshy in parts. Significant surface water run-off. Small watercourse/drain flows through allocation and potential flood risk from this source should be taken cognisance of.

### TOPOGRAPHY:

This large site generally slopes down from east to west and comprises partially wooded hillside above the existing development cluster around the Creggans Inn.

### TREES:

The allocation contains significant woodland outcrops which would have to be reduced/removed to allow development to occur.

### NATURAL ENVIRONMENT DESIGNATIONS:

Local Landscape Area – East Loch Fyne (coast)

Local Nature Conservation Site (LNCS)

### CONSTRAINTS:

HIE Fragile Area

**FORM OF DEVELOPMENT:**

Large 1 ½ storey detached villas sit adjacent to the road. This site sits further back so consideration could be given to varying scales of development, subject to compliance with LDP2 design and siting policies. Development of this allocation may appear prominent when viewed from the western shores of Loch Fyne.

**PLANNING CONSENTS:**

16/01832/PPP for the erection of 4 dwellinghouses, formation of vehicle access and installation of drainage infrastructure (lapsed)

17/00465/PP for the erection of one dwellinghouse, installation of sewage treatment plant and formation of new access (lapsed)

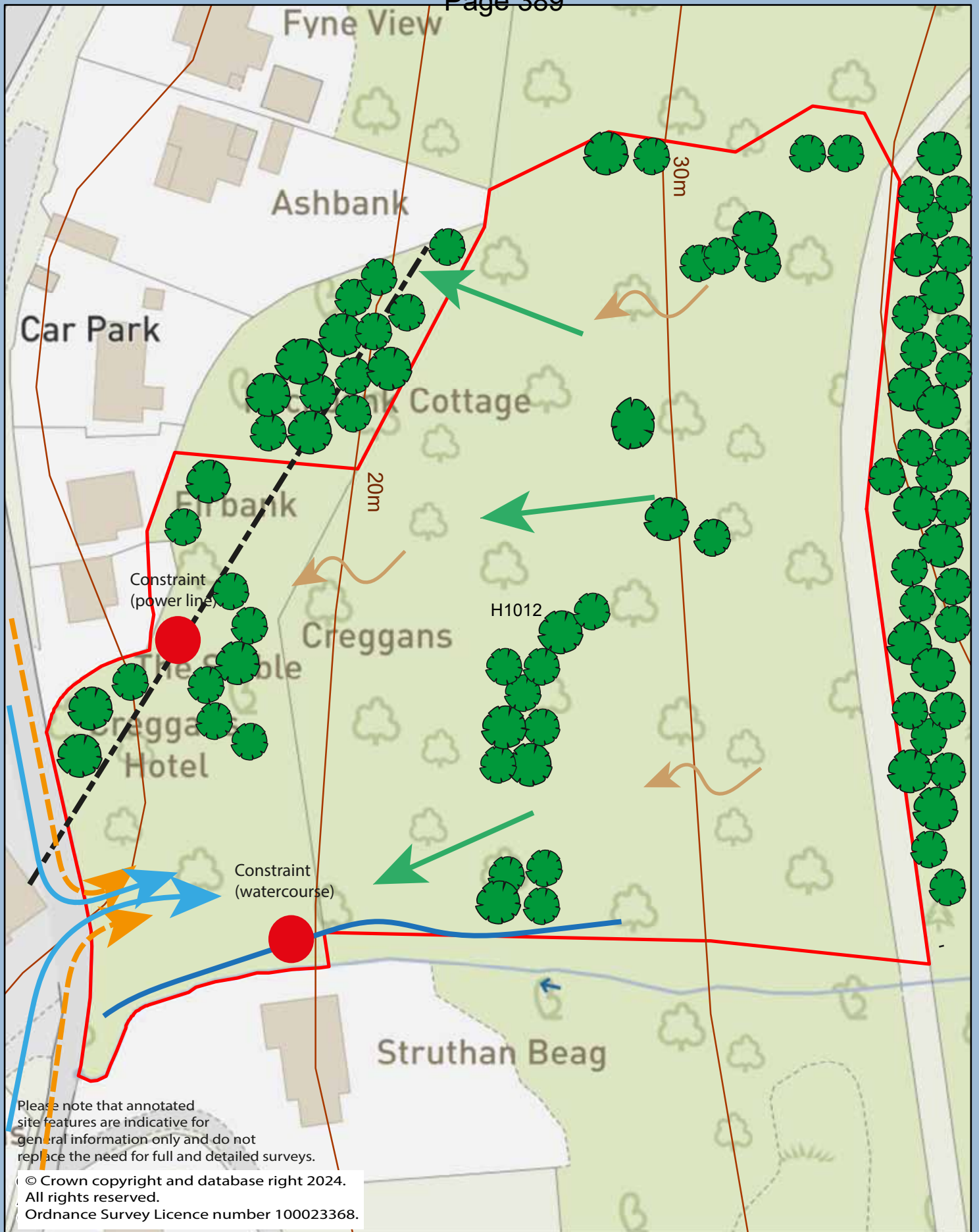
**CAPACITY:**

LDP2 states a capacity of 12 units. Planning application 16/01832/PPP was for the erection of 4 dwellinghouse and formation of vehicular access (granted 14th September 2016). As the site is unlikely to be suitable for an adopted road due to gradient 5 units would be the maximum which could be served from private access. The capacity should be reviewed during LDP3 assessments or any forthcoming planning applications.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network – Water Impact Assessment required</li><li>• Potential Asset Conflict - Water infrastructure run through this proposed site. Early engagement with Scottish Water is required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li><li>• Access – significant constraints related to topography limiting noted capacity</li></ul> |



H1012 Strachur  
Strachur - Creggans



**H1013: Strachur – Mid Letters**

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale      | Status             |
|---------------|--------------------------------|---------------------------------------|----------------|--------------------|
| 7             | 25%                            | Landowner/Developer<br>Scottish Water | Short / Medium | Masterplan on site |

| ACTIONS  |
|--|
| <ul style="list-style-type: none"> <li>• Flood Risk Assessment required</li> <li>• Water Network – Water Impact Assessment required</li> <li>• Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li> <li>• Waste Water Network – Considerable distance from public network. Any installation of network from site to the public sewer must be funded and carried out by the developer</li> <li>• Drainage Impact Assessment required</li> <li>• Potential Asset Conflict - Water infrastructure run through this proposed site. Early engagement with Scottish Water is required.</li> <li>• Nature Conservation Constraint – check for European protected species (otters)</li> </ul> |

## H1014: Toward

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale | Admin Area | HMA   | DM Zone         | DM Zone Name | Primary School     | Secondary School      |
|-----------|---------------|--------------------------------|---------------------|-----------|------------|-------|-----------------|--------------|--------------------|-----------------------|
| 1.81ha    | 25            | 25%                            | Landowner/Developer | Short     | BC         | Cowal | Settlement Area | Toward       | Toward;<br>St Muns | Dunoon Grammar School |

### EXISTING USE:

Grazing field

### ACCESS:

Primary access from A815. Possible secondary access from Toward Loop Road. There is currently no pedestrian footpath along the A815.

### FLOOD RISK:

Low and medium risk of surface water flooding on south east portion of site indicated on SEPA flood maps. Small watercourse flows through central portion of site.

### TOPOGRAPHY:

Predominantly flat

### TREES:

TPO 08/98 bounds the site to three sides.

### BUILT ENVIRONMENT DESIGNATIONS:

Scheduled Monument SM5431 Toward House rock carvings (setting)

B-listed LB5070 Toward Lighthouse (setting)

### CONSTRAINTS:

Overhead power line running across the site

HIE fragile area

### FORM OF DEVELOPMENT:

Contemporary large detached 2 storey houses to the south east. Primarily detached single storey houses on A815. 25 units may appear high for this site.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

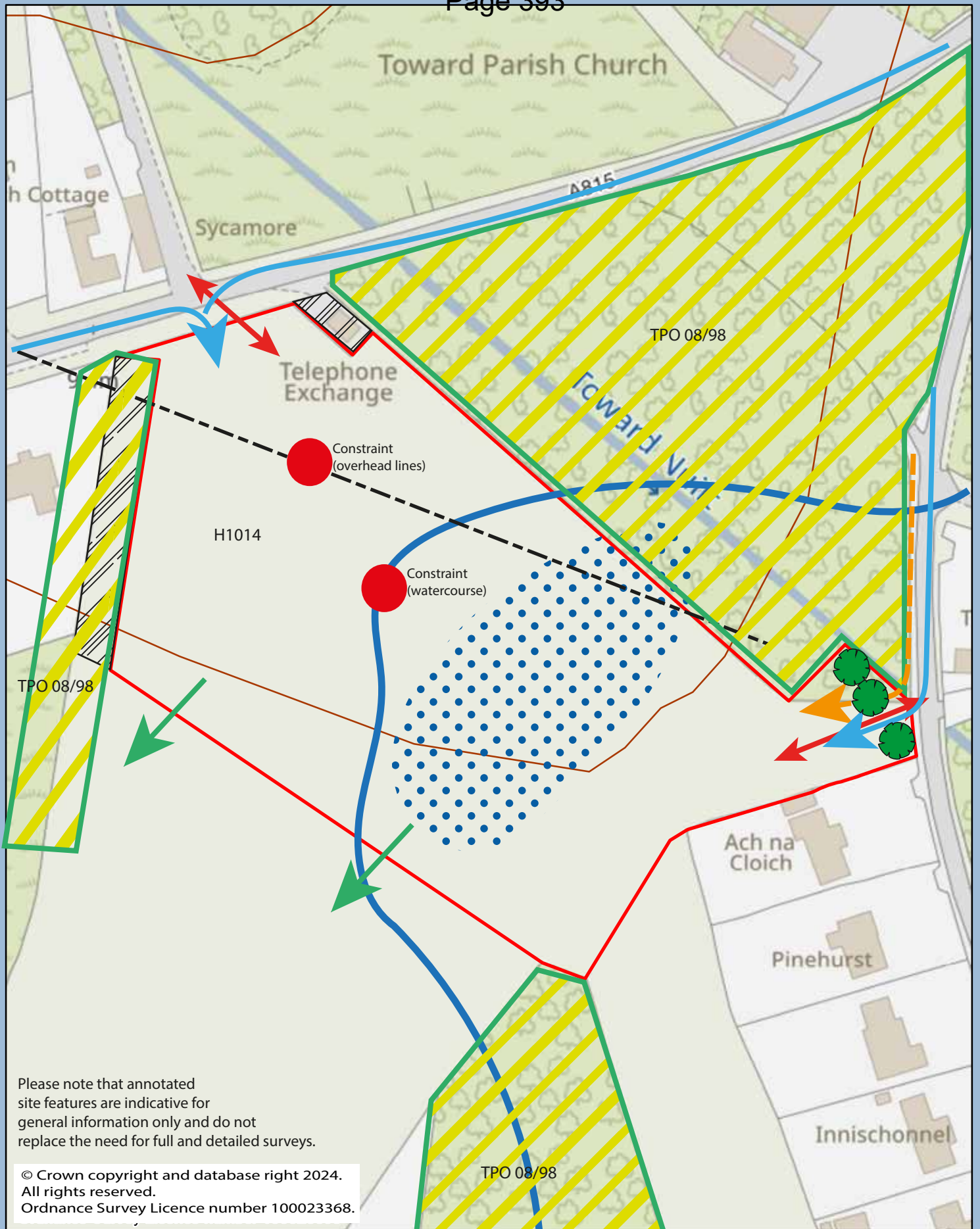
If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network – Water Impact Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |





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### H1014 Toward



## H1015: Dunoon – Gordon Street

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA   | DM Zone         | DM Zone Name | Primary School     | Secondary School      |
|-----------|---------------|--------------------------------|---------------------------------------|-----------|------------|-------|-----------------|--------------|--------------------|-----------------------|
| 8.08ha    | 100           | 25%                            | Landowner/Developer<br>Scottish Water | Short     | BC         | Cowal | Settlement Area | Dunoon       | Toward;<br>St Muns | Dunoon Grammar School |

### EXISTING USE:

Moorland

### ACCESS:

Area to rear of Alexander Street and Gordon Street steep and close to existing housing. Only one dwellinghouse built at western side of Gordon Street but bellmouth access formed at corner of Gordon Street and Mary Street. No other obvious access points into site.

### FLOOD RISK:

Risk of surface water flooding on 2 parts of the site indicated on SEPA flood maps. Watercourses running through site. This site forms part of lower sloping boggy moorland that has significant run-off from harvested forestry slopes above.

### TOPOGRAPHY:

Steeply sloping poorly drained moorland. Former quarry close to Gordon Street entrance. Rough footpath crosses the site linking John Street to Bishop's Glen via Scottish Water works track. Main forestry access road crosses northern part of site from John Street to Timber Haul Route

### TREES:

Scattered across the site – deciduous / coniferous

### BUILT ENVIRONMENT DESIGNATIONS:

C-listed LB26447 Kilbride Bridge (Setting)

B-listed LB26446 Auchamore Farmhouse and Steading (Setting)

### FORM OF DEVELOPMENT:

Gordon Street is predominantly detached single storey houses. Nelson Street features large 2 storey houses.

CONSTRAINTS:

Core paths C227(a) and C227(b)

Forestry access track running across north of site

Access to mast needs to be maintained

PLANNING CONSENTS:

19/01456/PP (approved September 2021)

CAPACITY:

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

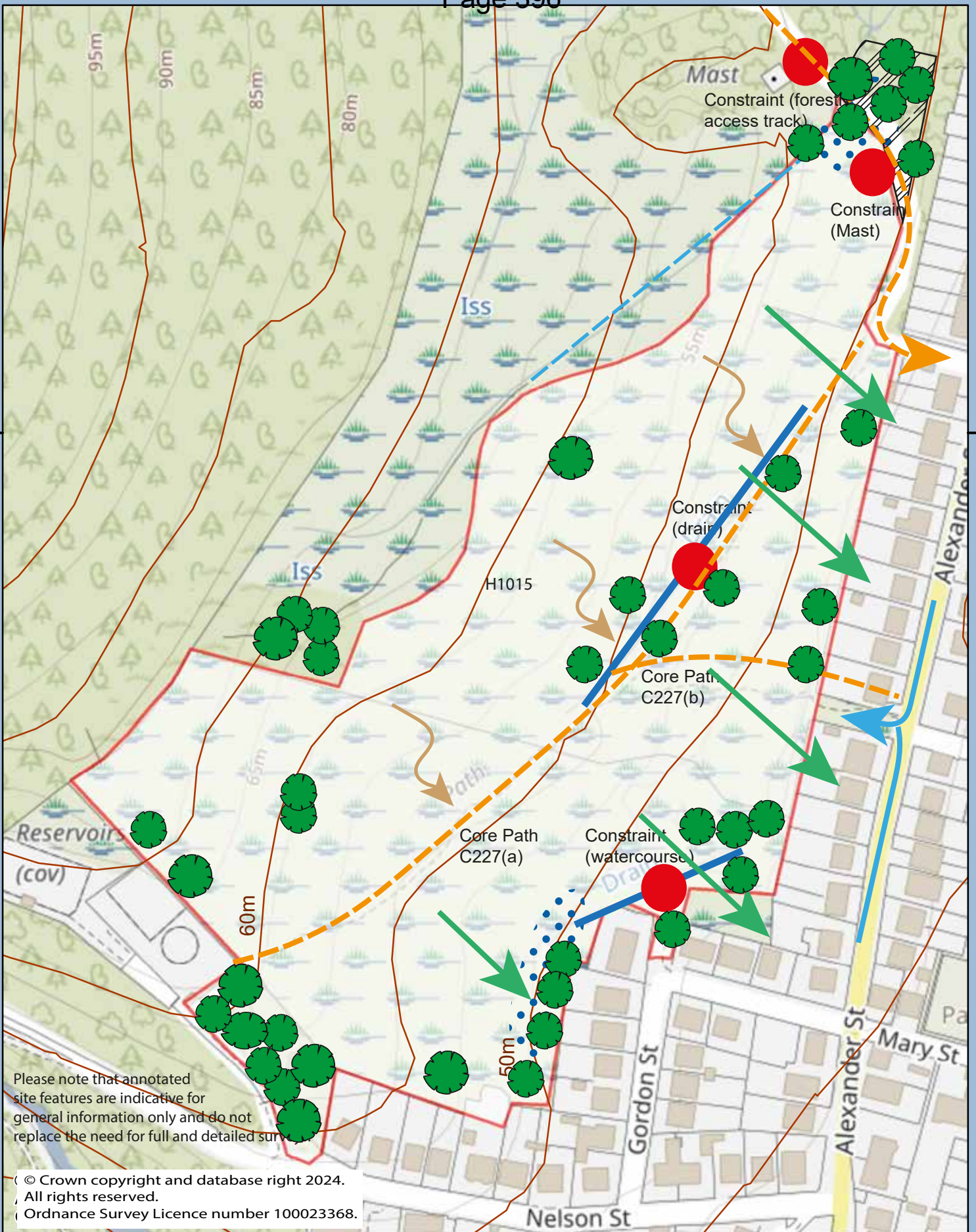
FOOD GROWING:

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network – Water Impact Assessment required</li><li>• Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li><li>• Drainage Impact Assessment required - – Surface Water management Plan</li><li>• Potential Asset conflict – 450mm trunk main runs through this site. Early engagement with Scottish Water is required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |

677000

677000



### H1015 Dunoon - Gordon Street



## H1016: Dunoon – Pilot Street

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA   | DM Zone         | DM Zone Name | Primary School     | Secondary School      |
|-----------|---------------|--------------------------------|---------------------------------------|-----------|------------|-------|-----------------|--------------|--------------------|-----------------------|
| 0.65ha    | 17            | 25%                            | Landowner/Developer<br>Scottish Water | Short     | BC         | Cowal | Settlement Area | Dunoon       | Toward;<br>St Muns | Dunoon Grammar School |

### EXISTING USE:

Vacant gap site (overgrown)

### ACCESS:

Access should be taken from Alexander Street.

### FLOOD RISK:

Medium and high risk of river flooding and medium and high risk of surface water flooding to the south of the site according to SEPA maps. Potentially from Milton Burn to south-east although Milton Burn Flood Prevention Scheme Phase 1 with John Street diversion culvert has helped alleviate flood capacity. No indication that Phase 2 works will be either necessary or affordable. Finished floor levels to be established for housing on the lower part of this site.

### TOPOGRAPHY:

Land slopes gently from Pilot Street to the Milton Burn at the eastern end of the site

### TREES:

Along boundaries of site. Larger species already removed along Pilot Street frontage. Trees tend to be self-seeding types. Low amenity value.

### FORM OF DEVELOPMENT:

Within developed area – mix of housing types and scales

### PLANNING CONSENTS:

Planning permission ref. 06/01846/DET for the erection of 17 dwellinghouses and formation of vehicular access has now lapsed.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

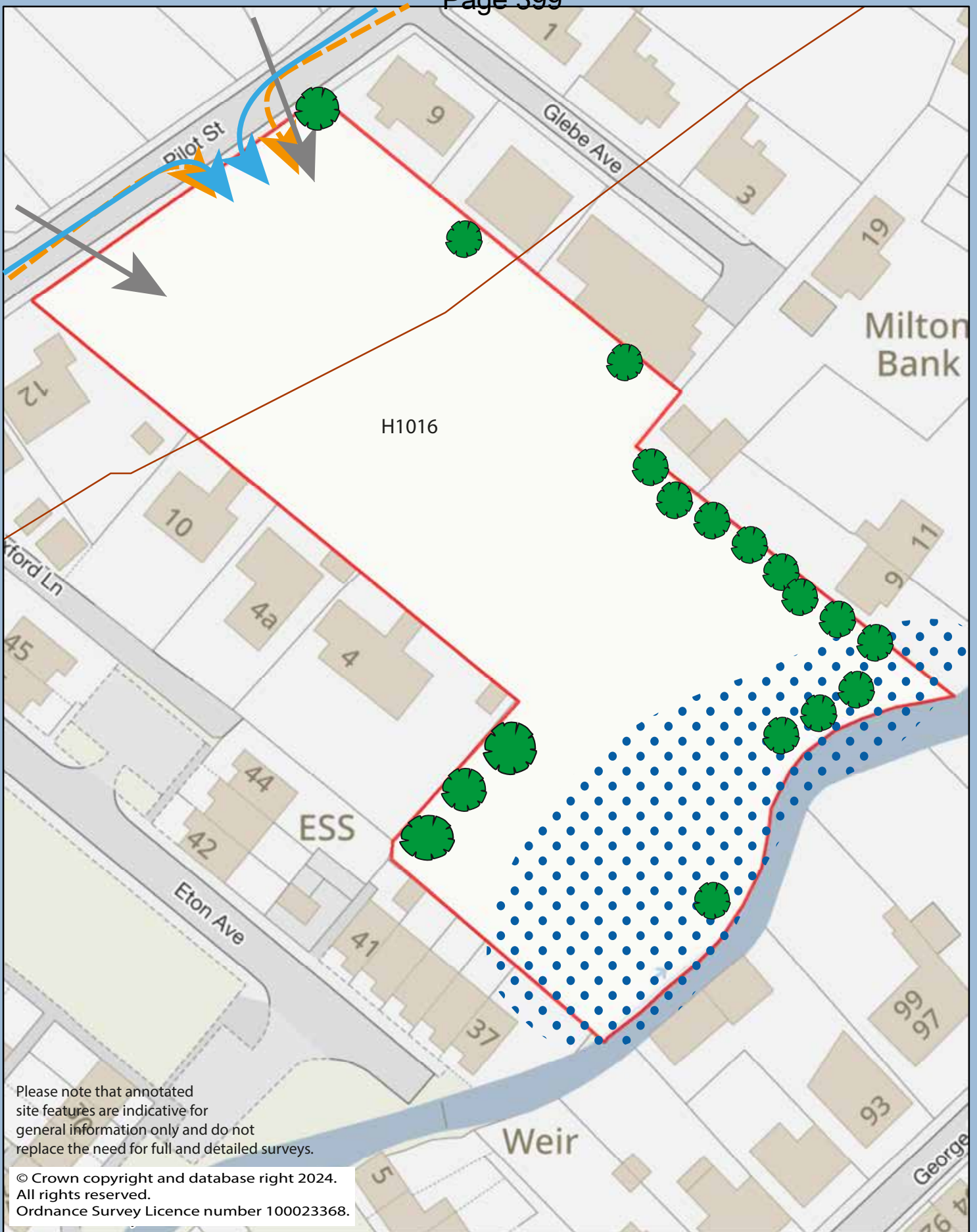
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network – Water Impact Assessment required</li><li>• Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li><li>• Drainage Impact Assessment required – Surface Water Management Plan</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



Please note that annotated site features are indicative for general information only and do not replace the need for full and detailed surveys.

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### H1016 Dunoon - Pilot Street



## H1017: Tighnabruaich

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale      | Status              |
|---------------|--------------------------------|---------------------------------------|----------------|---------------------|
| 20            | 25%                            | Landowner/Developer<br>Scottish Water | Short / Medium | Development on site |

### ACTIONS

- Flood Risk Assessment required
- Water Network – Water Impact Assessment required
- Waste Water Treatment Works - Growth project is required. . Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.
- Drainage Impact Assessment required
- Potential Asset conflict – Water infrastructure runs through site. Early engagement with Scottish Water is required.
- Nature Conservation Constraint – check for European protected species (otters)



## H1018: Tighnabruaich – Middle Innes

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale      | Admin Area | HMA   | DM Zone         | DM Zone Name          | Primary School | Secondary School      |
|-----------|---------------|--------------------------------|---------------------|----------------|------------|-------|-----------------|-----------------------|----------------|-----------------------|
| 12.39ha   | 35            | 25%                            | Landowner/Developer | Short / Medium | BC         | Cowal | Settlement Area | Kames / Tighnabruaich | Tighnabruaich  | Dunoon Grammar School |

### EXISTING USE:

Vacant farmland

### ACCESS:

Existing vehicular access can be achieved off A8003 to south of site. Existing track runs through the site from existing access. National Cycle Route (75) runs to south of site.

### FLOOD RISK:

Small portion of site subject to risk of surface water flooding indicated on SEPA flood maps.

### TOPOGRAPHY:

Site slopes downwards from north to south.

### TREES:

Site is bound by ancient woodland to north (Kilfinan). Some existing trees on site.

### NATURAL ENVIRONMENT DESIGNATIONS:

Local Landscape Area: Bute & South Cowal

### OPPORTUNITIES:

Views onto Kyles of Bute

### CONSTRAINTS:

Existing watercourse to north of site

**FORM OF DEVELOPMENT:**

Sensitive development due to raised location above existing settlement. Low density street pattern to conform with style of settlement.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

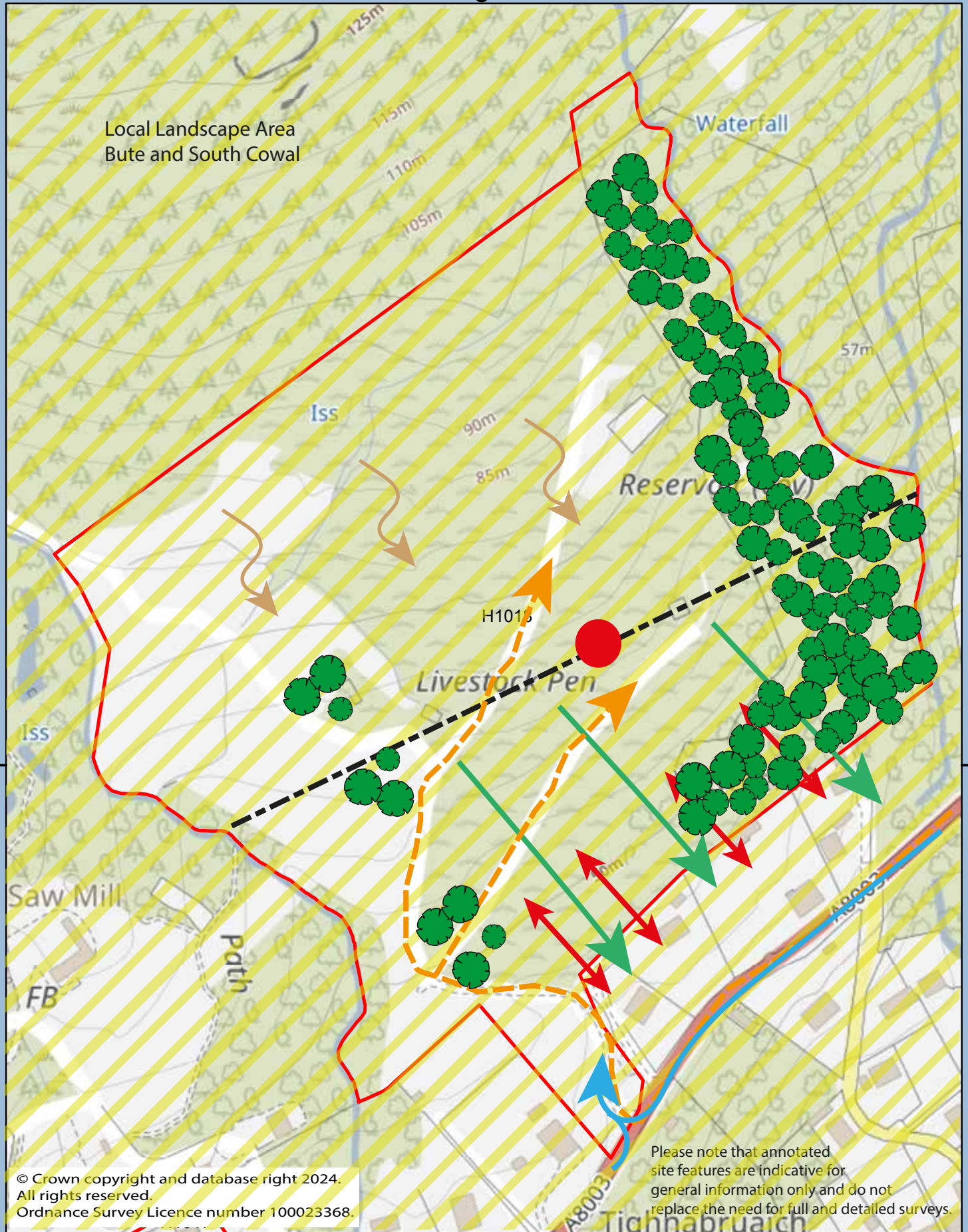
**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

**ACTIONS**

- Flood Risk Assessment required
- Water Network – Water Impact Assessment required
- Waste Water Treatment Works - Growth project is required. . Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.
- Drainage Impact Assessment required.
- Potential Asset conflict – Water infrastructure runs through site. Early engagement with Scottish Water is required.
- Nature Conservation Constraint – check for European protected species (otters)

Local Landscape Area  
Bute and South Cowal



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Please note that annotated site features are indicative for general information only and do not replace the need for full and detailed surveys.

H1018 Tighnabruaich  
Middle Innens



**H1019: Strachur South of East Manse Gardens**

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale                   | Admin Area | HMA   | DM Zone         | DM Zone Name                              | Primary School | Secondary School      |
|-----------|---------------|--------------------------------|---------------------------------------|-----------------------------|------------|-------|-----------------|---|----------------|-----------------------|
| 1.51ha    | 30            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium /<br>Long | BC         | Cowal | Settlement Area | Strachur (including Creggans / Midletter) | Strachur       | Dunoon Grammar School |

**EXISTING USE:**

Vacant land

**ACCESS:**

Partially existing vehicular access from road to south of site.

**FLOOD RISK:**

Risk of surface water flooding as indicated on SEPA maps

**TOPOGRAPHY:**

Site is predominantly flat. Small slope downwards from east to west. There is an earth which would need to be cleared as part of proposal.

**TREES:**

Existing trees and shrubbery in and round the perimeter of the site.

**CONSTRAINTS:**

Class 4 Radon Affected Area

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

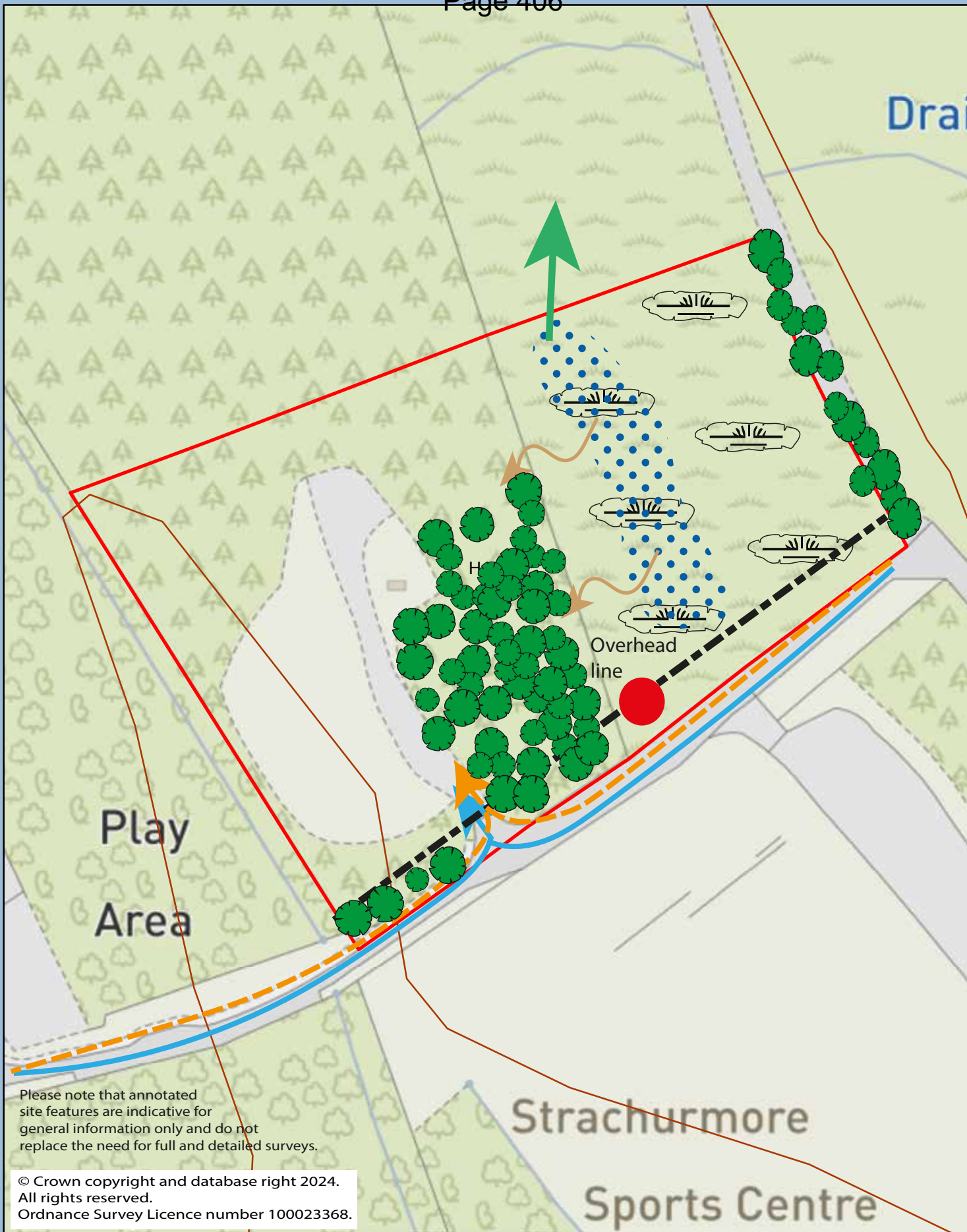
If a phased approach is proposed, these points should be addressed within the initial phase.

#### FOOD GROWING:

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

#### ACTIONS

- Flood Risk Assessment required
- Water Network – Water Impact Assessment required
- Waste Water Treatment Works - Growth project is required. . Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.
- Drainage Impact Assessment required
- Nature Conservation Constraint – check for European protected species (otters)



H1019 Strachur  
South East of Manse Gardens



**H2002: Cardross – Kirkton Farm 1**

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale      | Status  |
|---------------|--------------------------------|---------------------|----------------|---|
| 158           | 25%                            | Landowner/Developer | Short / Medium | Application approved in 2018 – 2 s42 applications have extended the period of this application (with one re FFL consented in 2023). |

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Drainage Impact Assessment required</li><li>• Potential Asset conflict – 450mm trunk main runs across the top of site. Early engagement with Scottish Water is required.</li><li>• Access Constraint – upgrade to Darleith Road required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li><li>• Major roads constraint – existing public network through the existing residential area is unsuitable to accept further traffic. The link through onto the A814 has severe restrictions to access.</li></ul> |

**H2004: Helensburgh East – Helensburgh Golf Club**

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale      | Status                 |
|---------------|--------------------------------|---------------------------------------|----------------|------------------------|
| 300           | 25%                            | Landowner/Developer<br>Scottish Water | Short / Medium | Application submitted. |

| ACTIONS   |
|---|
| <ul style="list-style-type: none"> <li>• Flood Risk Assessment required</li> <li>• Water Network – Water Impact Assessment required</li> <li>• Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates. Drainage Impact Assessment required</li> <li>• Potential Asset conflict – Trunk main runs through site. Early engagement with Scottish Water required.</li> <li>• Nature Conservation Constraint – check for European protected species (otters)</li> <li>• Potential roads constraint – the A818 is the main distributor road north of Helensburgh. On the east side there is potential to establish a connection utilizing the new access that serves the Roads depot. The west side has limited opportunity to connect onto the A818.</li> </ul> |



**H2005: Helensburgh East – Sawmill Field, Cardross Road**

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Status   |
|---------------|--------------------------------|---------------------------------------|-----------|----------|
| 145           | 25%                            | Landowner/Developer<br>Scottish Water | Short     | On site. |

| ACTIONS   |
|---|
| <ul style="list-style-type: none"> <li>• Flood Risk Assessment required</li> <li>• Project level Habitats Regulation Appraisal required</li> <li>• Due to the proximity of this site to an SPA developers will need to provide sufficient environmental information to allow the Planning Authority (in consultation with NatureScot) to complete a Habitats Regulations Appraisal. For planning permission to be granted, development must ensure that there would be no adverse effect on the Inner Clyde Special Protection Area/Ramsar site, either alone or in combination with other plans or projects through factors such as construction and operational disturbance (including noise, vibration, timing of construction works relative to the bird wintering period, and timing of construction works relative to other projects that affect the SPA</li> <li>• Water Network – Water Impact Assessment required</li> <li>• Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li> <li>• Waste Water Network – considerable distance from public network. Network to connect to be funded and carried out by developer. Note Reasonable Cost Contribution may not cover.</li> <li>• Drainage Impact Assessment required</li> <li>• Nature Conservation Constraint – check for European protected species (otters)</li> </ul> |

**H2006: Shandon – Blairvadach House**

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Status                |
|---------------|--------------------------------|---------------------------------------|-----------|-----------------------|
| 48            | 25%                            | Landowner/Developer<br>Scottish Water | Short     | Full planning consent |

| ACTIONS  |
|--|
| <ul style="list-style-type: none"> <li>• Flood Risk Assessment required</li> <li>• Water Network – Flow and Pressure and Water Impact Assessment required</li> <li>• Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li> <li>• Waste Water Network – considerable distance from public network. Network to connect to be funded and carried out by developer. Note Reasonable Cost Contribution may not cover.</li> <li>• Drainage Impact Assessment required</li> <li>• Nature Conservation Constraint – check for European protected species (otters)</li> </ul> |

**H2009: Garelochhead - Smithfield**

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale | Status                |
|---------------|--------------------------------|---------------------|-----------|-----------------------|
| 7             | 25%                            | Landowner/Developer | Short     | Full planning consent |

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Water Network – Flow and Pressure and Water Impact Assessment required</li><li>• Drainage Impact Assessment required</li><li>• Potential Asset conflict – Sewer infrastructure runs through this site and early engagement with Scottish Water is required.</li></ul> |

**H2010: Land off Argyll Road, Kilcreggan**

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale                   | Admin Area | HMA                       | DM Zone             | DM Zone Name         | Primary School            | Secondary School                               |
|-----------|---------------|--------------------------------|---------------------------------------|-----------------------------|------------|---------------------------|---------------------|----------------------|---------------------------|--|
| 5.36ha    | 26            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium /<br>Long | H&L        | Helensburgh<br>and Lomond | Countryside<br>Area | Kilcreggan /<br>Cove | Kilcreggan; St<br>Josephs | Hermitage<br>Academy; Our<br>Lady St Patrick's |

**EXISTING USE:**

Vacant farmland. Used for "in-bye" grazing

**ACCESS:**

Right of Way (SD90 & SD89)

Barbour Road is single track road with passing places. Not capable of serving potential development. Access from Barbour Road would be too steep for vehicles. Existing small gate access on south of site to Argyll Road. Vehicle access likely to be achieved from here.

**FLOOD RISK:**

Small portion of site subject to risk of surface water flooding indicated on SEPA flood maps.

**TOPOGRAPHY:**

Slopes down from Barbour Road (north) to Argyll Road (south).

**TREES:**

Trees on southern boundary

**FORM OF DEVELOPMENT:**

Very low density to reflect surrounding settlement pattern with circa 25m frontage is likely to be appropriate. Consideration must be given to farmhouse directly south of allocated site.

Legal agreement may be necessary to prevent tandem development in the future.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

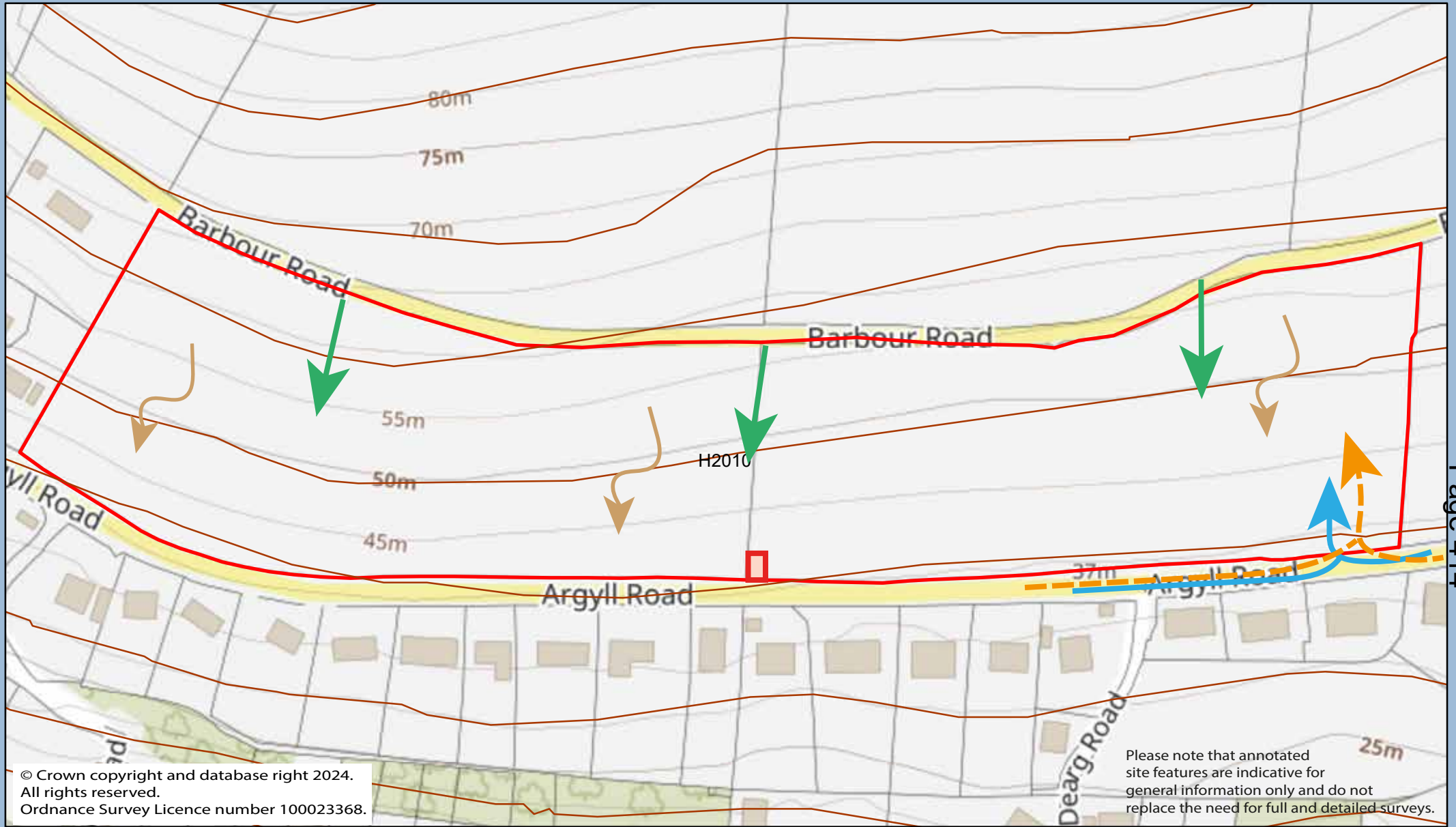
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Water Network – Flow and Pressure and Water Impact Assessment required</li><li>• Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li><li>• Waste Water Network – Drainage Impact</li><li>• Consider impacts on pipe Tigh Dearg Road - improved conveyancing</li><li>• Assess - Impact on trees/woodland - Mature Woodlands</li><li>• Potential for bat roosts in trees, bat survey may be required</li><li>• Wider issue of potential need for upslope Natural Flood Management areas should be considered</li></ul> |



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### H2010 Land off Argyll Road, Kilcreggan



## H2011: Rosneath – Waterfront (1)

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale                   | Admin Area | HMA                       | DM Zone            | DM Zone Name          | Primary School          | Secondary School                               |
|-----------|---------------|--------------------------------|---------------------------------------|-----------------------------|------------|---------------------------|--------------------|-----------------------|-------------------------|--|
| 1.36ha    | 40            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium /<br>Long | H&L        | Helensburgh<br>and Lomond | Settlement<br>Area | Clynder /<br>Rosneath | Rosneath;<br>St Josephs | Hermitage<br>Academy; Our<br>Lady St Patrick's |

### EXISTING USE:

Vacant farmland.

### ACCESS:

Core path (C311 & C285) in proximity to site. Vehicular access to site can be achieved from B833 to west of the site. Secondary access may be able to be obtained from Argyll Road/Camsail Road

### FLOOD RISK:

No flood risk from SEPA map, however site is located in close proximity to the coast

### TOPOGRAPHY:

Site is predominantly flat.

### TREES:

Shrubbery and trees throughout the site

### CONSTRAINTS:

Existing substation on site may be considered undevelopable. Overlooking views from dwellings on Argyll Road and Camsail Road will be required to be considered within an application.

### FORM OF DEVELOPMENT:

Low density to match settlement pattern. Typical street pattern in surrounding area is a mixture of detached, semi-detached, and terraced, two storey dwellings.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

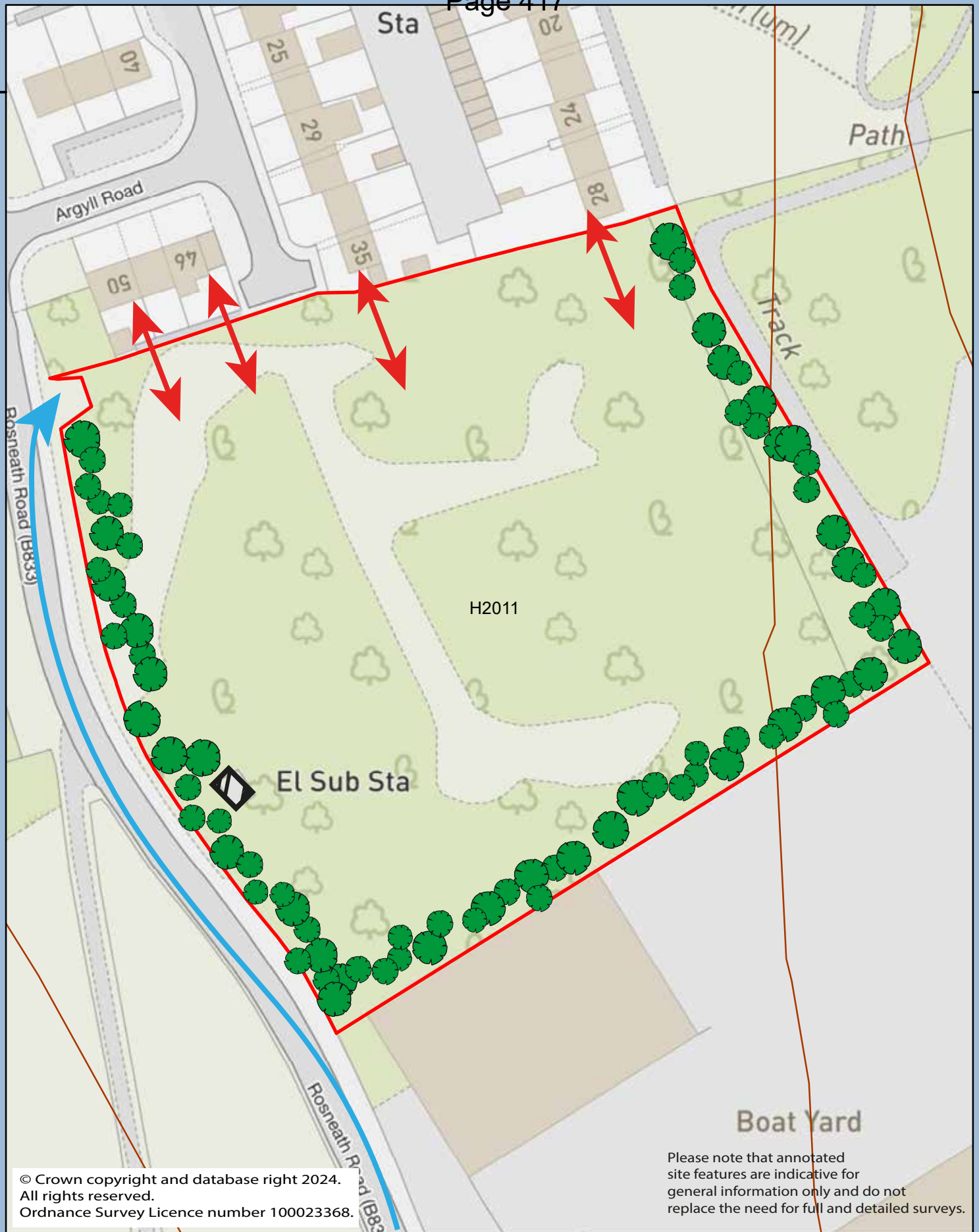
Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network – Flow and Pressure and Water Impact Assessment required</li><li>• Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li><li>• Drainage Impact Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



663000

663000



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### H2011 Rosneath - Waterfront (4)



**H2012: Land on School Road (wee field), Kilcreggan**

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale                   | Admin Area | HMA                       | DM Zone            | DM Zone Name         | Primary School            | Secondary School                               |
|-----------|---------------|--------------------------------|---------------------------------------|-----------------------------|------------|---------------------------|--------------------|----------------------|---------------------------|--|
| 1.08ha    | 20            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium /<br>Long | H&L        | Helensburgh<br>and Lomond | Settlement<br>Area | Kilcreggan /<br>Cove | Kilcreggan;<br>St Josephs | Hermitage<br>Academy; Our<br>Lady St Patrick's |

**EXISTING USE:**

Vacant farmland.

**ACCESS:**

Core Paths (C291, C319 (c) & (d))

Access can be achieved from School Road to west and north. Vehicular access likely to be achieved from School Road to the west. No access to be taken from Barbour Road.

**FLOOD RISK:**

Small drain and watercourse on southern boundary of site.

**TOPOGRAPHY:**

Site slopes downwards in a south westerly direction.

**TREES:**

Existing tree line on southern boundary of allocated site and existing farmhouse.

**FORM OF DEVELOPMENT:**

Low density to reflect surrounding settlement pattern. Consideration must be given to farmhouse to the south and existing two storey dwellings to the west.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

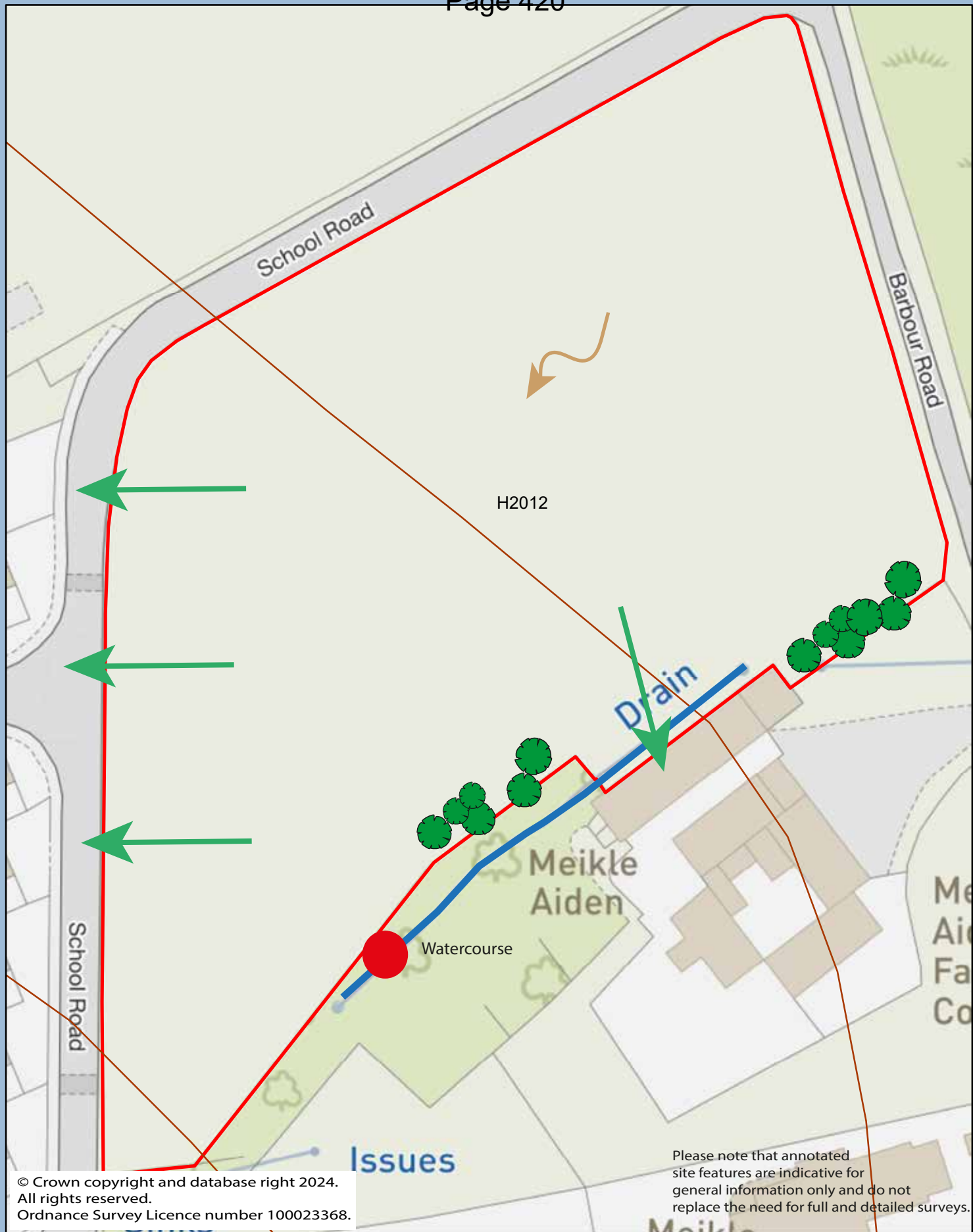
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Wider issue of potential need for upslope Natural Flood Management areas should be considered</li><li>• Water Network – Flow and Pressure and Water Impact Assessment required</li><li>• Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li><li>• Drainage Impact Assessment required</li><li>• Assess impact on trees/woodland – Mature woodland</li><li>• Potential for bat roosts in trees, bat survey may be required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H2012 Land on School Road, Kilcreggan



## H2013: Shandon - Blairvadach

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA                       | DM Zone            | DM Zone Name | Primary School     | Secondary School                               |
|-----------|---------------|--------------------------------|---------------------------------------|-----------|------------|---------------------------|--------------------|--------------|--------------------|--|
| 4.07ha    | 64            | 25%                            | Landowner/Developer<br>Scottish Water | Short     | H&L        | Helensburgh<br>and Lomond | Settlement<br>Area | Shandon      | Rhu;<br>St Josephs | Hermitage<br>Academy; Our<br>Lady St Patrick's |

### EXISTING USE:

Primarily vacant land featuring walled garden and paddock areas associated with Blairvadach House.

### ACCESS:

Existing vehicular from south-west of site from A814 using existing turn off for Blairvadach House. Core path C279(e) running between the southwest site boundary and A814. The existing topography and water course could affect the road layout in order to achieve acceptable gradients.

### FLOOD RISK:

Small watercourse/drain runs through the site. Minor watercourse adjacent to site boundary.

### TOPOGRAPHY:

Areas of steep land. Land slopes downwards from east to west with very few level areas.

### TREES:

Protected Trees on site - TP 0/18 – Blairvadach House, Shandon & TP 57  
21/00231/TPO – Sycamore felled on site.

### NATURAL ENVIRONMENT DESIGNATIONS:

TPO 01/18 & TP 57 – Blairvadach House, Shandon

### BUILT ENVIRONMENT DESIGNATIONS:

In proximity to B-listed building – Blairvadach House, Shandon (LB18789) with terrace, laundry block and outbuilding. Walled garden located within site.

**CONSTRAINTS:**

TPO protected trees, SPR Path, Railway Line (part of site within 10m buffer). Burn running through the site with limited access from road to the site. Existing bridges may be required to be retained and incorporated into new development scheme. Existing vehicle access from A814 may not be sufficient for level of development on site. New access may be required.

**FORM OF DEVELOPMENT:**

Recent development approved on adjacent site. Density in the area primarily two storey, detached dwellings of a modern design. Existing views of Blairvadich House from A814 may be required to be unobstructed and retained as part of any proposals

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

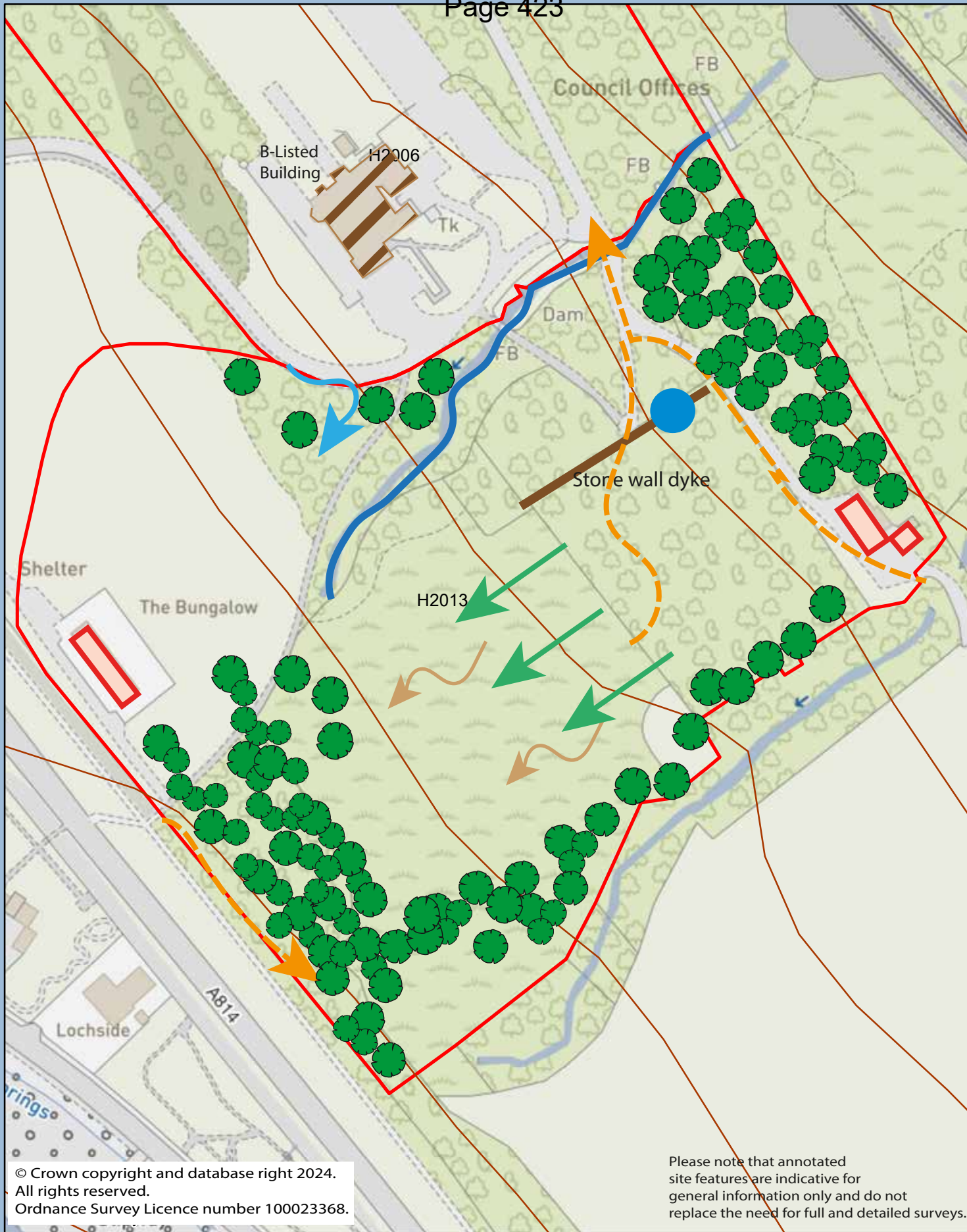
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network – Flow and Pressure and Water Impact Assessment required</li><li>• Waste Water Treatment Works - Growth project is required. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li><li>• Waste Water Network – considerable distance from public network. Network to connect to be funded and carried out by developer. Note Reasonable Cost Contribution may not cover.</li><li>• Drainage Impact Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



### H2013 Shandon - Blairvadach



### H3002: Lochgilphead – Fernoch Farm

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale | Admin Area | HMA        | DM Zone         | DM Zone Name | Primary School | Secondary School |
|-----------|---------------|--------------------------------|---------------------|-----------|------------|------------|-----------------|--------------|----------------|------------------|
| 2.93ha    | 60            | 25%                            | Landowner/Developer | Short     | MAKI       | Mid Argyll | Settlement Area | Lochgilphead | Lochgilphead   | Lochgilphead     |

#### EXISTING USE:

Agricultural Land

#### ACCESS:

Access from Monydrain Road (unclassified road). Possible access constraints as road is single track with houses on both sides for a proportional distance which would create issues with widening the existing access. No current pedestrian access along Monydrain Road. Potential access route from Fernoch Crescent is impeded by Fernoch farm access road. Route from Riverside Drive could be explored through H3005.

#### FLOOD RISK:

No flood risk indicated on SEPA maps.

#### TOPOGRAPHY:

Gentle slope towards the western boundary

#### TREES:

Trees line the site boundary.

#### CONSTRAINTS:

SSE pylons and power cables intersect the site

Access issues as above

#### FORM OF DEVELOPMENT:

Majority of neighbouring properties are single storey or one and a half detached and semi-detached properties.

Should form part of a masterplan approach with H3005 and H3030.



**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

|  |
|--|
| <b>ACTIONS</b>   |
| <ul style="list-style-type: none"><li>• Water Network –Water Impact Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |

186000

Core Path  
C110(a)

H3030

Drain

Constraint  
(overhead line)

H3005

Issues

H3002

H3014

Crescent

689000

689000

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### H3002 Lochgilphead - Fernoch Farm



### H3003: Inveraray - South

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale | Admin Area | HMA        | DM Zone         | DM Zone Name | Primary School    | Secondary School |
|-----------|---------------|--------------------------------|---------------------|-----------|------------|------------|-----------------|--------------|-------------------|------------------|
| 1.4ha     | 9             | 25%                            | Landowner/Developer | Short     | MAKI       | Mid Argyll | Settlement Area | Inveraray    | Inveraray Primary | Lochgilphead     |

#### EXISTING USE:

Agricultural – mainly improved pasture

#### ACCESS:

Access from A83 Trunk Road, just outwith the 30pmh zone. Pedestrian access would be required from the trunk road. Pedestrian access from The Avenue.

#### FLOOD RISK:

Low and medium risk of coastal flooding to south west portion of site indicated on SEPA flood maps.

#### TOPOGRAPHY:

Predominantly flat – gently sloping towards trunk road

#### TREES:

Around edges of the site

#### NATURAL ENVIRONMENT DESIGNATION:

Local Landscape Area – West Loch Fyne (Coast)

#### BUILT ENVIRONMENT DESIGNATION:

Garden and Designed Landscape – Inveraray Castle

#### FORM OF DEVELOPMENT:

On edge of settlement adjacent to large detached villas.

PLANNING CONSENTS:

11/02334/PPP for 9 dwellinghouses with approval of conditions 14/02779/AMSC (lapsed)

CAPACITY:

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

FOOD GROWING:

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Water Network –Water Impact Assessment required</li><li>• Potential Asset conflict – Sewer infrastructure crosses this site and early engagement with Scottish Water is required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |

Core Path  
C203(f)

Whitecraigs

H3003

A83

A83

Marine  
Conservation  
Area

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### H3003 Inveraray South



### H3005: Lochgilphead – Moneydrain Road

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale      | Admin Area | HMA        | DM Zone         | DM Zone Name | Primary School       | Secondary School         |
|-----------|---------------|--------------------------------|---------------------|----------------|------------|------------|-----------------|--------------|----------------------|--------------------------|
| 1.21ha    | 14            | 25%                            | Landowner/Developer | Short / Medium | MAKI       | Mid Argyll | Settlement Area | Lochgilphead | Lochgilphead Primary | Lochgilphead High School |

#### EXISTING USE:

Vacant Land

#### ACCESS:

Access from Riverside Drive formed in southern end of the site. No existing pedestrian access. Pedestrian access would be available through Riverside Drive if a connecting footpath was formed. Potential to create pedestrian access to Core Path 110(a).

Access to H3030 is required through this site. Potential to also link through to allocation H3002 to provide vehicular access for development on that site.

#### FLOOD RISK:

Medium and low risk of river flooding to the west of the site indicated on SEPA maps. Low risk of surface water flooding indicated to south of the site on SEPA maps. A watercourse is also adjacent to the site. Multiple minor watercourses (some potentially culverted) flow through or along the site boundary which could represent a potential flood risk. A surface water flood hazard has been identified and should be discussed with FPA and Scottish Water. Appropriate surface water management measures should be adopted.

#### TOPOGRAPHY:

Relatively flat site

#### TREES:

Trees line the eastern site boundary.

#### OPPORTUNITIES:

Links to core path C110(a)

#### CONSTRAINTS:

SSE pylons and power cables intersect the site limiting development potential of the southern section of the site

**FORM OF DEVELOPMENT:**

Adjacent to recent development sites (2 storeys, mix of semis and detached). Similar type of development appropriate.  
Should form part of masterplan approach with H3030 and H3002.

**PLANNING CONSENTS:**

07/01714/DET granted 8 flats and 10 houses. 09/01127/DET amended 4 of the flats to a block of 6 and these are complete. No other dwellings complete.  
Note that a small part of the site forms part of 22/01062/PP for 6 dwellinghouses.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network –Water Impact Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li><li>• 6 affordable flats completed on site prior to LDP2.</li><li>• LDP2 requirement of 25% affordable relates to the 14 units.</li><li>• Open Space/play space requirements relate to a minimum of 20 units as requirements for the developed 6 were to be delivered in later phases.</li></ul> |





### H3006: Lochgilphead – High School

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale      | Admin Area | HMA        | DM Zone         | DM Zone Name | Primary School       | Secondary School         |
|-----------|---------------|--------------------------------|---------------------|----------------|------------|------------|-----------------|--------------|----------------------|--------------------------|
| 4.13ha    | 80            | 25%                            | Landowner/Developer | Short / Medium | MAKI       | Mid Argyll | Settlement Area | Lochgilphead | Lochgilphead Primary | Lochgilphead High School |

#### EXISTING USE:

Vacant Land

#### ACCESS:

Potential access to site from McIntyre Terrace/McDonald Terrace on southern boundary of the site and Burns Brae on eastern boundary of the site. Two Core paths run through the site (C14 (a) McDonald Terrace to Blairbuie Road and C535 McIntyre Terrace to Aros). Both core paths will need to be incorporated into any development and could be integrated into the design of pedestrian access on site.

Gradients may be an issue – need to consider additional vehicular movements on Manse Brae. Footways on Manse Brae should be widened if substantial number of units proposed.

#### FLOOD RISK:

High, medium and low risk of surface water flooding at south of site indicated on SEPA maps. Multiple minor watercourses (some potentially culverted) flow through or along the site boundary which could represent a potential flood risk. A Flood Risk Assessment is required. A surface water flood hazard has been identified and should be discussed with FPA and Scottish Water. Appropriate surface water management measures should be adopted.

#### TOPOGRAPHY:

Gentle slope towards the eastern boundary

#### TREES:

Trees line eastern boundary. Possibly retain some of these as screening on the western boundary.

#### CONSTRAINTS:

Core paths C147(e) and C535 cross the site which must be integrated into any proposed scheme

**FORM OF DEVELOPMENT:**

To the north of the site is the Lochgilphead hospital, the first phase of the High School site development sits to the east, and an older development at Macdonald Terrace sits to the south. There are no heritage assets in the vicinity whose setting should be affected by the development. There is therefore some flexibility in terms of design and layout.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

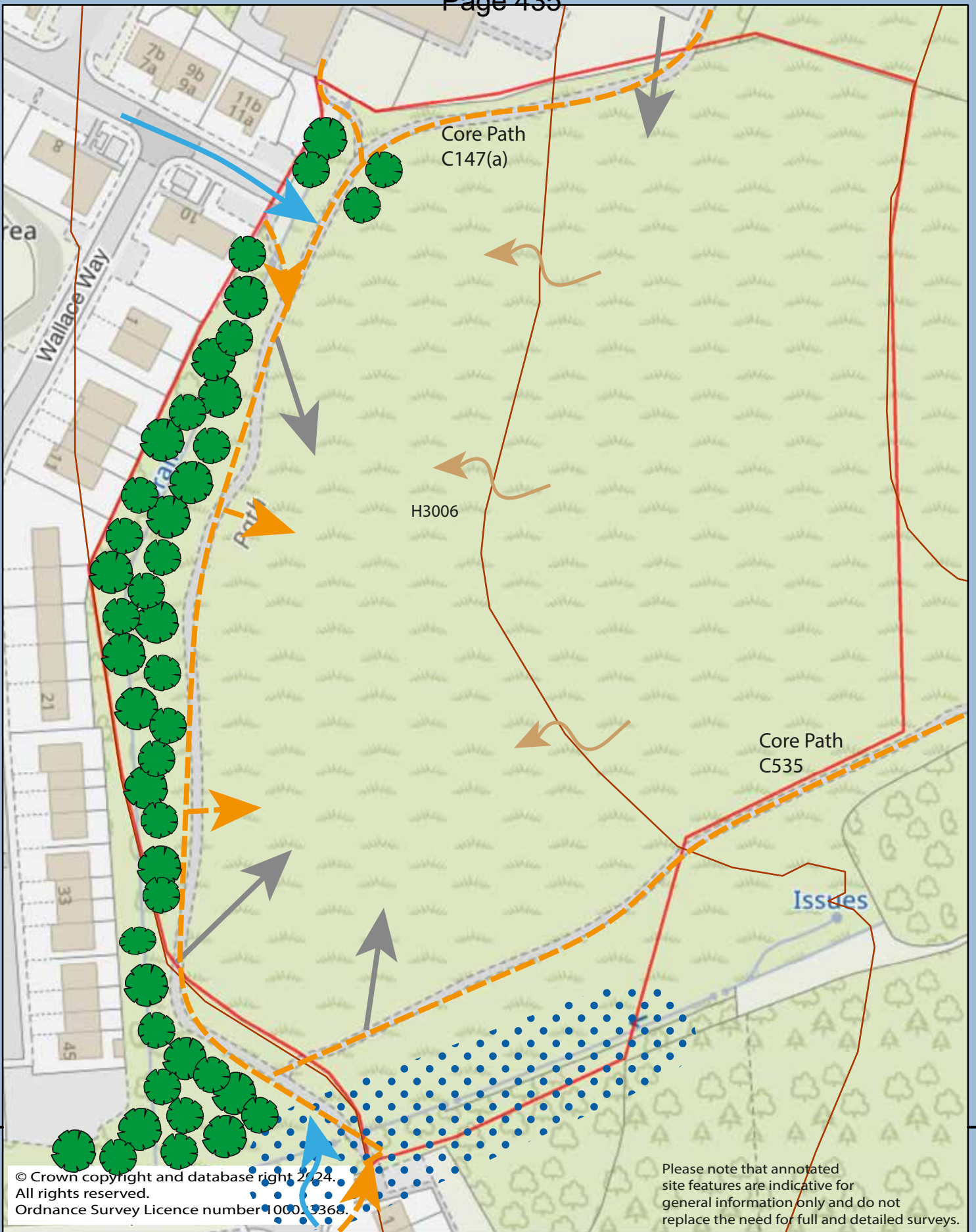
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network –Water Impact Assessment required</li><li>• Potential Asset conflict – Trunk main runs through the site and early engagement with Scottish Water is required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H3006 Lochgilphead - High School



000899

000899

### H3007: Campbeltown - Bellfield

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA     | DM Zone            | DM Zone Name | Primary School | Secondary School              |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|---------|--------------------|--------------|----------------|-------------------------------|
| 7.4ha     | 60            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | MAKI       | Kintyre | Settlement<br>Area | Campbeltown  | Dalintober     | Campbeltown<br>Grammar School |

#### EXISTING USE:

Rough grazing

#### ACCESS:

From High Askomil (B842)

#### FLOOD RISK:

No flood risk indicated on SEPA maps. However a small watercourse/drain flows through allocation and potential flood risk from this source should be taken cognisance of

#### TOPOGRAPHY:

This is a large site comprising open hillside above the existing development on the northern side of Campbeltown Loch that generally slopes down from the north to south.

#### TREES:

Some trees at west boundary and on the boundary to High Askomil Road.

#### BUILT ENVIRONMENT DESIGNATIONS:

Scheduled Monument SM3644 Bellfield Fort and Dun (setting)

A-listed LB22940 High Askomil (setting)

B-listed LB43111 Low Askomil (setting)

Conservation area and listed buildings on Kilkerran Road from where the site is clearly visible and key views will be significantly altered (setting)

#### CONSTRAINTS:

There are two WOSAS archaeological consultation areas within the allocation. One relates to the SM and the other a much smaller area at the eastern end of the allocation. The allocation is also covered by an airfield and NATS (Machrihanish) Safeguarding Zone.

#### FORM OF DEVELOPMENT:

The area comprises detached properties of individual architectural styles. As the site is clearly visible from Kilkerran Road (conservation area and listed buildings) an analysis of how the proposed scales, heights and groupings would read from here should be submitted in any application for detailed planning permission, which should include clear visual information.

Phased development of the site must not preclude access – either vehicular or pedestrian – for future development

#### PLANNING CONSENTS

The allocation was the subject of an outline application for housing development and associated masterplan (06/02492/OUT) that was approved in September 2007. The application has now lapsed

21/02221/MPLAN is currently awaiting a decision for the southmost portion of the site. This site is under separate ownership from the larger area to the north.

#### CAPACITY:

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

#### FOOD GROWING:

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Growth Project required at Water Treatment Works. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li><li>• Water Network –Water Impact Assessment required</li><li>• Potential Asset conflict – Water infrastructure runs through this site and early engagement with Scottish Water required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |

70m

H3007

Phase 2  
(21/02221/PLAN  
current in July 23)

60m

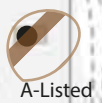
50m

49m

Pit (dis)

High Askomil (B842)

Lochview Ave



A-Listed



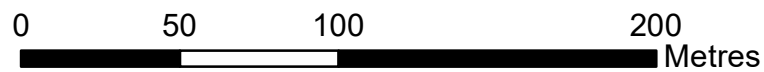
B-Listed

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View from Kilkerran Raod

View from Kilkerran Raod



### H3008: Campbeltown - Roading

| Site Size | LDP2 Capacity                           | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA     | DM Zone         | DM Zone Name | Primary School | Secondary School           |
|-----------|---|--------------------------------|---------------------------------------|-----------|------------|---------|-----------------|--------------|----------------|----------------------------|
| 1.59ha    | 11 (7 units already built or consented) | 25%                            | Landowner/Developer<br>Scottish Water | Short     | MAKI       | Kintyre | Settlement Area | Campbeltown  | Dalintober     | Campbeltown Grammar School |

#### EXISTING USE:

Vacant Land

#### ACCESS:

Access into the site through the Roadings. Access road into site partially formed.

#### FLOOD RISK:

None indicated on SEPA maps.

#### TOPOGRAPHY:

Relatively flat with a slight slope to the west of the site.

#### TREES:

None on site.

#### FORM OF DEVELOPMENT:

Single storey development within the area and consented on Plots 3 to 7 – a similar type of development is likely to be appropriate.

#### PLANNING CONSENTS:

21/02379/PP, 21/02584/PP, 22/00179/PP, 22/00181/PP and 22/00321/PP granted for individual dwellinghouses to west side of site.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

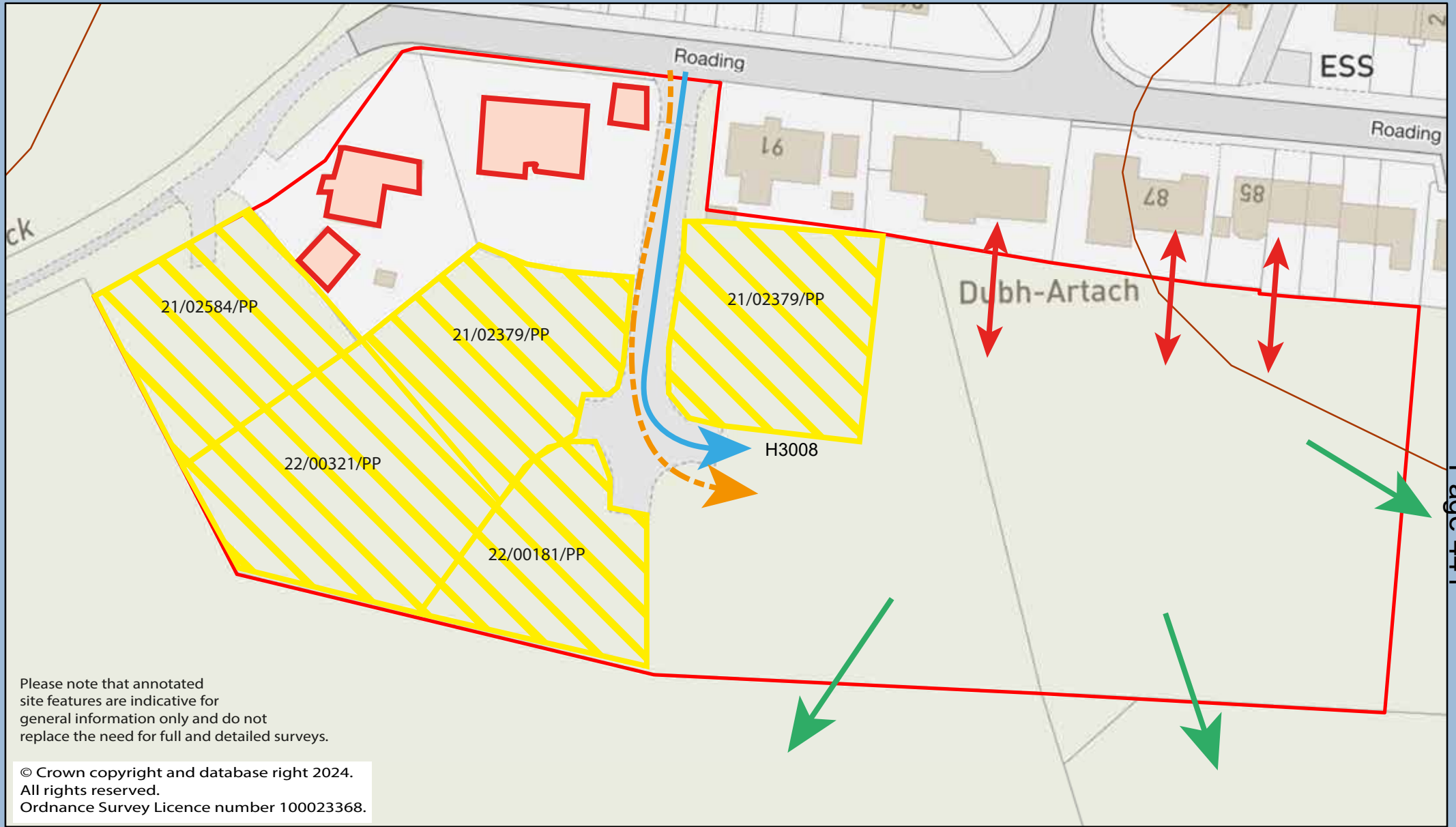
If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Growth Project required at Water Treatment Works. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li><li>• Water Network –Water Impact Assessment required</li><li>• 9” main runs through the site and early engagement with Scottish Water is required.</li></ul> |





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### H3008 Campbeltown - Roding



### H3009: Campbeltown - Kilkerran

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA     | DM Zone            | DM Zone Name | Primary School | Secondary School              |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|---------|--------------------|--------------|----------------|-------------------------------|
| 3.43ha    | 50            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | MAKI       | Kintyre | Settlement<br>Area | Campbeltown  | Castlehill     | Campbeltown<br>Grammar School |

#### EXISTING USE:

Vacant Land

#### ACCESS:

Extremely limited access to the site as there is a cul-de-sac to the north west of the site so no possibility of an extension to the existing access and the only other potential access is the private access which is situated to the south east of the site. However this access would need to be upgraded and then cross land outside the site. Pedestrian access would need to be incorporated into the design of the development to possibly link with houses on Ardnacraig Avenue.

#### FLOOD RISK:

None indicated on SEPA maps.

#### TOPOGRAPHY:

Gently sloping

#### TREES:

Trees to north boundary of site providing separation from B-listed houses. These trees provide screening from the road, limiting the visual impact development here would have on the setting of these listed buildings. The woodland would have to be protected through the use of a buffer zone to ensure development did not affect root systems and measures would have to be taken during site construction to ensure the continuing integrity of the woodland. European Protected Species may be present in the woodland.

#### CONSTRAINTS:

Powerlines run across the south eastern boundary of the site.

**BUILT ENVIRONMENT DESIGNATIONS:**

- Just outwith the boundary of the conservation area (setting)
- Scheduled Monument SM248 Kilkerran Cemetery, Cristin’s Cross and MacEachern’s Cross (setting)
- B-listed LB22962 Kilkerran Churchyard and Cemetery (setting)
- C-listed LB43085 Knockbay (setting)
- B-listed LB43086 former lifeboat house (setting)
- B-listed LB43089 Rockwood (setting)
- B-listed LB22960 East Cliff (setting)
- B-listed LB22959 South Park (setting)

**FORM OF DEVELOPMENT:**

Traditional large-scale houses to the north (listed) and smaller contemporary housing development. The scale of properties on this site should not have a detrimental impact on the setting of the scheduled monument and listed buildings

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

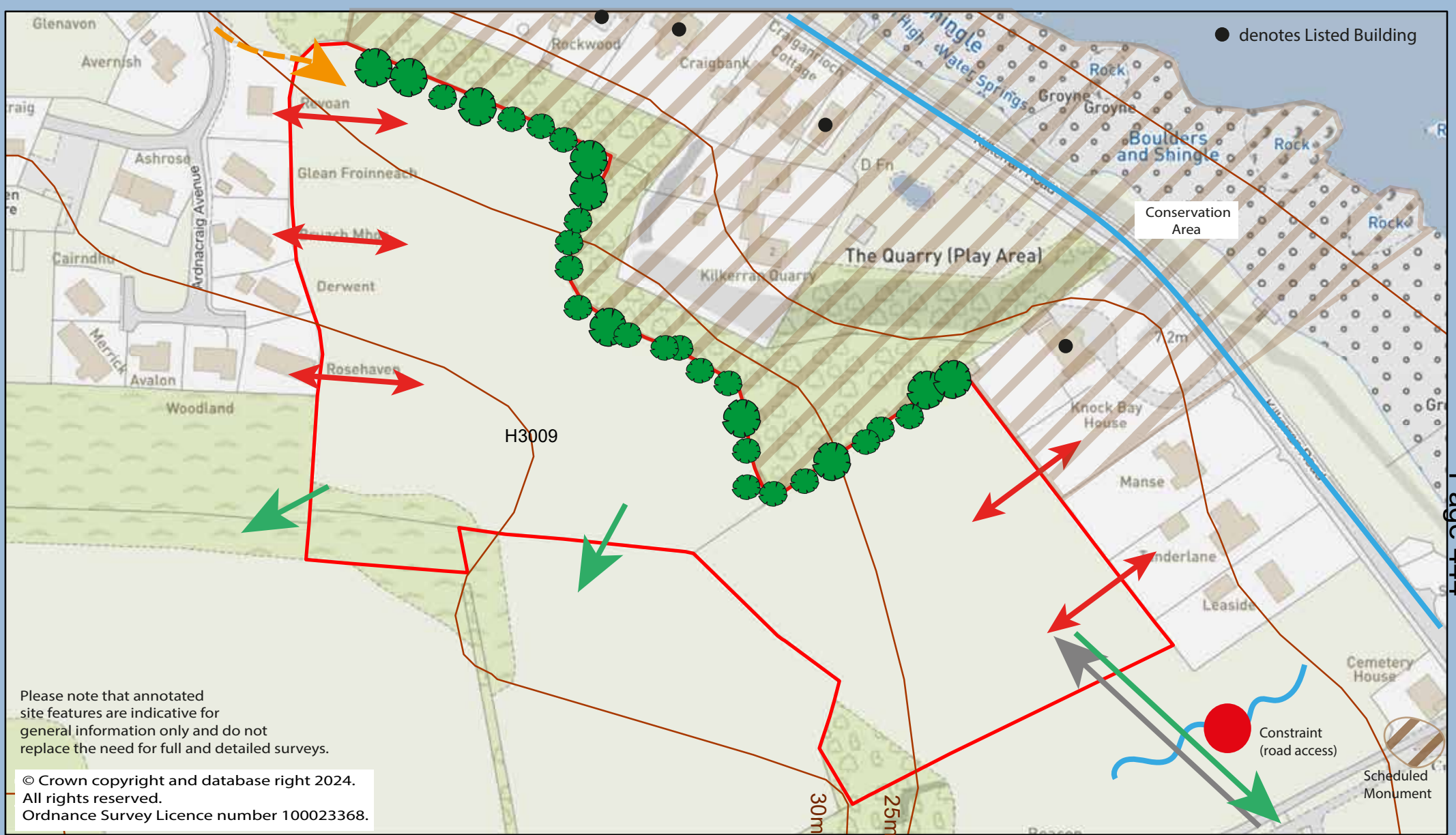
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Growth Project required at Water Treatment Works. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li><li>• Water Network –Water Impact Assessment required</li><li>• Drainage Impact Assessment required.</li><li>• Assess impact on trees/woodland – Mature Woodlands</li><li>• Potential for bat roosts in trees, bat survey may be required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H3009 Campbeltown - Kilkerran



### H3010: Carradale

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA     | DM Zone            | DM Zone Name | Primary School | Secondary School              |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|---------|--------------------|--------------|----------------|-------------------------------|
| 1.26ha    | 22            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | MAKI       | Kintyre | Settlement<br>Area | Carradale    | Carradale      | Campbeltown<br>Grammar School |

#### EXISTING USE:

Pastoral grazing and caravan site

#### ACCESS:

Potential for access on southern boundary (Culcreuch Road). Access to site from western private road is single track and restricted in terms of improvements by existing properties. Pedestrian access could be linked with pedestrian access on Culcreuch Road

#### TOPOGRAPHY:

Gently slope down towards coast

#### TREES:

No trees on the site but a large number of shrubs / bushes which limit visibility into the site from the east.

#### NATURAL ENVIRONMENT DESIGNATIONS:

The site is adjacent to a Local Landscape Areas (East Kintyre (coast)) which must be given due consideration

#### CONSTRAINTS:

Right of way (claimed)

The site lies within an area identified by SEPA as a waste water drainage hotspot where there is considered to be an over reliance on private drainage systems (septic tanks). Scottish Water have not indicated a problem in getting a foul drainage connection. However, it may be the case that due to site levels, in order to get such a connection a pumped system may be required and this could increase basic infrastructure costs.

**FORM OF DEVELOPMENT:**

Single storey and one and a half storey detached and semi-detached properties surround the site. Similar form of development would be suitable.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

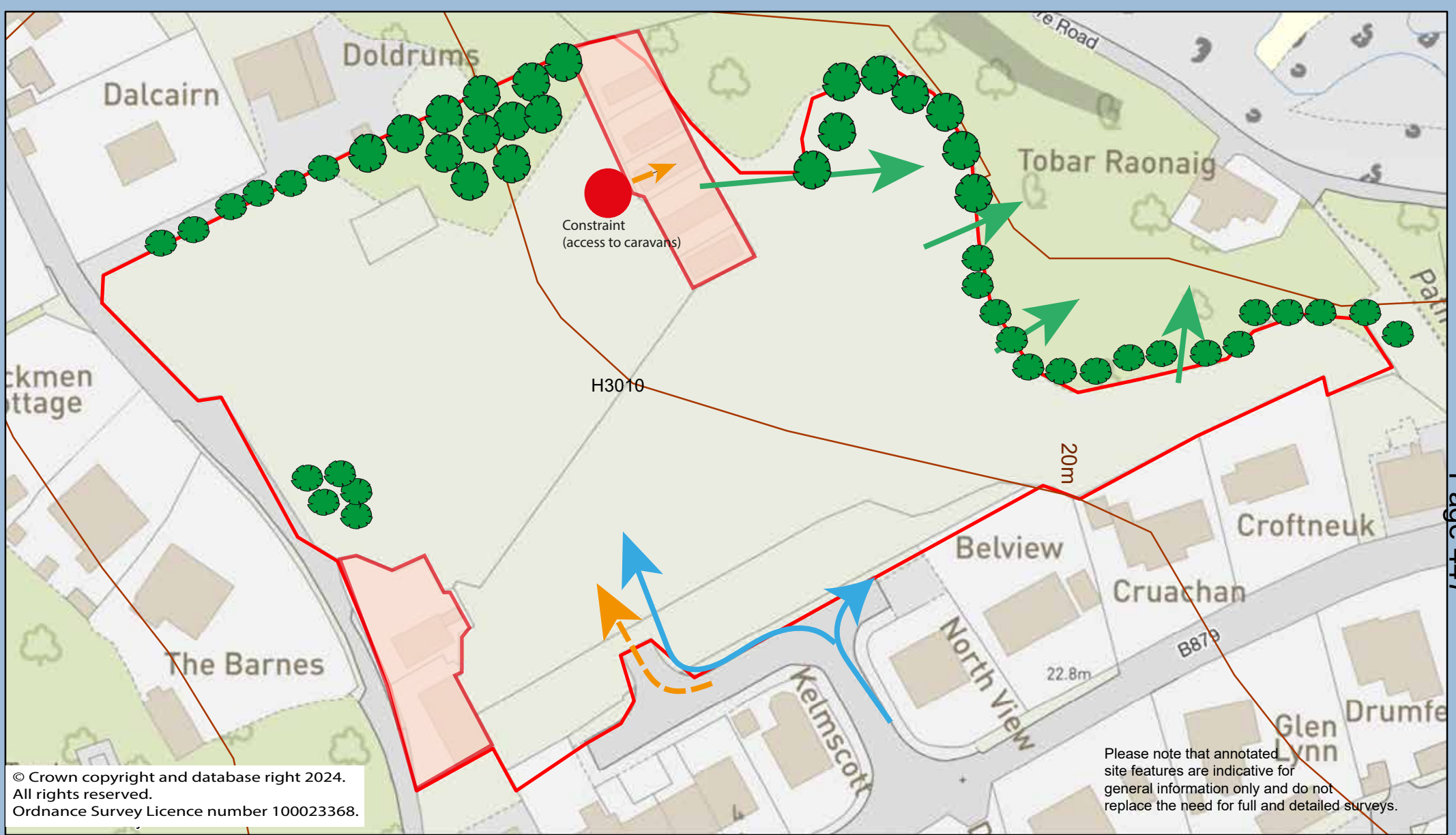
If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

**ACTIONS**

- Growth Project required at Water Treatment Works. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.
- Water Network –Water Impact Assessment required
- Waste Water Treatment Works - Growth project is required. . Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.
- Drainage Impact Assessment
- Potential Asset Conflict - Sewer infrastructure runs through this site and early engagement with Scottish Water is required.
- Nature Conservation Constraint – check for European protected species (otters)



H3010 Carradale



### H3011: Peninver

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA     | DM Zone            | DM Zone Name | Primary School | Secondary School              |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|---------|--------------------|--------------|----------------|-------------------------------|
| 1.21ha    | 20            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | MAKI       | Kintyre | Settlement<br>Area | Peninver     | Dalintober     | Campbeltown<br>Grammar School |

#### EXISTING USE:

Agricultural Land

#### ACCESS:

Possible access to site from private road along northern boundary off B842 public road which could be widened to upgrade the access (subject to land ownership).  
Alternatively possible access to the site from the unclassified road which terminates on the southern site boundary. Pedestrian access could be formed to link with access at residential properties to the south of the site.

#### FLOOD RISK:

No flood risk indicated on SEPA maps. A minor watercourse wiflows along the site boundary and another appears to go into culvert within the site boundary, which could represent a potential flood risk.

#### TOPOGRAPHY:

Predominantly flat with slight incline to eastern boundary

#### TREES:

Line of deciduous trees to north boundary

#### NATURAL ENVIRONMENT DESIGNATION:

The site is within a Local Landscape Area – East Kintyre (Coast)- which must be given due consideration

#### CONSTRAINT:

Overhead power line running across the site



**FORM OF DEVELOPMENT:**

Single storey and one and a half storey detached and semi-detached properties surround the site. Similar form of development may be suitable.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

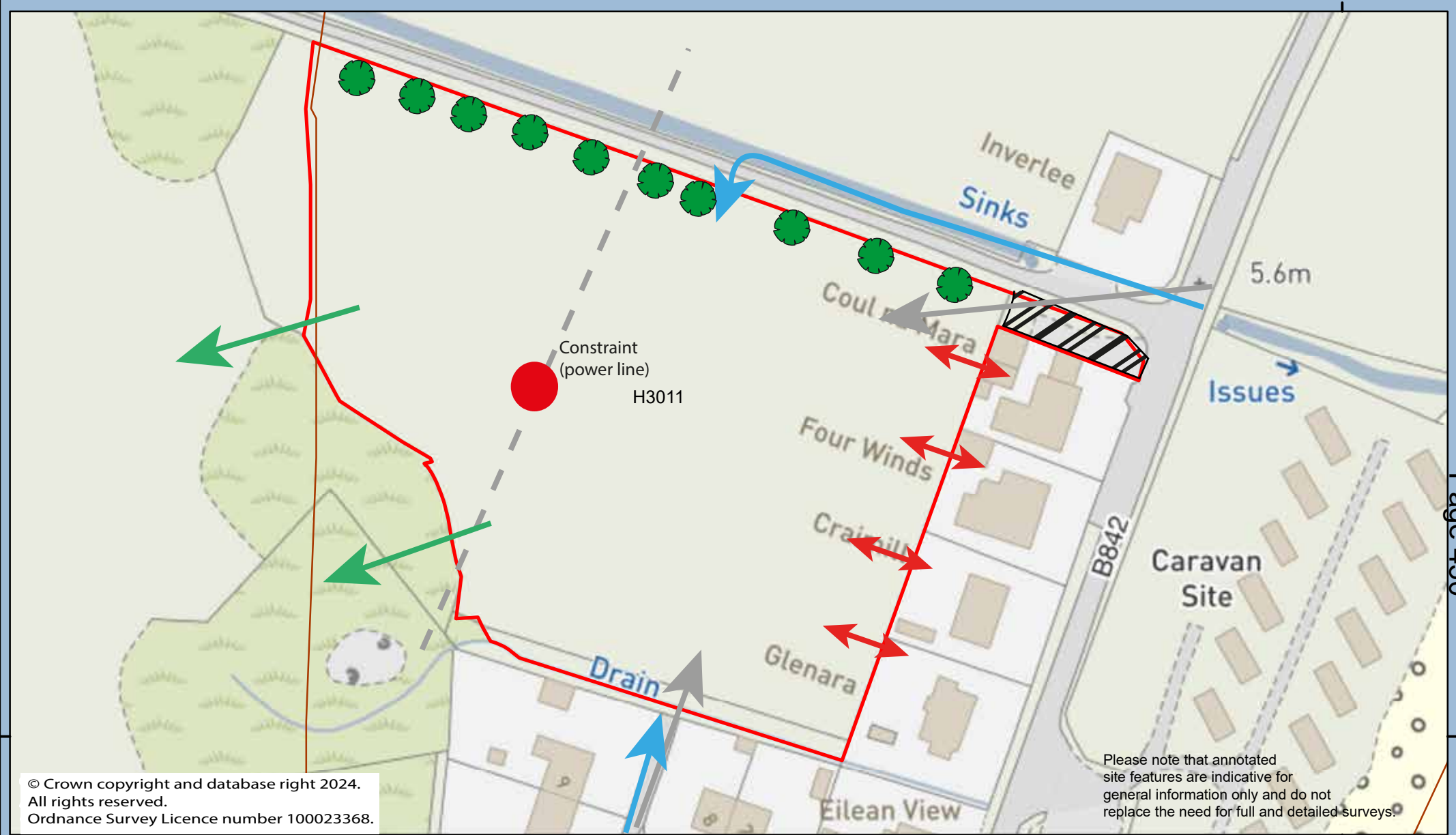
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Growth Project required at Water Treatment Works. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.</li><li>• Water Network –Water Impact Assessment required</li><li>• Drainage Impact Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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# H3011 Peninver



### H3012: Campbeltown - Dalintober

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA     | DM Zone            | DM Zone Name | Primary School | Secondary School              |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|---------|--------------------|--------------|----------------|-------------------------------|
| 1.03ha    | 4             | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | MAKI       | Kintyre | Settlement<br>Area | Campbeltown  | Dalintober     | Campbeltown<br>Grammar School |

#### EXISTING USE:

Vacant land / residential housing

#### ACCESS:

Access road (Knockruan Way) and pedestrian access already formed for houses to the north which could serve any additional housing built to the south of the road.

#### FLOOD RISK:

No flood risk indicated on SEPA maps.

#### TOPOGRAPHY:

Very steep slope to north of site. This is behind the existing houses and considered unsuitable for further development. Developable area to the south of Knockruan Way is fairly flat.

#### TREES:

None in the developable area

#### FORM OF DEVELOPMENT:

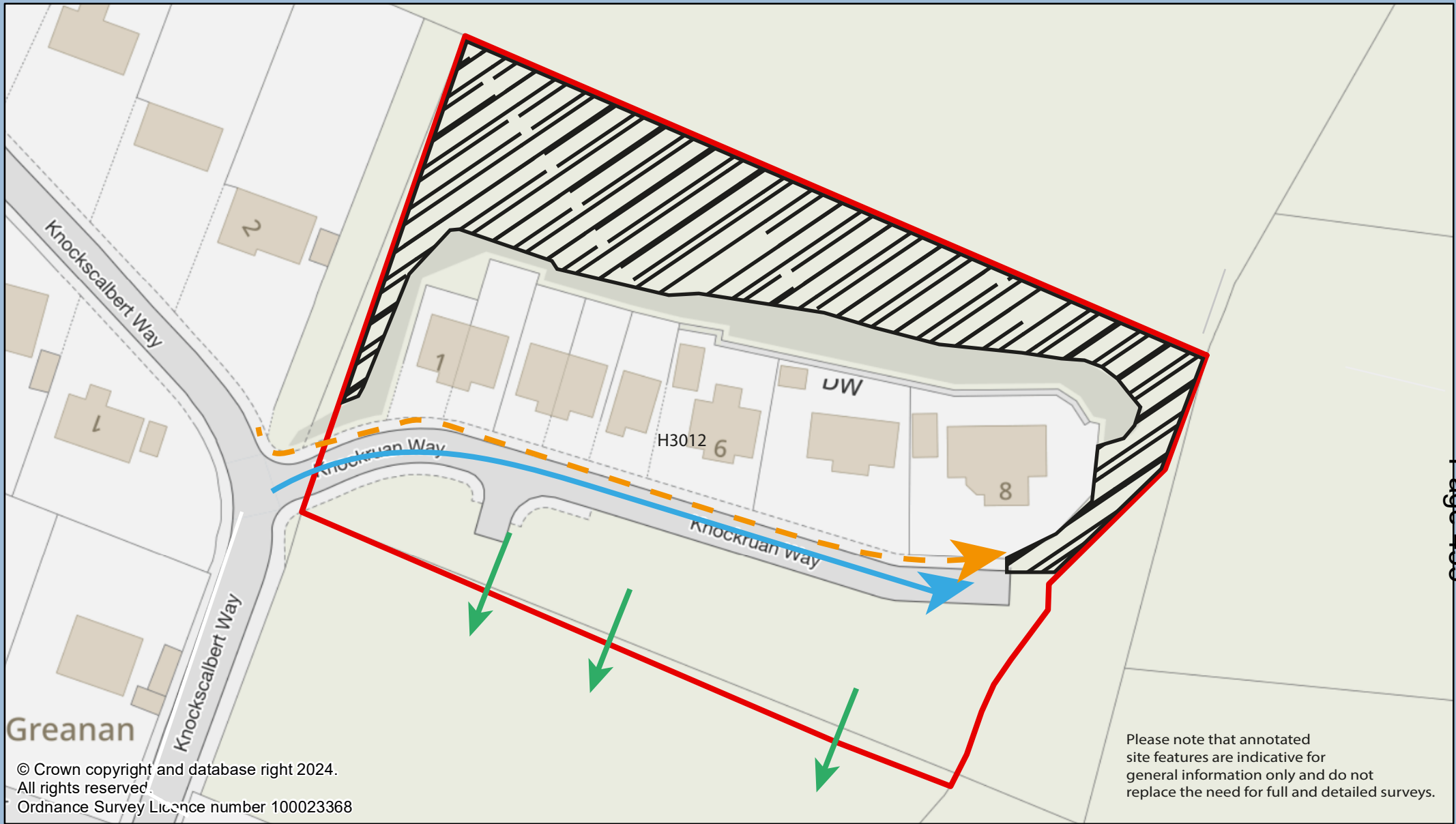
Mix of 2 storey semi-detached and detached houses already built on site. Single storey properties to the west of the site and detached traditional villas to the south of the site.

#### FOOD GROWING:

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

#### ACTIONS

- Growth Project required at Water Treatment Works. Early engagement with Scottish Water via the Pre-Development Enquiry process is strongly recommended for developers to begin discussions on growth requirements and build out rates.
- Water Network –Water Impact Assessment required
- Drainage Impact Assessment required
- Potential Asset conflict – Water infrastructure runs through the site and early engagement with Scottish Water is required.
- Nature Conservation Constraint – check for European protected species (otters)



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### H3012 Campbeltown - Dalintober



### H3013: Ardrishaig – Kilduskland South

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale     | Admin Area | HMA        | DM Zone         | DM Zone Name              | Primary School | Secondary School         |
|-----------|---------------|--------------------------------|---------------------|---------------|------------|------------|-----------------|---------------------------|----------------|--------------------------|
| 2.15ha    | 35            | 25%                            | Landowner/Developer | Medium / Long | MAKI       | Mid Argyll | Settlement Area | Lochgilphead / Ardrishaig | Ardrishaig     | Lochgilphead High School |

#### EXISTING USE:

Pastoral Grazing

#### ACCESS:

Track (not adopted) from Kilduskland Road would require to be upgraded – gradients could be an issue.

Off site highway improvements to Kilduskland Road would be required.

Access to H3019 must be considered in conjunction with this site.

#### FLOOD RISK:

High, Medium and Low risk of surface water flooding indicated on SEPA maps to north and south boundaries of the site

#### TOPOGRAPHY:

Slopes down to east.

#### TREES:

Trees scattered around edge of site.

#### OPPORTUNITIES:

Core Path C129 runs adjacent to the site.

Pedestrian access routes should be created through the site to access the Core Path.

#### CONSTRAINTS:

Due to elevated position consideration must be given to potential views of development from Lochgilphead as well as the east side of Loch Gilp.

**FORM OF DEVELOPMENT:**

Must be considered with H3019 for overall Masterplan approach.

A mix of housing types on Kilduskland Road includes single storey and 2 storey of various periods and architectural styles. Due to the slope of the site, it is likely that the single storey and one and a half storey may be preferable

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

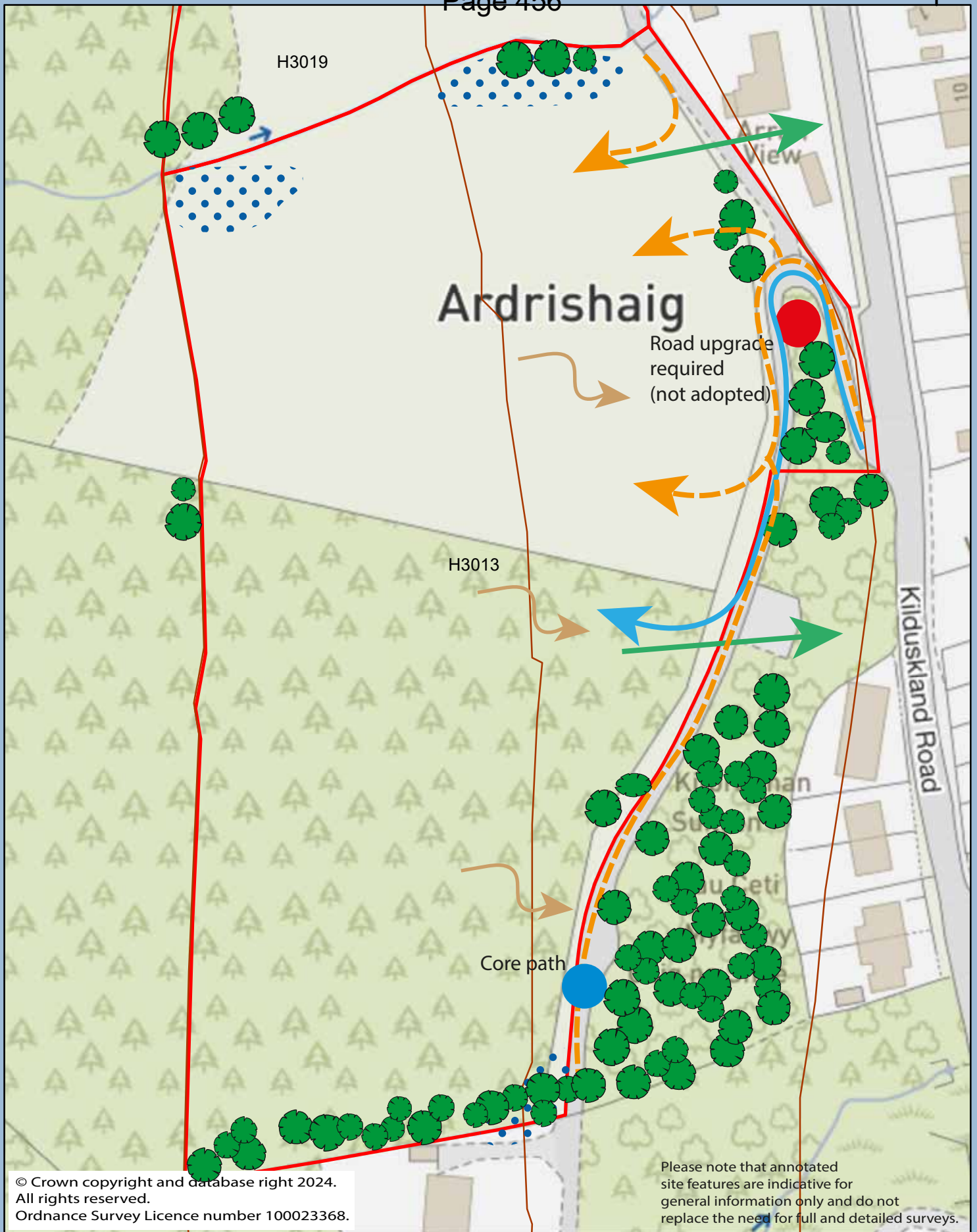
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network –Water Impact Assessment required</li><li>• Assess impact on trees/woodland - Mature Woodland</li><li>• Potential for bat roosts in trees, bat survey may be required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H3013 Ardrishaig - Kirdusland South





### H3014: Lochgilphead – Fernoch Crescent

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale | Status   |
|---------------|--------------------------------|---------------------|-----------|----------|
| 5             | 25%                            | Landowner/Developer | Short     | On site. |

#### ACTIONS

- Flood Risk Assessment required
- Water Network –Water Impact Assessment required
- Potential Asset conflict – water infrastructure runs through the site and early engagement with Scottish Water is required.
- Nature Conservation Constraint – check for European protected species (otters)

### H3015: Tayvallich

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale | Admin Area | HMA        | DM Zone         | DM Zone Name | Primary School | Secondary School         |
|-----------|---------------|--------------------------------|---------------------|-----------|------------|------------|-----------------|--------------|----------------|--------------------------|
| 0.71ha    | 11            | 25%                            | Landowner/Developer | Short     | MAKI       | Mid Argyll | Settlement Area | Tayvallich   | Tayvallich     | Lochgilphead High School |

#### EXISTING USE:

Part building site

#### ACCESS:

Access to the site (Torr-Mor Road) already created

#### FLOOD RISK:

No flood risk indicated on SEPA flood maps

#### TOPOGRAPHY:

Slopes down towards the west

#### TREES:

None on site

#### NATURAL ENVIRONMENT DESIGNATIONS:

National Scenic Area – Knapdale (some form of LVIA likely to be required)

#### FORM OF DEVELOPMENT:

A large one-off house has been consented to the rear of the site (22/00452/PP). The indicative layout submitted with this application demonstrates that a further 8 small units could be accommodated on the site and this form and layout should broadly be followed however greenspace will be required to be included as per LDP2 Policy 68 as the overall development exceeds 10 units.

#### PLANNING CONSENTS:

22/00452/PP granted for one dwellinghouse at Plot 9. The Development Policy consultation response was that this proposal was not justified in terms of the LDP.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

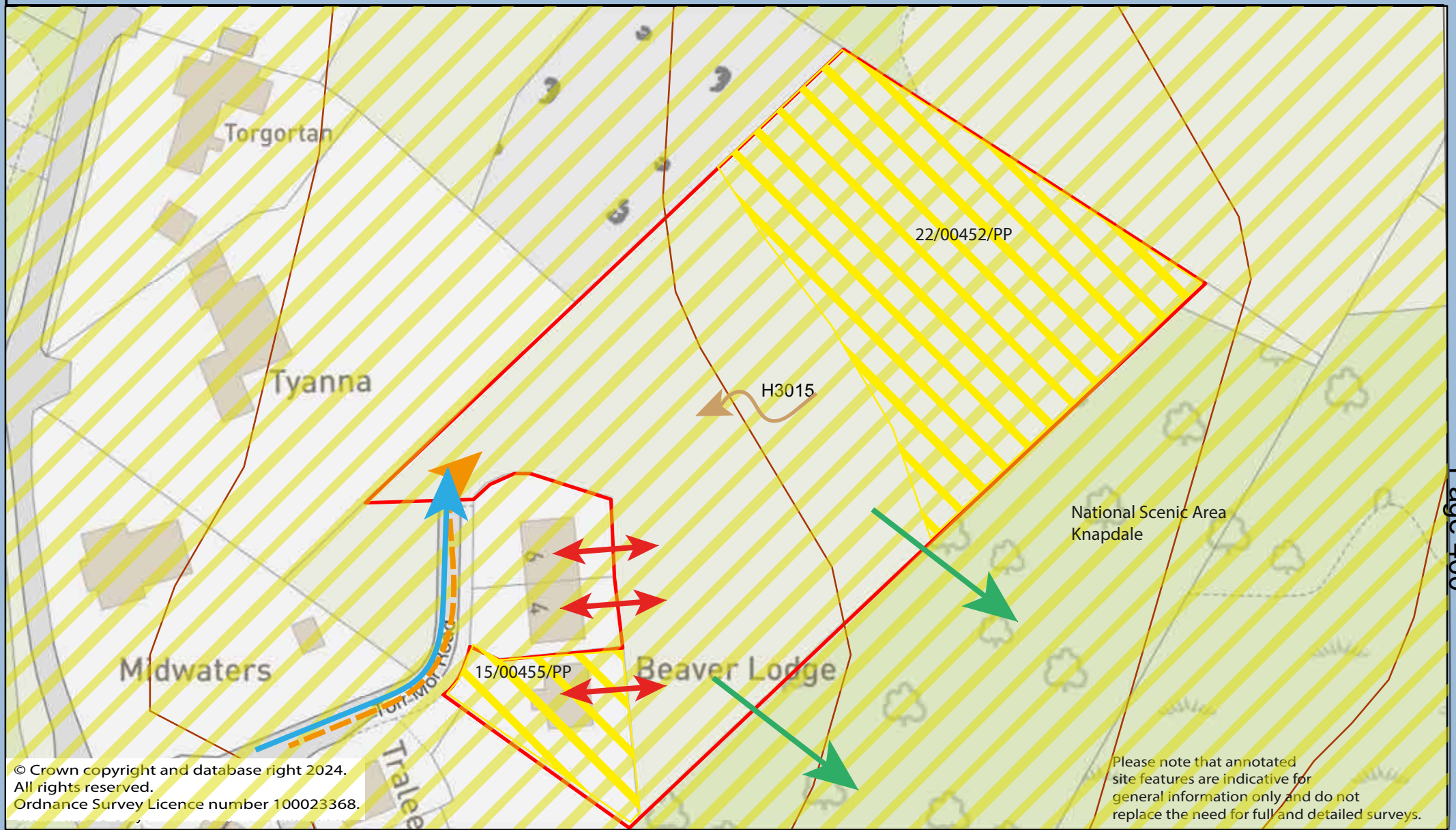
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network –Water Impact Assessment required</li><li>• Drainage Impact Assessment required</li><li>• Waste Water Network – considerable distance from public network. Network to connect to be funded and carried out by developer. Note Reasonable Cost Contribution may not cover.</li></ul> |



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H3015 Tayvallich

0 12.5 25 50 Metres

74000

### H3016: Ardfern - Soroba

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA        | DM Zone            | DM Zone Name              | Primary School              | Secondary School            |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|------------|--------------------|---------------------------|-----------------------------|-----------------------------|
| 1.66ha    | 19            | 25% (see note below)           | Landowner/Developer<br>Scottish Water | Short /<br>Medium | MAKI       | Mid Argyll | Settlement<br>Area | Ardfern /<br>Craobh Haven | Craignish<br>Primary School | Lochgilphead<br>High School |

#### EXISTING USE:

Rough grassland

#### ACCESS:

From Soroba Meadows (single track, no footpath)

#### FLOOD RISK:

Multiple minor watercourses across site as well as pond. H, M, L risk of river flooding to south part of site indicated on SEPA flood maps.

#### TOPOGRAPHY:

Undulating

#### TREES:

Small trees dotted across site

#### NATURAL ENVIRONMENT DESIGNATIONS:

Local Landscape Area

#### FORM OF DEVELOPMENT:

Mainly detached 1 ½ storey houses around. A similar, scattered development of diverse designs and orientations is likely to be appropriate, with the inclusion of affordable housing units as required

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

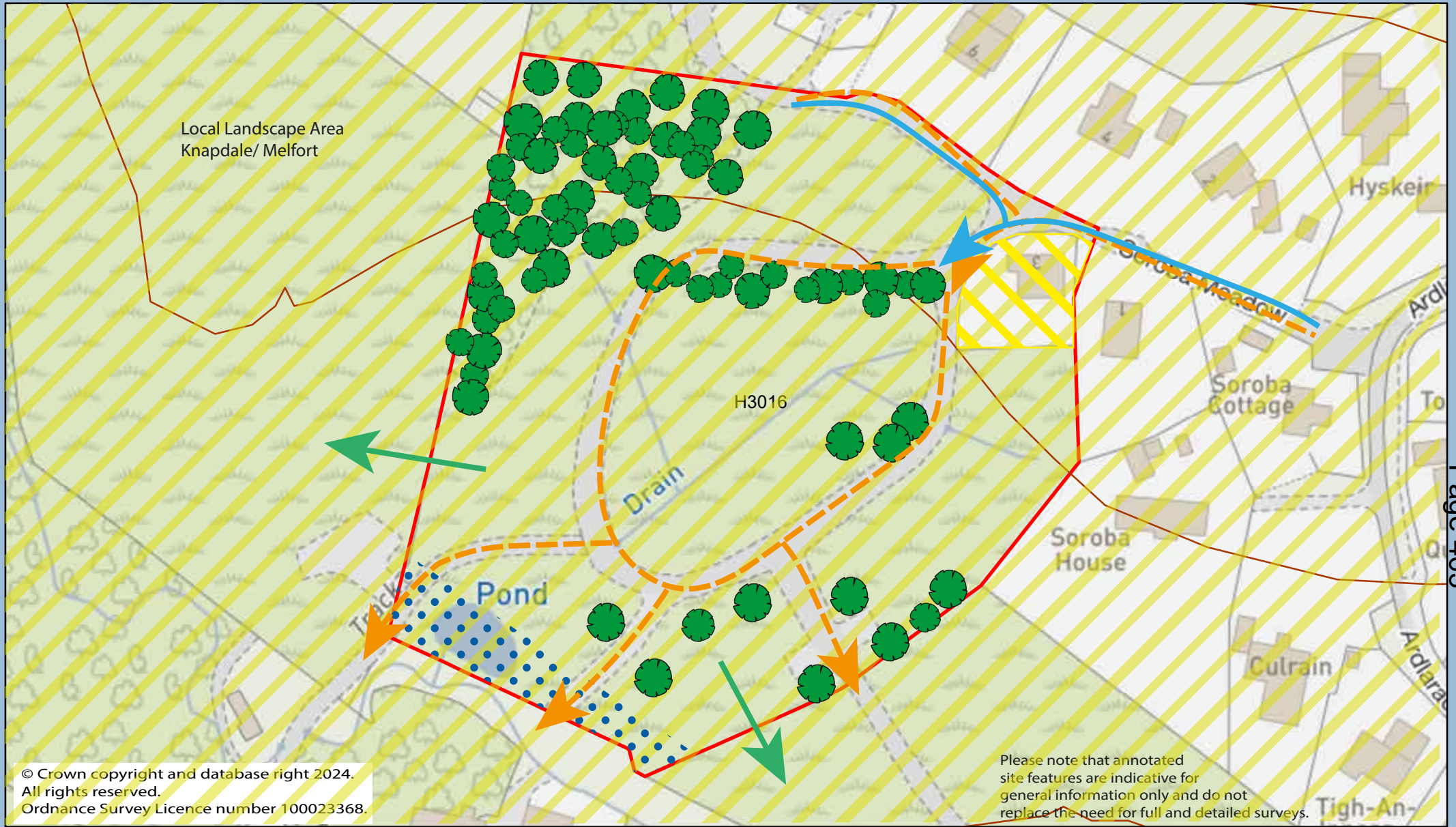
If a phased approach is proposed, these points should be addressed within the initial phase.

Allocation carried forward from LDP1 and. Area adjusted for LDP2. Existing planning consent for 17 dwellings has conditional requirements on the phasing and delivery of dwellings. Consent for the 17 units also requires by condition 25% affordable requirement which needs to be met in full. Any further development beyond the 17 consented already also needs to deliver 25% affordable.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network - A Water Impact Assessment and flow and pressure test will be required along with supporting information on flows and build rates as part of PDE to determine what developer funded off site sewer mitigation is required to support this development</li><li>• Waste Water Treatment Works - Growth project is required</li><li>• Drainage Impact Assessment required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



### H3016 Ardfern - Soroba



**H3017: Port Charlotte**

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA   | DM Zone            | DM Zone Name   | Primary School | Secondary School  |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|-------|--------------------|----------------|----------------|-------------------|
| 1.97ha    | 40            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | MAKI       | Islay | Settlement<br>Area | Port Charlotte | Port Charlotte | Islay High School |

**EXISTING USE:**

Farmland

**ACCESS:**

Access to be achieved from A847. Access is already being constructed as part of approved phase 1 of development to the east of the site.

**FLOOD RISK:**

Small section of site has high chance of surface water flooding. Basic FRA required for future application.

**TOPOGRAPHY:**

Site is predominantly flat.

**CONSTRAINTS:**

Airfield Safeguarding Zone (Islay Airport)

**FORM OF DEVELOPMENT:**

Any proposals should follow consistent pattern and form as approved in phase one to create a holistic design throughout the whole site.

**PLANNING CONSENTS:**

23/00369/PP - Erection of 16 dwellinghouses and formation of vehicular access



**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

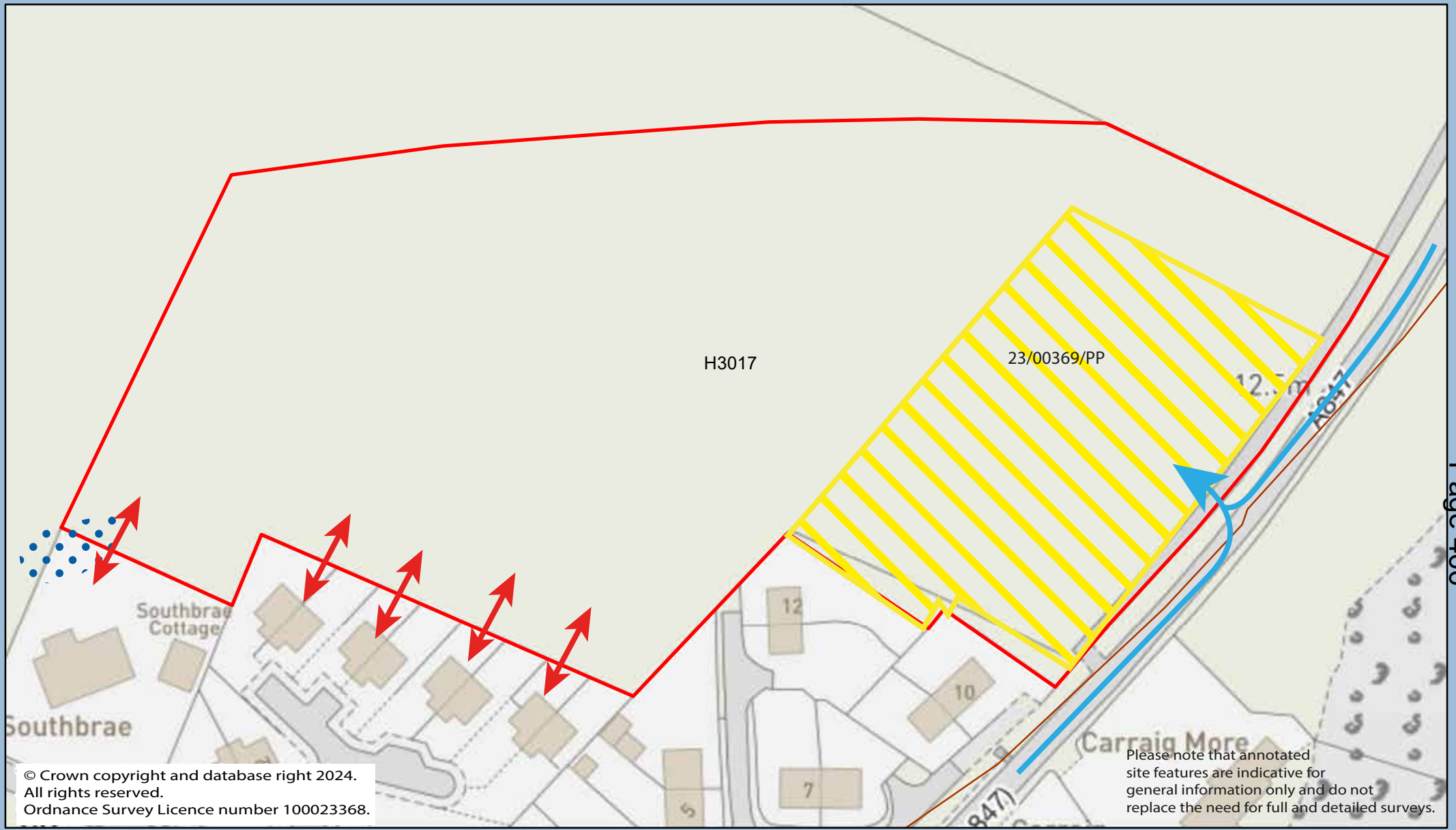
If a phased approach is proposed, these points should be addressed within the initial phase.

Allocation carried forward from LDP1 and. Area adjusted for LDP2. Existing planning consent for 17 dwellings has conditional requirements on the phasing and delivery of dwellings. Consent for the 17 units also requires by condition 25% affordable requirement which needs to be met in full. Any further development beyond the 17 consented already also needs to deliver 25% affordable.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

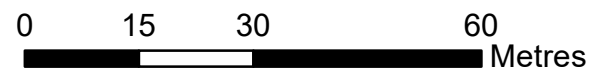
| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Waste Water Treatment Works - Growth project is required</li><li>• Water Treatment Works – early engagement with Scottish Water required via Pre Development Enquiry</li><li>• Waste Water Network - Drainage Impact Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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H3017 Port Charlotte



### H3018: Torran, by Ford – Torran Farm

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale     | Admin Area | HMA        | DM Zone         | DM Zone Name | Primary School           | Secondary School         |
|-----------|---------------|--------------------------------|---------------------|---------------|------------|------------|-----------------|--------------|--------------------------|--------------------------|
| 1.89ha    | 5             | 100%                           | Landowner/Developer | Medium / Long | MAKI       | Mid Argyll | Settlement Area | Torran       | Kilmartin Primary School | Lochgilphead High School |

#### EXISTING USE:

Vacant former agricultural land

#### ACCESS:

Access from Public C class road (Ford to Dalavich) onto access track which already serves a number of residential houses. Access track terminates at south end of the site and also branches to the west of the site. Access improvements to existing private access road would be required. No existing pedestrian access to Ford village. Parking areas could be incorporated into the design of any development.

#### FLOOD RISK:

Medium risk of flooding on small part of site according to SEPA flood maps. A small watercourse runs along the site boundary.

#### TOPOGRAPHY:

A steep slope to the north east of the site boundary renders this part undevelopable

#### TREES:

Trees scattered across central sections of the site

#### BUILT ENVIRONMENT DESIGNATIONS:

Scheduled Monument SM5857 Cross-incised stone (setting)

#### CONSTRAINTS:

Partially built small building in central eastern section of site

#### FORM OF DEVELOPMENT:

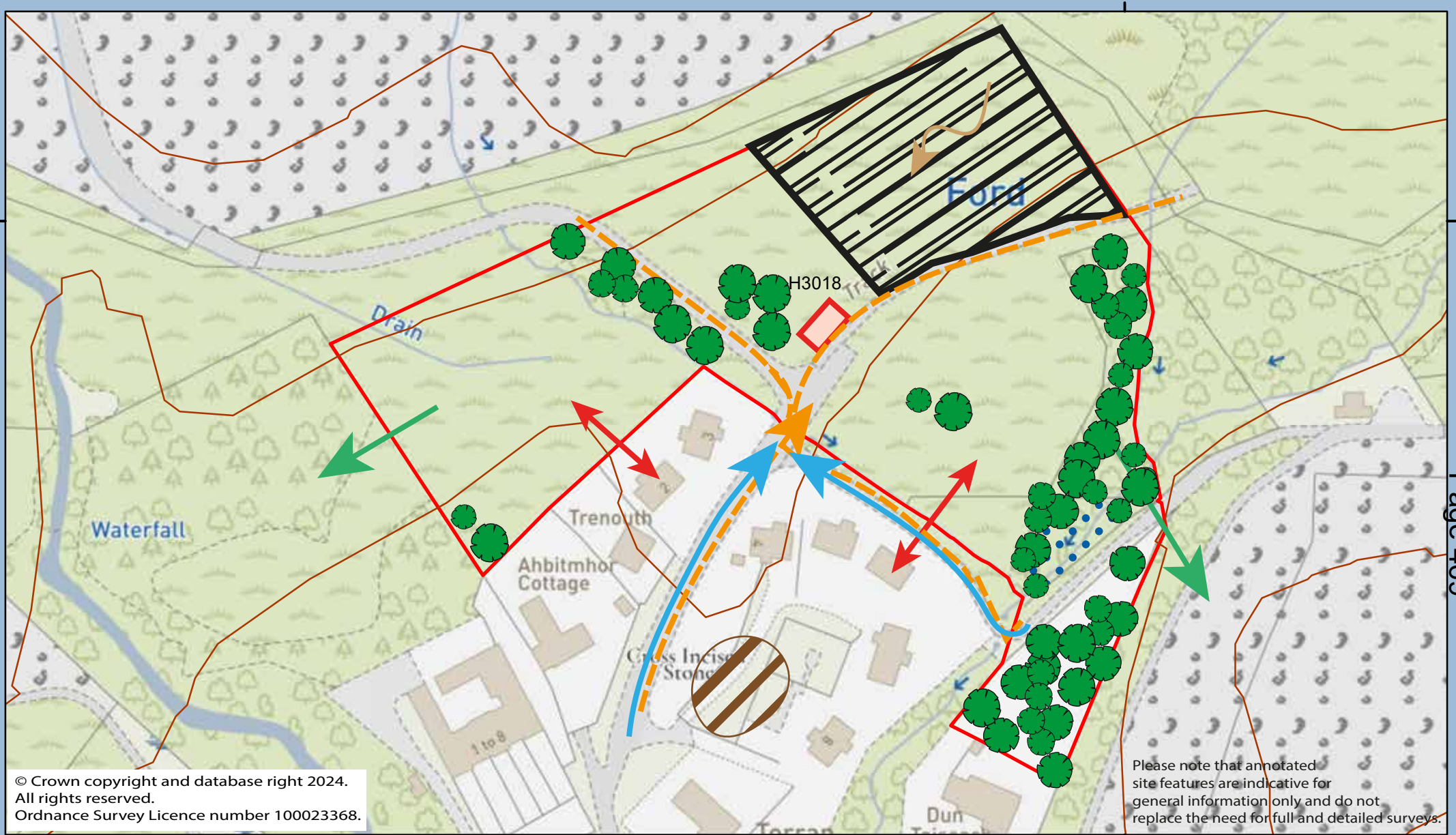
Mostly detached 1 ½ storey houses in the area

FOOD GROWING:

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

ACTIONS

- Flood Risk Assessment required
- Water Network –Water Impact Assessment required
- Water Treatment Works – Early engagement with Scottish Water required via Pre Development enquiryNature Conservation Constraint – check for European protected species (otters)
- Note 100% affordable due to condition 15/01780/PP



### H3018 Torran, by Ford - Torran Farm



188000

### H3019: Ardrishaig – Kilduskland North

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale     | Admin Area | HMA        | DM Zone         | DM Zone Name              | Primary School | Secondary School         |
|-----------|---------------|--------------------------------|---------------------|---------------|------------|------------|-----------------|---------------------------|----------------|--------------------------|
| 1.25ha    | 15            | 25%                            | Landowner/Developer | Medium / Long | MAKI       | Mid Argyll | Settlement Area | Lochgilphead / Ardrishaig | Ardrishaig     | Lochgilphead High School |

#### EXISTING USE:

Pastoral Grazing

#### ACCESS:

Track (not adopted) from Kilduskland Road would require to be upgraded – gradients could be an issue.

Off site highway improvements to Kilduskland Road would be required.

Access to site will be required through H3013.

#### FLOOD RISK:

High, Medium and Low risk of surface water flooding indicated on SEPA maps to south boundaries of the site. Small watercourses run through site.

#### TOPOGRAPHY:

Slopes down to east.

#### TREES:

Trees scattered around edge of site.

#### OPPORTUNITIES:

Pedestrian access routes should be created through the site and H3013 to access the Core Path C129 which runs to the south east of H3013.

#### CONSTRAINTS:

Due to elevated position consideration must be given to potential views of development from Lochgilphead as well as the east side of Loch Gilp.

Electricity lines run through site at northern boundary.

**FORM OF DEVELOPMENT:**

Must be considered with H3013 for overall Masterplan approach.

A mix of housing types on Kilduskland Road includes single storey and 2 storey of various periods and architectural styles. Due to the slope of the site, it is likely that the single storey and one and a half storey may be preferable

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

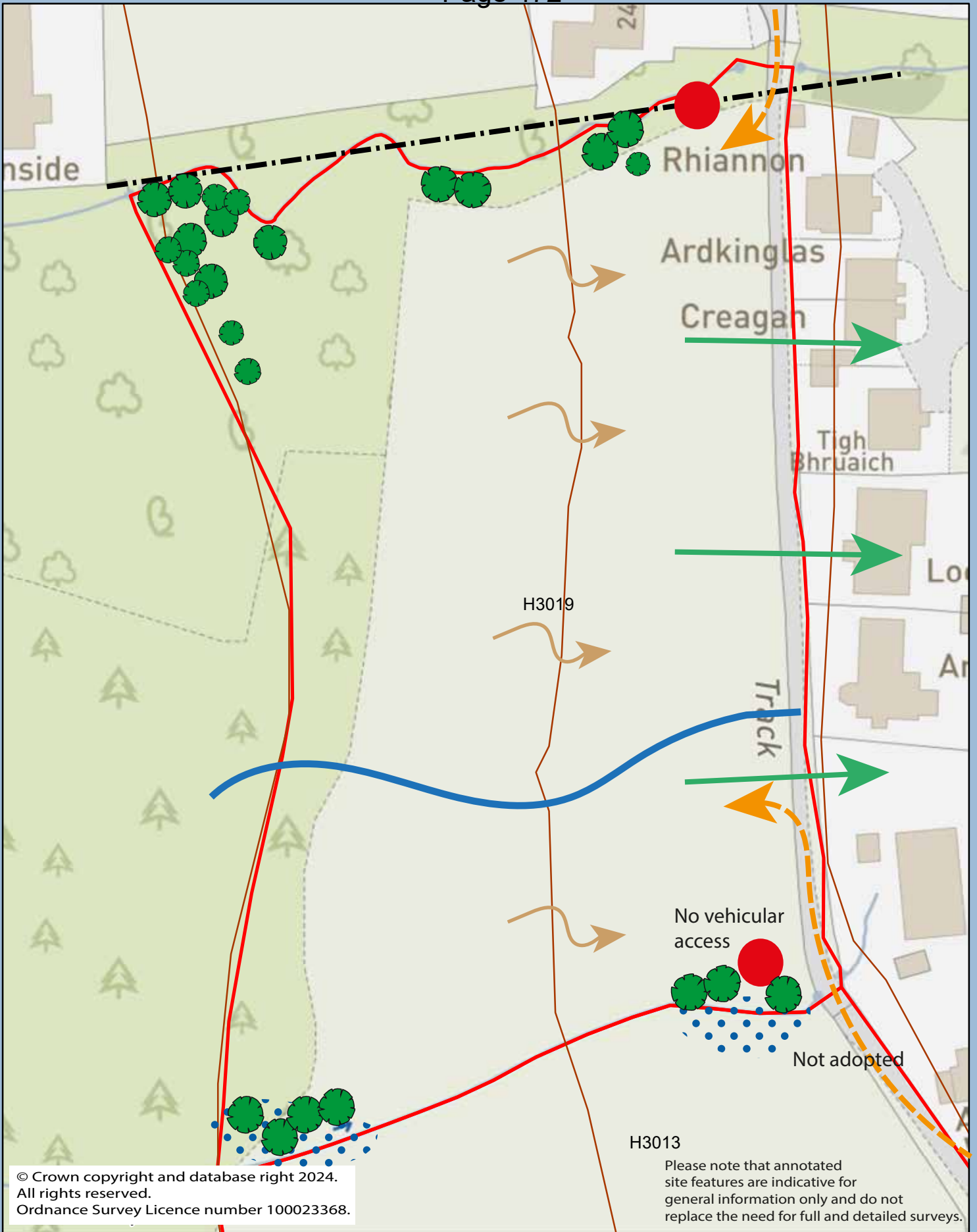
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network –Water Impact Assessment required</li><li>• Water Treatment Works – Early engagement with Scottish Water required via Pre Development EnquiryWaste Water Treatment Works – Early engagement with Scottish Water required via Pre Development Anquiry</li><li>• Impact on trees/woodland</li><li>• Potential for bat roosts in trees, bat survey may be required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H3019 Ardrishaig - Kirduskland North





### H3020: Port Ellen – Imeraval Road

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale      | Status   |
|---------------|--------------------------------|---------------------------------------|----------------|--|
| 20            | 25% (see note below)           | Landowner/Developer<br>Scottish Water | Short / Medium | Planning consent for 20 dwellings 21/00374/PP. |

#### ACTIONS

- Flood Risk Assessment required
- Water Treatment Works – Growth Project required.
- Water Network – Water Impact Assessment required
- Waste Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry
- Waste Water Network – Drainage Impact Assessment required.
- Sits within Strategic Masterplan (SM3003) area to allow consideration of wider issues
- Nature Conservation Constraint – check for European protected species (otters)
- Affordable units delivered historically met with requirements.

### H3021: Port Ellen – Imeraval Road

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale      | Status                              |
|---------------|--------------------------------|---------------------------------------|----------------|-------------------------------------|
| 16            | 25%                            | Landowner/Developer<br>Scottish Water | Short / Medium | Part of wider masterplan with H3020 |

#### ACTIONS

- Flood Risk Assessment required
- Water Treatment Works – Growth Project required.
- Water Network – Water Impact Assessment required
- Waste Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry
- Waste Water Network – Drainage Impact Assessment required.
- Sits within Strategic Masterplan (SM3003) area to allow consideration of wider issues
- Nature Conservation Constraint – check for European protected species (otters)

### H3022: Campbeltown - Braeside

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA     | DM Zone            | DM Zone Name | Primary School | Secondary School              |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|---------|--------------------|--------------|----------------|-------------------------------|
| 1.84ha    | 43            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | MAKI       | Kintyre | Settlement<br>Area | Campbeltown  | Dalintober     | Campbeltown<br>Grammar School |

#### EXISTING USE:

Agricultural Land

#### ACCESS:

Access is from the A83 Trunk Road (within the 30mph area). New access would need to be formed subject to Roads Department agreement. Pavement runs to SE corner of the site which would need to be extended.

#### FLOOD RISK:

No flood risk indicated on SEPA maps. A minor watercourse flows along the site boundary which could represent a potential flood risk

#### TOPOGRAPHY:

Site slopes up away from the A83. Housing layout and design would need to sensitively work with this topography.

#### TREES:

A small number of trees are in the corner of the site at the border with the Scottish Water access track, which would not affect the developable area.

#### FORM OF DEVELOPMENT:

Mainly larger one or two storey properties surround the site but also some semi-detached and terraced units. Industrial area across the road to the south.

#### PLANNING CONSENTS:

Planning application 13/00303/PP was withdrawn. The application raised a number of issues including the site gradients which prevent the notional pro-rata density being met for this part of the allocation. Scottish Water has indicated that any development of the allocation must ensure that the access to the Water Treatment Works is maintained as is.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

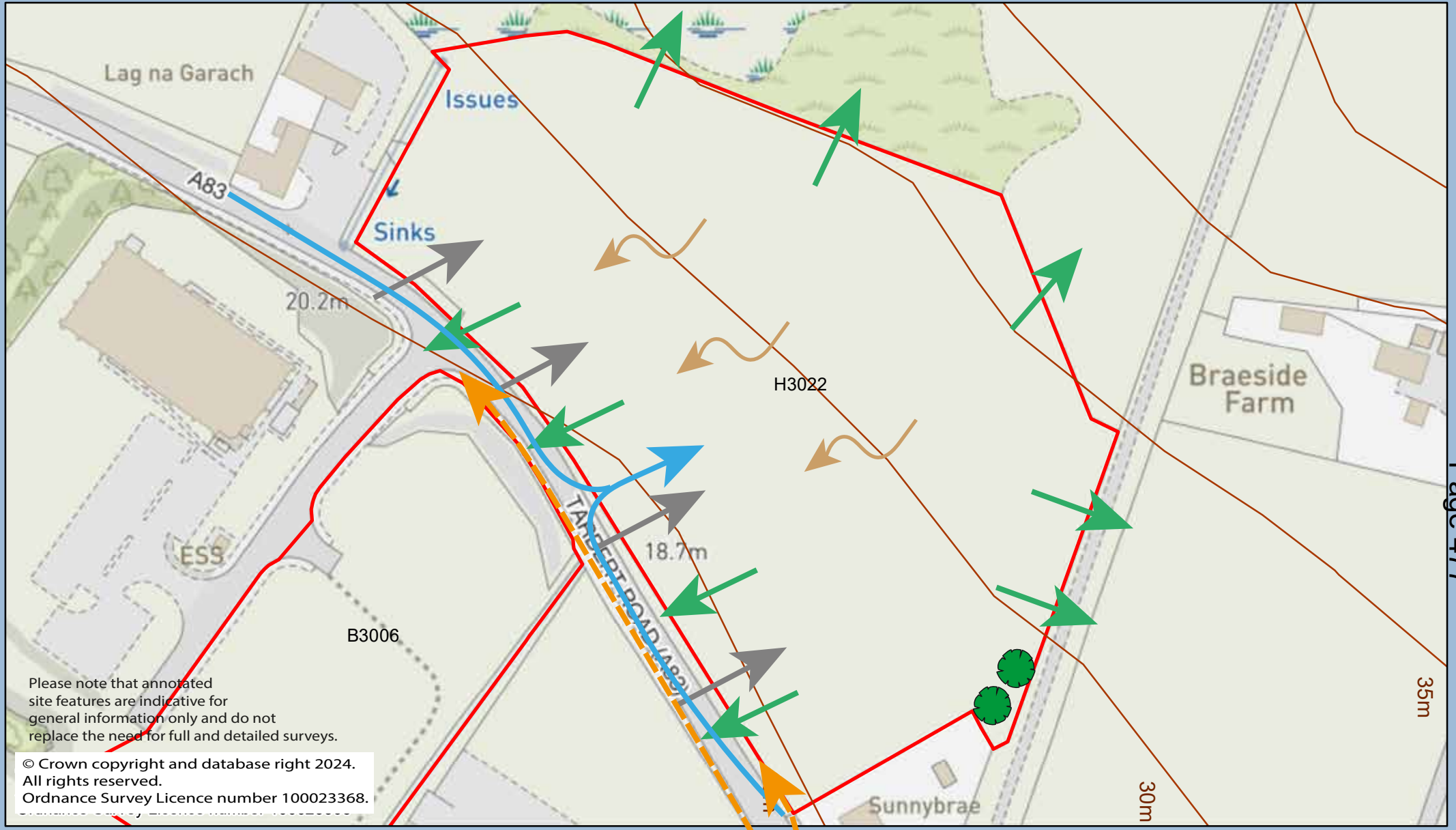
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

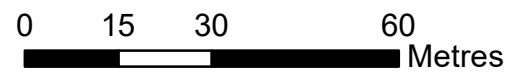
| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Treatment Works - Growth Project required</li><li>• Water Network –Water Impact Assessment required</li><li>• Waste Water Treatment Works – Early Engagement with Scottish Water required via Pre Development Enquiry</li><li>• Waste Water Network – Drainage Impact Assessment required</li><li>• Potential Asset conflict– 12” trunk main runs through site. Early engagement with Scottish Water required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H3022 Campbeltown - Braeside



### H3023: Minard

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA        | DM Zone         | DM Zone Name | Primary School   | Secondary School         |
|-----------|---------------|--------------------------------|---------------------------------------|-----------|------------|------------|-----------------|--------------|--|--------------------------|
| 1.38ha    | 12            | 25%                            | Landowner/Developer<br>Scottish Water | Short     | MAKI       | Mid Argyll | Settlement Area | Minard       | Minard (from May 2024 it is proposed to zone pupils to Lochgilphead Primary and Furnace Primary) | Lochgilphead High School |

#### EXISTING USE:

Vacant – stalled site

#### ACCESS:

From Victoria Park – partially formed

#### FLOOD RISK:

Small area of medium risk surface water flooding to south east corner of site indicated on SEPA maps. A watercourse flows adjacent to the site and minor watercourses flow through the site

#### TOPOGRAPHY:

Steep slopes to south of site – challenging for development.

#### TREES:

None on site.

#### NATURAL ENVIRONMENT DESIGNATIONS:

Local Landscape Area – West Loch Fyne (Coast)

**CONSTRAINTS:**

Powerline running along south edge of site

**FORM OF DEVELOPMENT:**

Largely single storey in the area, and particularly to the north of the site. Some 2 storey development (access by small bridges to first floor) to the immediate east of the site to work with the challenging topography. A similar style of development may be suitable for the site.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

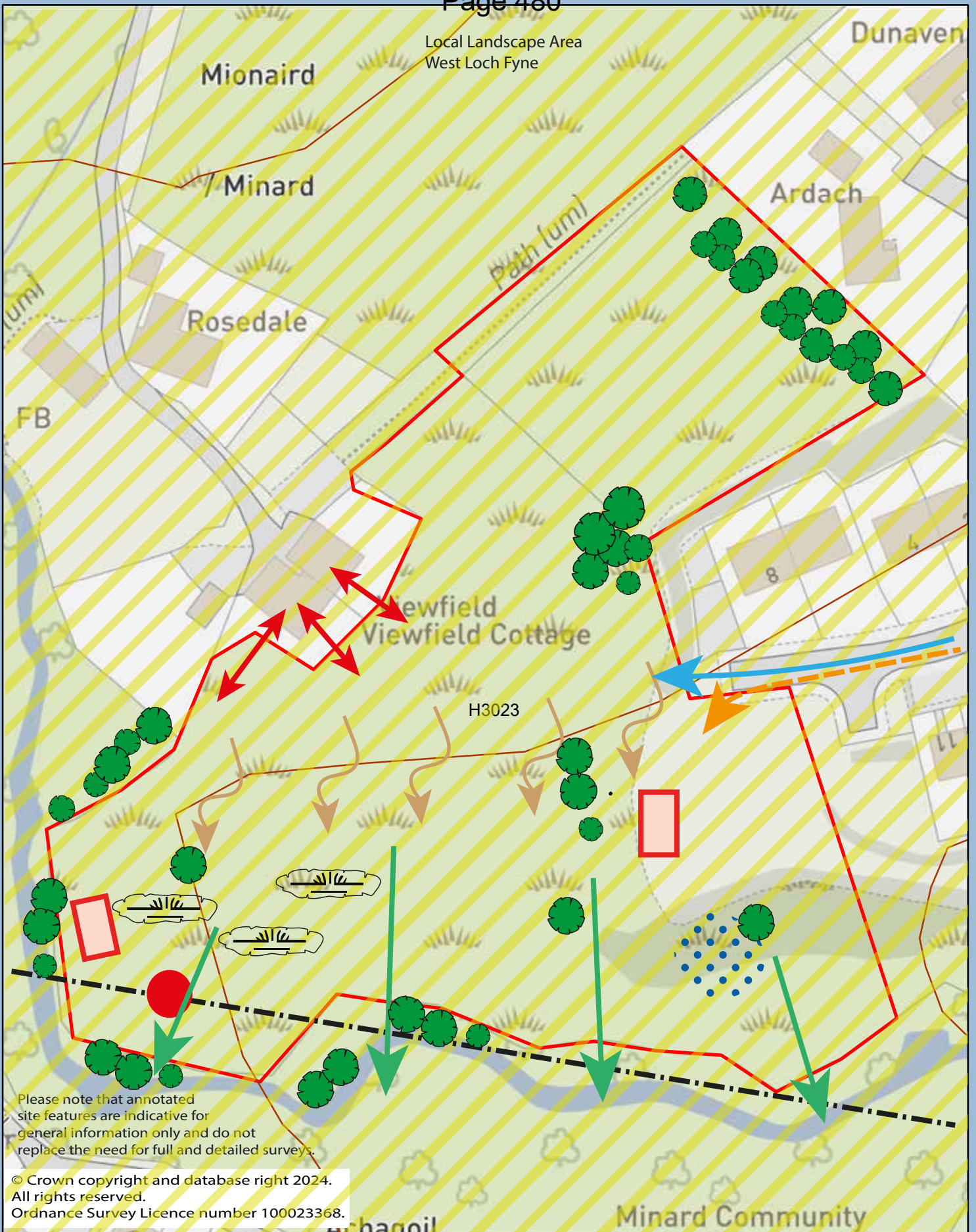
If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry</li><li>• Water Network – Water Impact Assessment required dependent on unit number</li><li>• Waste Water Treatment Works – Growth Project required</li><li>• Flood Risk Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |

Local Landscape Area  
West Loch Fyne



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### H3023 Minard





### H3024: Tarbert

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale      | Admin Area | HMA        | DM Zone         | DM Zone Name | Primary School | Secondary School |
|-----------|---------------|--------------------------------|---------------------|----------------|------------|------------|-----------------|--------------|----------------|------------------|
| 4.28ha    | 50            | 25%                            | Landowner/Developer | Short / Medium | MAKI       | Mid Argyll | Settlement Area | Tarbert      | Tarbert        | Tarbert Academy  |

#### EXISTING USE:

Vacant land

#### ACCESS:

Restricted access to the site. Site is surrounded by cemetery and recreation ground to the north, housing to the east and west and site slopes to the south. Possibility for access from the south west by upgrading existing road network but this depends on land ownership. Access from north of site constrained by recreation ground. Pedestrian access and parking would need to be incorporated into the design of the site. Core path runs close to western boundary of the site from houses at Oakfield adjacent to recreation ground to the houses at Eastfield.

#### FLOOD RISK:

No flood risk indicated on SEPA maps

#### TOPOGRAPHY:

Mix of fairly flat land and land which slopes in western corner and continues to rise from southern boundary.

#### TREES:

Trees dominate site boundary

#### CONSTRAINTS:

Powerline intersects the site on north/ north eastern boundary.

#### FORM OF DEVELOPMENT:

Surrounding area is a mix of predominately flatted and terraced dwellings. Something similar or mixed types of development would be suitable

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

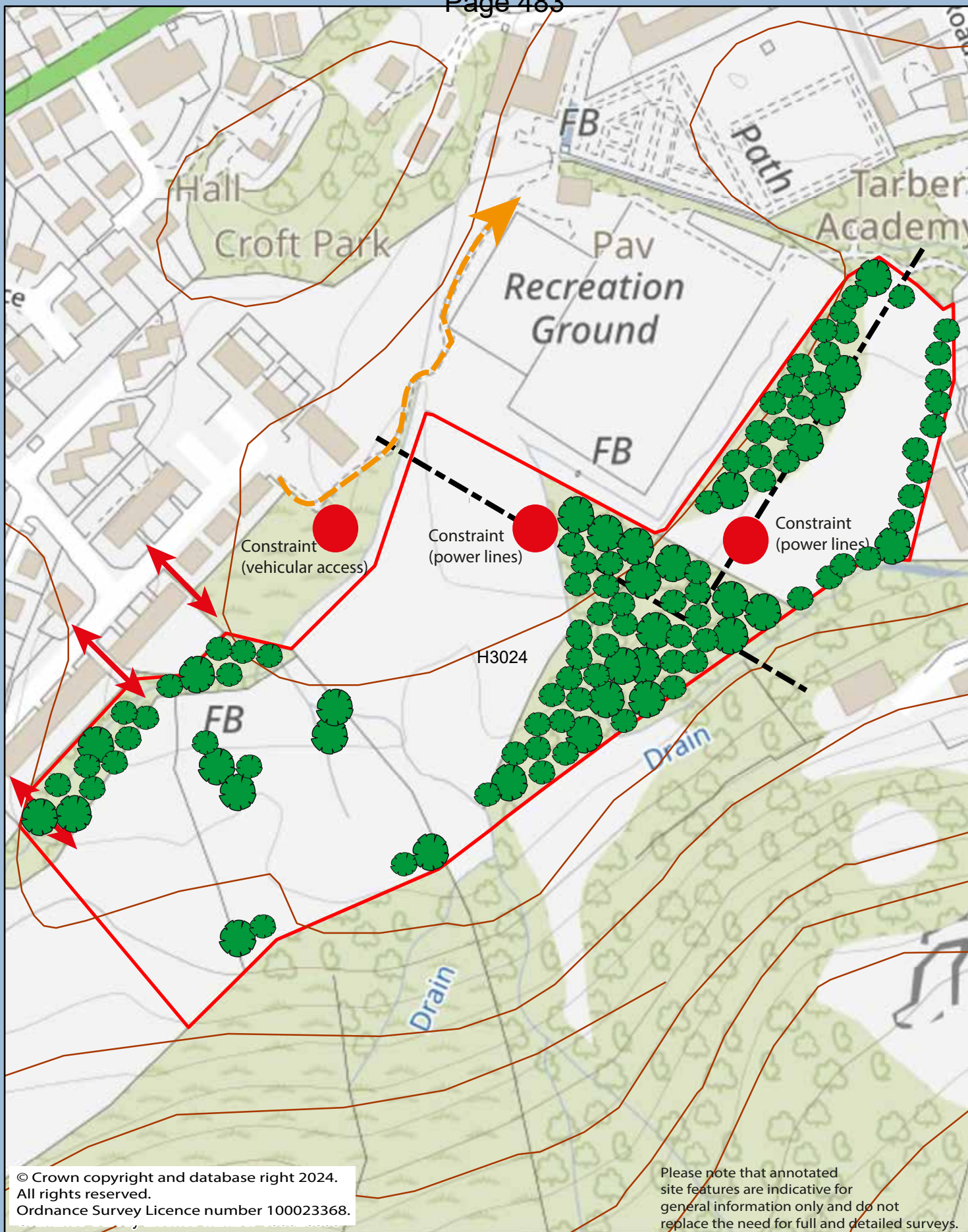
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water treatment Works - Growth Project required</li><li>• Water Network –Water Impact Assessment required</li><li>• Waste Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry</li><li>• Waste Water network – Drainage Impact Assessment required</li><li>• Access issues</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H3024 Tarbert - Oakfield/ Easfield



### H3025: Port Ellen

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA   | DM Zone            | DM Zone Name | Primary School | Secondary School  |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|-------|--------------------|--------------|----------------|-------------------|
| 4.46ha    | 50            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | MAKI       | Islay | Settlement<br>Area | Port Ellen   | Port Ellen     | Islay High School |

#### EXISTING USE:

Grazing land

#### ACCESS:

Vehicular access can be achieved from A846. Small track to north/west of the site, unsuitable for vehicular access for a housing development.

#### TOPOGRAPHY:

Site slopes downwards from east to west. Site is flat to east of site.

#### TREES:

Some unprotected trees and shrubbery on site. See map for details.

#### CONSTRAINTS:

Airfield Safeguarding Zone (Islay Airport), Class 3 Radon Affected Area.

#### FORM OF DEVELOPMENT:

Development should be of a similar form/style of the existing dwellings and those newly built in Port Ellen. Proposals should strive to provide front and rear gardens and protect views to waterfront. Stone wall running parallel with A846 should be retained where possible.

#### PLANNING CONSENTS:

20/01365/PPP - Site for the erection of 2 dwellinghouses

20/01955/PPP - Site for the erection of 3 dwellinghouses

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

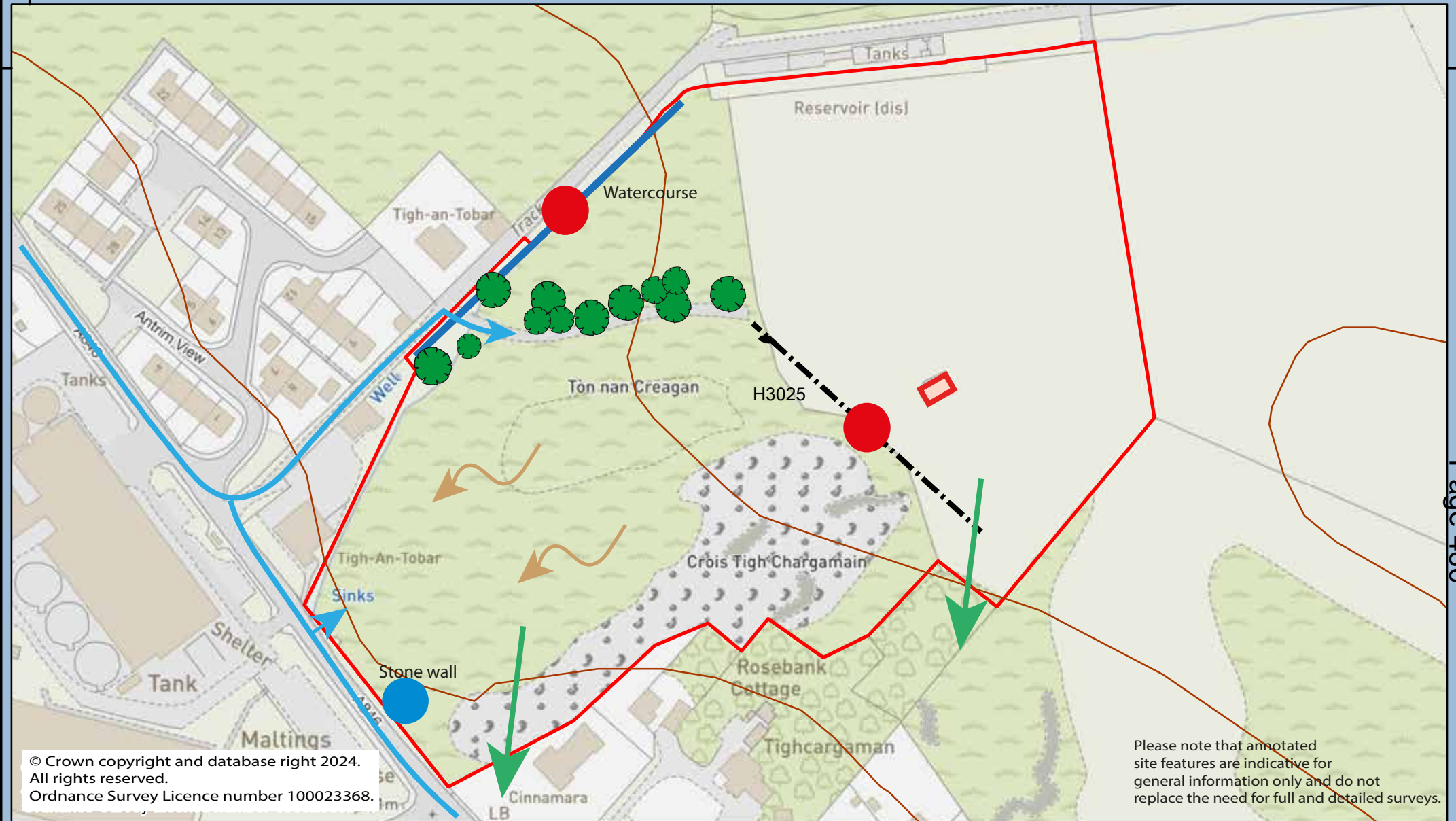
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

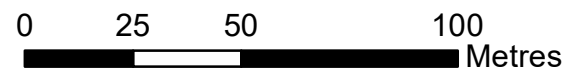
Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Treatment Works - Growth Project required</li><li>• Water Network –Water Impact Assessment required</li><li>• Waste Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry</li><li>• Waste Water Network – Drainage Impact Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H3026: Keills

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale | Admin Area | HMA   | DM Zone         | DM Zone Name | Primary School        | Secondary School  |
|-----------|---------------|--------------------------------|---------------------|-----------|------------|-------|-----------------|--------------|-----------------------|-------------------|
| 0.88ha    | 18            | 25%                            | Landowner/Developer | Short     | MAKI       | Islay | Settlement Area | Keills       | Keills Primary School | Islay High School |

#### EXISTING USE:

Farmland

#### ACCESS:

Access achieved from A846 to south of the site. Good visibility for potential access to trunk road.

#### TOPOGRAPHY:

Site is predominantly flat. Slight gradual slope from north to south of site.

#### OPPORTUNITIES:

Site is within walking distance to local primary school on the island.

#### CONSTRAINTS:

Airfield Safeguarding Zone (Islay Airport)

#### FORM OF DEVELOPMENT:

Dwellings should conform with pattern and scale of existing settlement. Height of 1-2 storeys per dwelling.

#### CAPACITY:

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

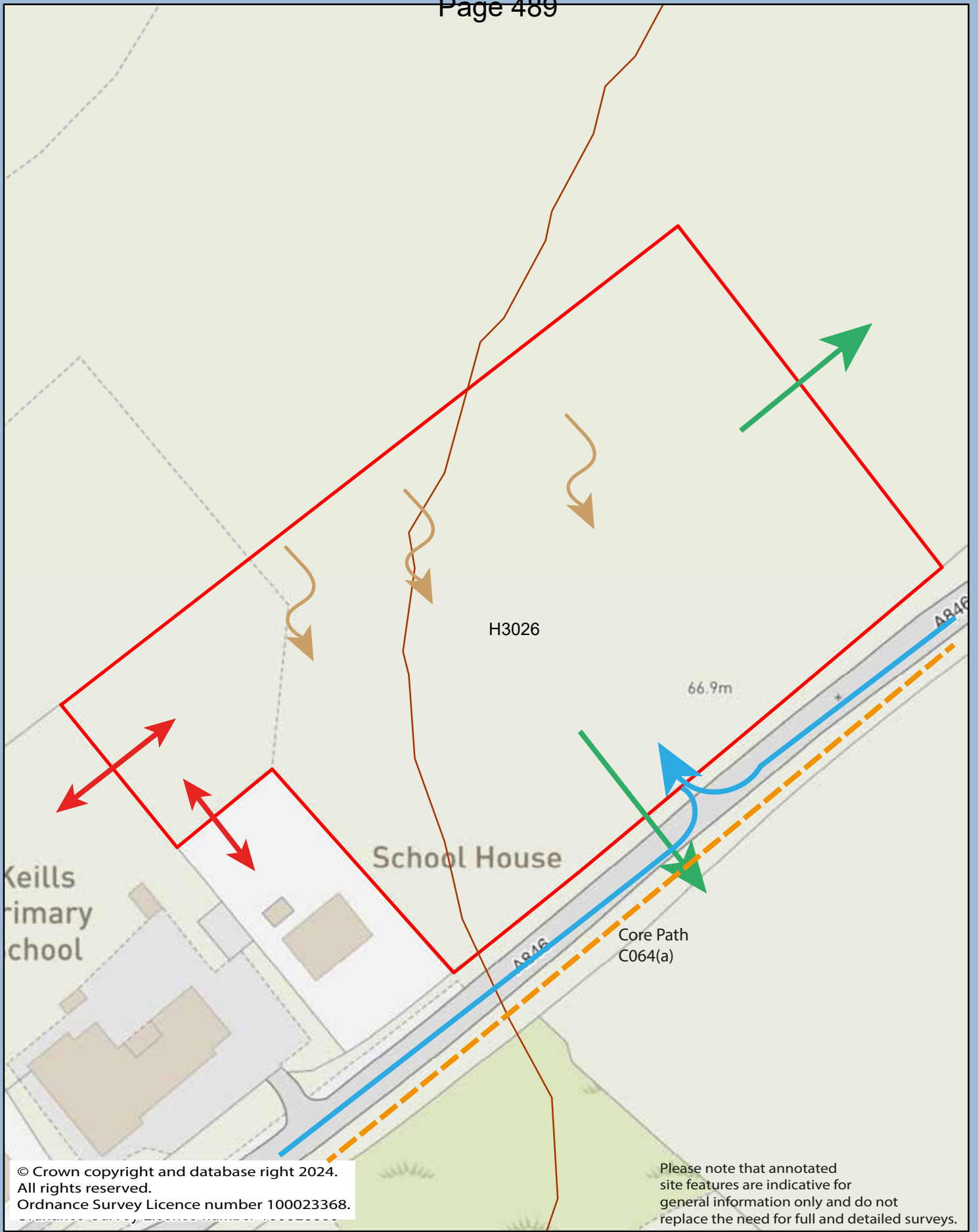
FOOD GROWING:

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

|         |
|---------|
| ACTIONS |
|---------|

- |   |
|---|
| <ul style="list-style-type: none"><li>• Water Network – Flow and pressure test required</li><li>• Waste Water Network – Drainage Impact Assessment required</li></ul> |
|---|





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### H3026 Keills



### H3027: Inveraray

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale      | Status                      |
|---------------|--------------------------------|---------------------|----------------|-----------------------------|
| 138           | 25%                            | Landowner/Developer | Short / Medium | Masterplan approved on site |

#### ACTIONS

- Water Treatment Works – Early engagement with Scottish Water required via pre Development Enquiry
- Water Network –Water Impact Assessment required dependent on numbers
- Waste Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry
- Waste Water Network – Drainage Impact Assessment
- Sits within Strategic Masterplan (SM3001) area to allow consideration of wider issues
- Transport Scotland are restricting the use of car park access – they would require a right hand turning lane which would be difficult to construct due to listed wall and infill required on seaward side. Transport Scotland wish traffic to be split using three access points – the car park, Barn Park and past the old police station. The Barn Park access requires substantial upgrading.

### H3028: Kilmichael Glassary

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale     | Admin Area | HMA        | DM Zone         | DM Zone Name | Primary School            | Secondary School         |
|-----------|---------------|--------------------------------|---------------------------------------|---------------|------------|------------|-----------------|--------------|---------------------------|--------------------------|
| 2.6ha     | 30            | 25%                            | Landowner/Developer<br>Scottish Water | Medium / Long | MAKI       | Mid Argyll | Settlement Area | Bridgend     | Kilmichael Primary School | Lochgilphead High School |

#### EXISTING USE:

Agricultural Land

#### ACCESS:

Access from C class public road Kilmichael Glassary to Ford. The road is likely to need road improvements to accommodate increased usage due to additional housing. There is currently no pedestrian route along the public road to allow pedestrian access between Bridgend and Kilmichael Glassary. Parking will need to be incorporated the design for any development

#### FLOOD RISK:

Low risk of surface water flooding to a small area on west side of side indicated on SEPA flood maps. There is currently a large area of reeds to the west of the site, and when site visit was carried out there was a pool of water on the eastern side. A basic FRA, consisting of topographic information in the first instance and a detailed layout plan will be required.

#### TOPOGRAPHY:

Generally flat field with a recession in the western area and higher in the middle.

#### NATURAL ENVIRONMENT DESIGNATION:

National Scenic Area (NAS) Knapdale – NatureScot commented that “The scope of this brief should be informed by consideration of the following issues/ objectives: (a) opportunities and constraints; (b) the need for new defensible boundaries to avoid infill/ expansion; (c) an aspiration for the site as a high quality residential development, with a high standard of design; (d) demonstrating how the development should be integrated in the landscape, with particular regard for the Special Landscape Qualities of the NSA and also with regard to existing landscape features; (e) how the application can be made in the context of a robust landscape framework which will safeguard and enhance the NSA, draw on the local vernacular and provide high quality external spaces.”

**TREES:**

A small number of trees run round the site boundary.

**BUILT ENVIRONMENT DESIGNATION:**

C-listed LB11035 Ballimore Farmhouse (setting)

**CONSTRAINTS:**

Local level power line runs through the site

Telegraph wire runs along eastern boundary

**FORM OF DEVELOPMENT:**

Surrounding houses on Dunadd View and Dunadd Place are mainly single storey detached and semi-detached houses.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

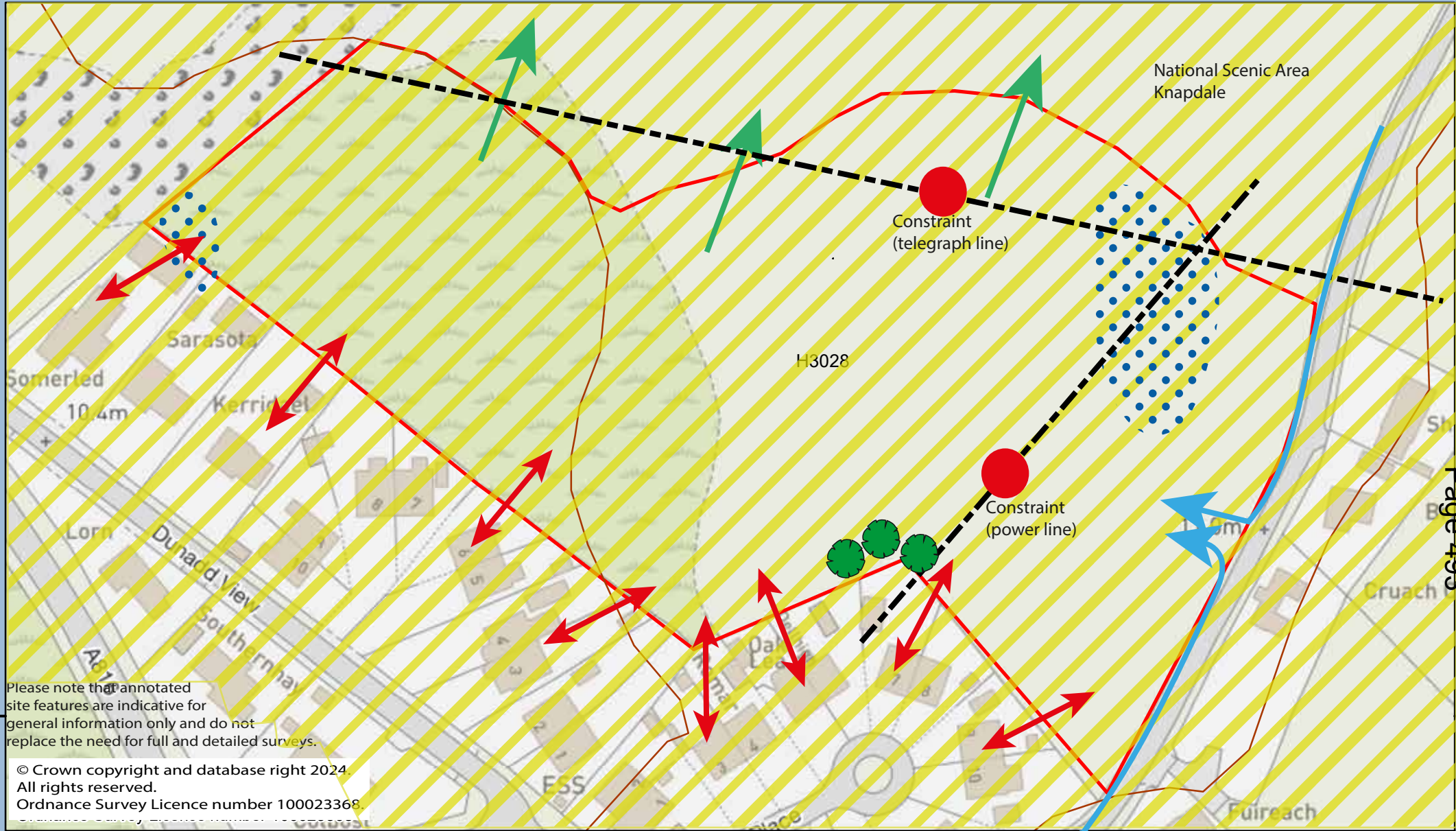
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

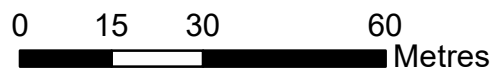
| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry</li><li>• Water Network –Water Impact Assessment required</li><li>• Waste Water Treatment Works – Growth Project required</li><li>• Special Needs Housing – Further investigation of Extra Care housing potential by ABC housing in conjunction with local community</li><li>• Waste Water Network – Early engagement with Scottish Water required to assess need for Drainage Impact Assessment</li><li>• Consideration of pedestrian/traffic management to and from the site required</li><li>• Pedestrian footways potentially required to/from site</li><li>• Development should be integrated into the landscape with particular regard for special landscape qualities of the National Scenic Area and existing landscape features.</li></ul> |



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### H3028 Kilmichael Glassary - South



### H3029: Lochgair

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale      | Status                                   |
|---------------|--------------------------------|---------------------------------------|----------------|--|
| 26            | 25%                            | Landowner/Developer<br>Scottish Water | Short / Medium | Planning application under consideration |

#### ACTIONS

- Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry
- Water Network –Water Impact Assessment required
- Waste Water Treatment Works - Growth Project Required
- Waste Water Network – considerable distance from public network. Network to connect to be funded and carried out by developer. Note Reasonable Cost Contribution may not cover.
- Waste Water Network - Drainage Impact Assessment Required
- Flood Risk Assessment Required
- Single access on to trunk road only - requires upgrade of an existing field access with an alteration to the speed limit.
- Protected Species - Potential habitat for marsh fritillary butterflies. Survey may be required.
- Nature Conservation Constraint – check for European protected species (otters)

### H3030: Lochgilphead – Moneydrain Road

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale             | Admin Area | HMA        | DM Zone         | DM Zone Name | Primary School | Secondary School         |
|-----------|---------------|--------------------------------|---------------------|-----------------------|------------|------------|-----------------|--------------|----------------|--------------------------|
| 0.96ha    | 18            | 25%                            | Landowner/Developer | Short / Medium / Long | MAKI       | Mid Argyll | Settlement Area | Lochgilphead | Lochgilphead   | Lochgilphead High School |

#### EXISTING USE:

Vacant Land

#### ACCESS:

No vehicular access – requires masterplan approach with H3005

#### FLOOD RISK:

High, Medium and low risk of river flooding to the west of the site indicated on SEPA maps. High, Medium and Low risk of surface water flooding indicated to north of the site on SEPA maps. A watercourse is also adjacent to the site. Multiple minor watercourses (some potentially culverted) flow through or along the site boundary which could represent a potential flood risk. A Flood Risk Assessment is required. A surface water flood hazard has been identified and should be discussed with FPA and Scottish Water. Appropriate surface water management measures should be adopted.

#### TOPOGRAPHY:

Relatively flat site

#### TREES:

Trees line the eastern site boundary.

#### OPPORTUNITIES:

Links to core path C110(a)

#### CONSTRAINTS:

Power cables run across site.

**FORM OF DEVELOPMENT:**

Should form part of masterplan approach with H3005 and H3002.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

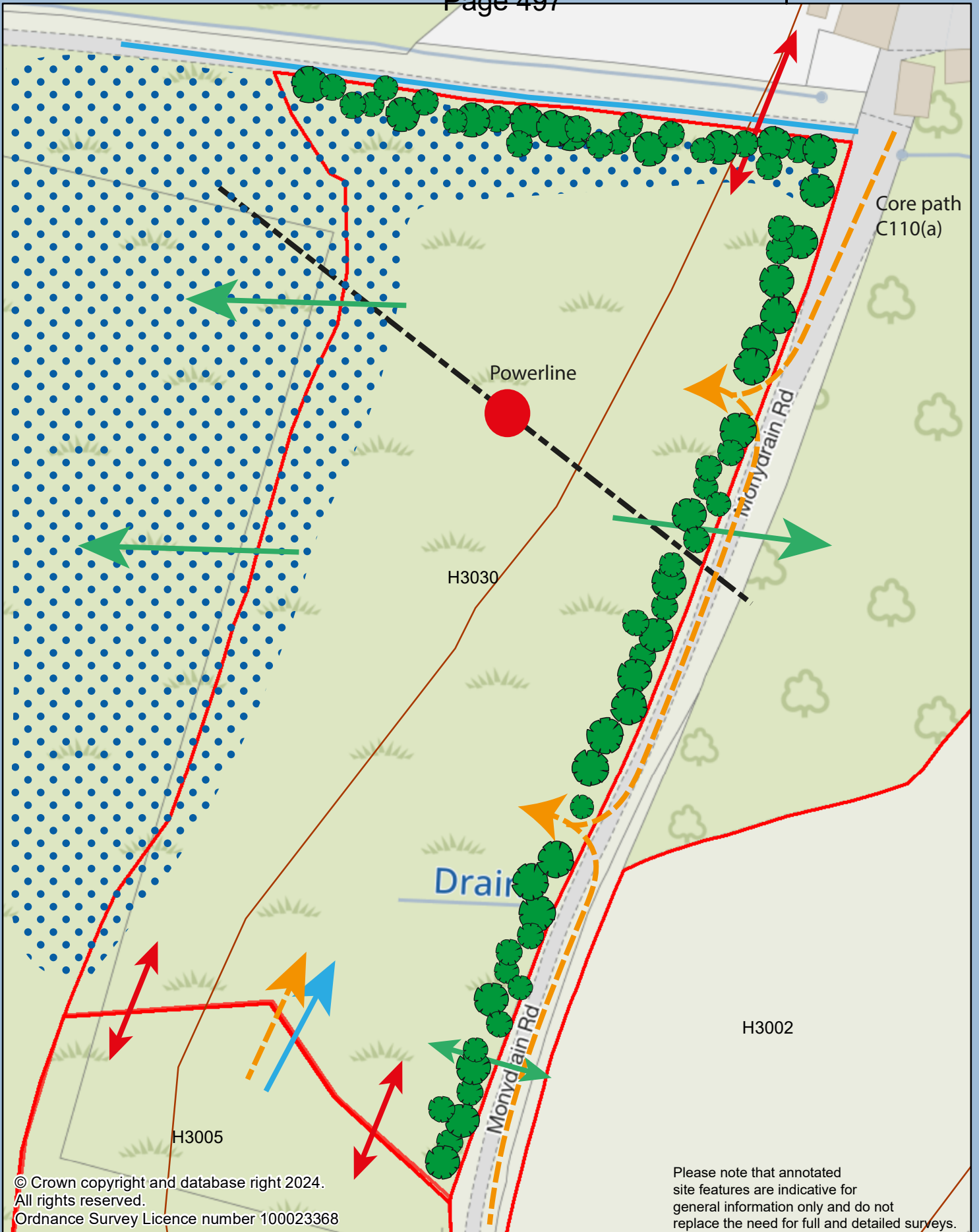
If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry</li><li>• Water Network – Water Impact Assessment required</li><li>• Waste Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry</li><li>• Waste Water Network – Early engagement with Scottish Water required via Pre Development Enquiry to assess need for further network studies and/or Drainage Impact Assessment</li><li>• Flood Risk Assessment required</li><li>• Protected Species - Potential habitat for marsh fritillary butterflies. Survey may be required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |





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### H3030 Lochgilphead - Moneydrain Road



#### H4003: Salen - East

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA              | DM Zone            | DM Zone Name | Primary School | Secondary School         |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|------------------|--------------------|--------------|----------------|--------------------------|
| 0.89ha    | 15            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | OLI        | Mull and<br>Iona | Settlement<br>Area | Salen        | Salen          | Tobermory High<br>School |

#### EXISTING USE:

Scrub – partially prepared with minor earth works carried out.

#### ACCESS:

Access from A849. Partially formed.

#### FLOOD RISK:

Risk of surface water flooding on central part of the site indicated on SEPA flood maps. A Flood Risk Assessment will be required.

#### TOPOGRAPHY:

Slopes gently away from the road.

#### TREES:

Ancient woodland to south east of site but not within boundary  
Some small scrub / trees on site

#### FORM OF DEVELOPMENT:

The site sits on the edge of the settlement with only two dwellinghouses in the vicinity. Development form and layout should be appropriate to semi-rural setting.

#### PLANNING CONSENTS:

No live consents – formerly a pilot SPZ site prior to the closure of the project in April 2024.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

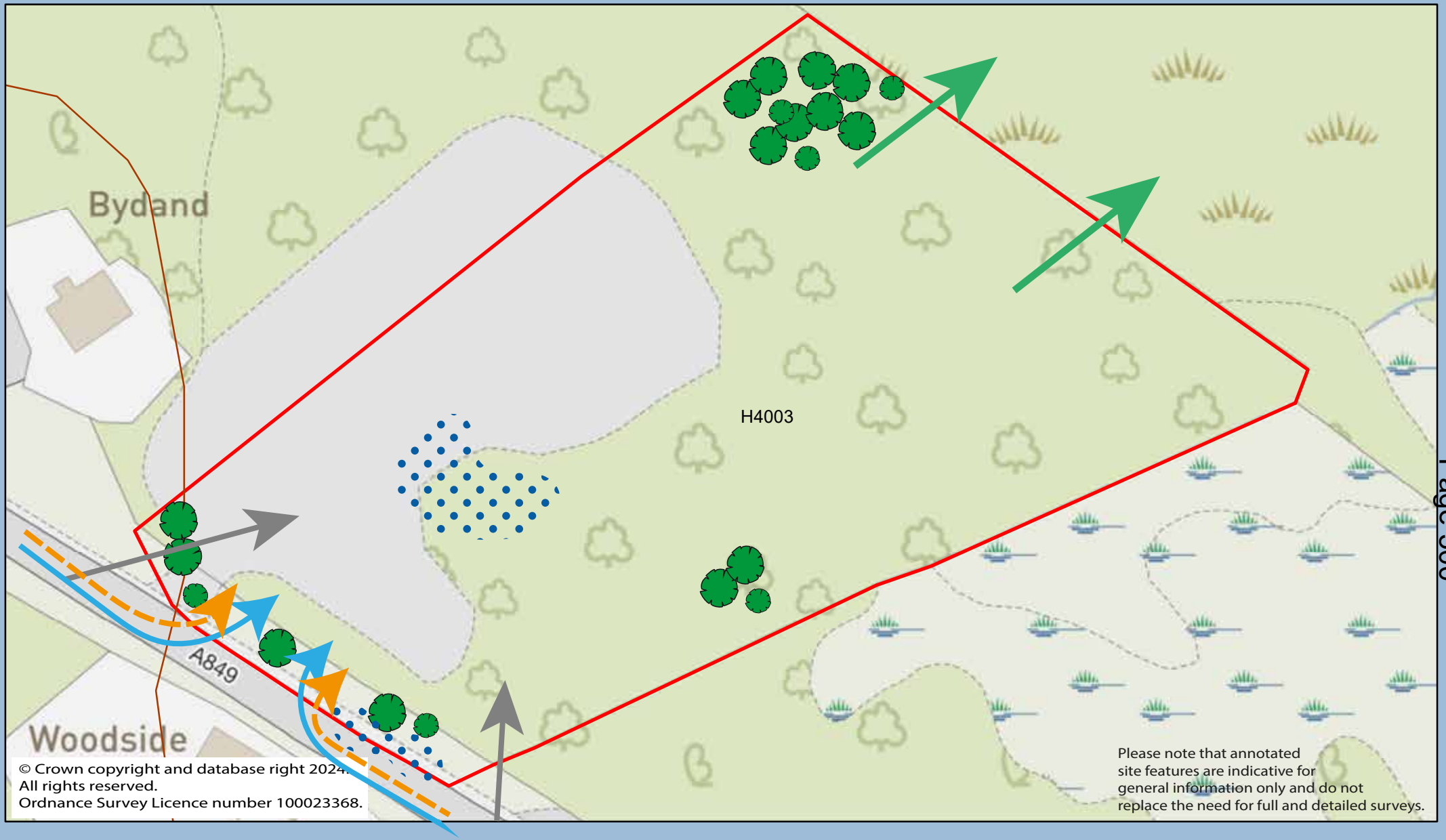
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

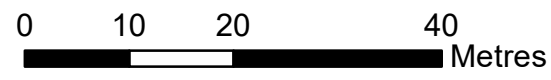
Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network –Water Impact Assessment required</li><li>• Water Treatment Works – On going growth project.</li><li>• Waste Water Treatment Works – Growth Project required. Early engagement with Scittish Water via Pre Development Enquiry required.</li><li>• Wste Water Network – Drainage Impact Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H4003 Salen - East



**H4004: Bunessan**

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA           | DM Zone         | DM Zone Name | Primary School   | Secondary School |
|-----------|---------------|--------------------------------|---------------------------------------|-----------|------------|---------------|-----------------|--------------|------------------|------------------|
| 1.32ha    | 13            | 25% (see note below)           | Landowner/Developer<br>Scottish Water | Short     | OLI        | Mull and Iona | Settlement Area | Bunessan     | Bunessan Primary | Oban High School |

**EXISTING USE:**

Grassland (part prepared as development site)

**ACCESS:**

Footway required to A849. Existing road requires widening / upgrading.

**FLOOD RISK:**

None indicated on SEPA maps.

**TOPOGRAPHY:**

Relatively flat portion to west of site. Slopes fairly sharply towards the coast.

**TREES:**

None on site.

**NATURAL ENVIRONMENT DESIGNATIONS:**

Local Landscape Area – Central, South and West Mull.

**CONSTRAINTS:**

Peat class 2 on part of site.

Topography may render part of the site undeliverable.

**FORM OF DEVELOPMENT:**

There is a mix of 1, 1 ½ and 2 storey properties within the area. New units should follow a similar or complimentary design and layout to those already built at Ardmeanach View

**PLANNING CONSENTS:**

07/01098/DET (erection of 11 housing units) – only 6 units have been built

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

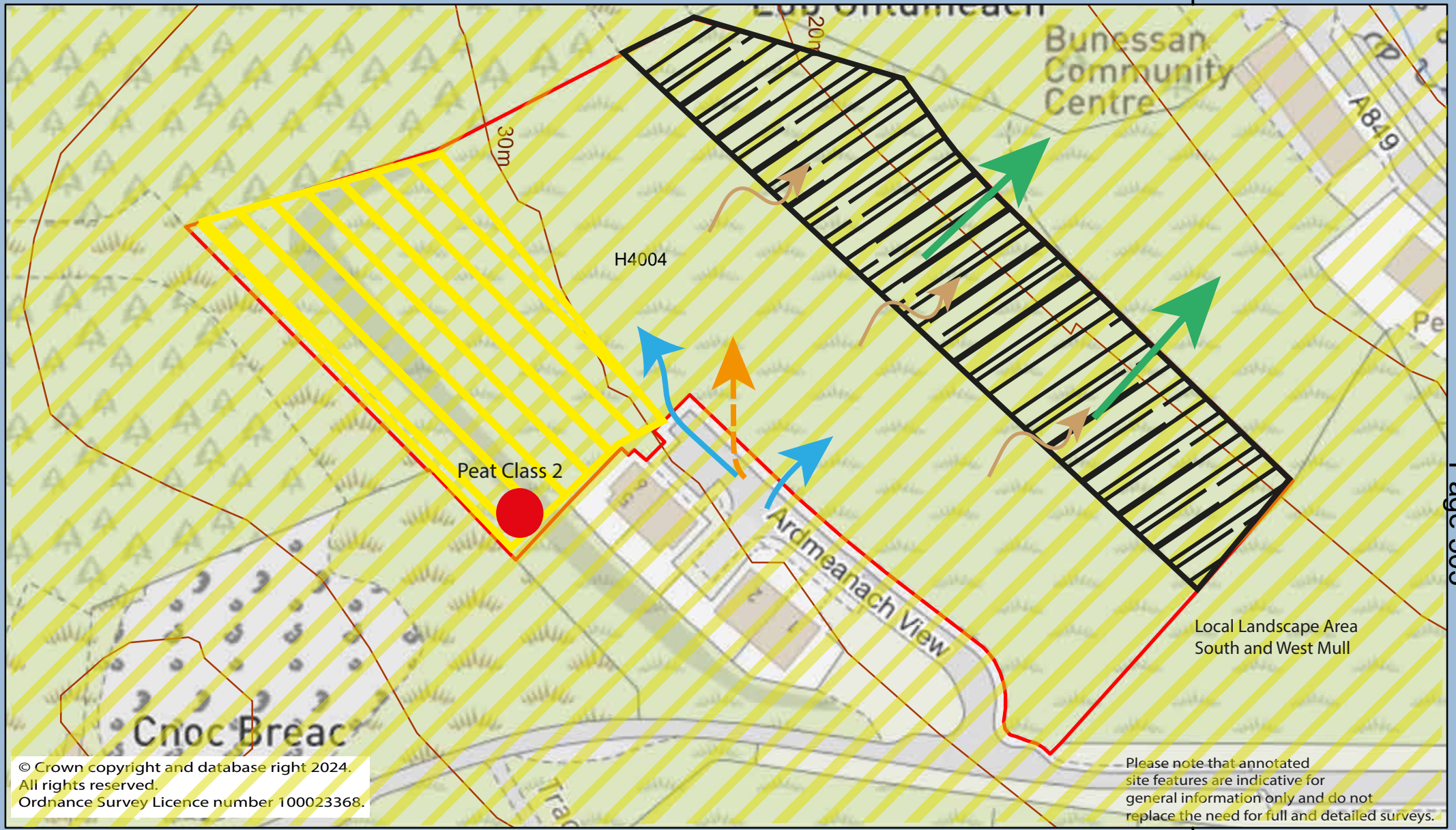
If a phased approach is proposed, these points should be addressed within the initial phase.

There has been delivery of affordable housing provision on this site (2009). This may be taken into account and offset against the 25% requirement on the remaining element of this site in any future planning consent.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

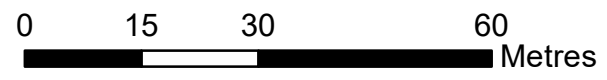
| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Water Treatment Works - Growth project is required</li><li>• Water network – flow and pressure test required</li><li>• Waste Water Treatment Works – Growth Project is required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li><li>• Land stability – consideration of any land stability issues relating to sloping ground</li></ul> |



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# H4004 Bunessan



#### H4005: Stronmilchan

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA                            | DM Zone            | DM Zone Name | Primary School | Secondary School    |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|--------------------------------|--------------------|--------------|----------------|---------------------|
| 1.74ha    | 12            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | OLI        | Lorn and<br>the Inner<br>Isles | Settlement<br>Area | Dalmally     | Dalmally       | Oban High<br>School |

#### EXISTING USE:

Vacant farmland

#### ACCESS:

Existing vehicular access into and through the site from the B8077 (Old Military Road) to south of site. Existing access likely to require upgrades as part of development of the site.

#### FLOOD RISK:

No areas of flood risk within site boundary but site is in proximity to high likelihood of river flooding. A basic Flood Risk Assessment will be required in the first instance.

#### TOPOGRAPHY:

Gradual slope from north to south, with some flat areas.

#### TREES:

Some trees on site.

#### NATURAL ENVIRONMENT DESIGNATIONS:

North Argyll Local Landscape Area.

#### FORM OF DEVELOPMENT:

1-1.5 storey dwellings matching pattern and form of existing settlement is likely to be appropriate.



**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

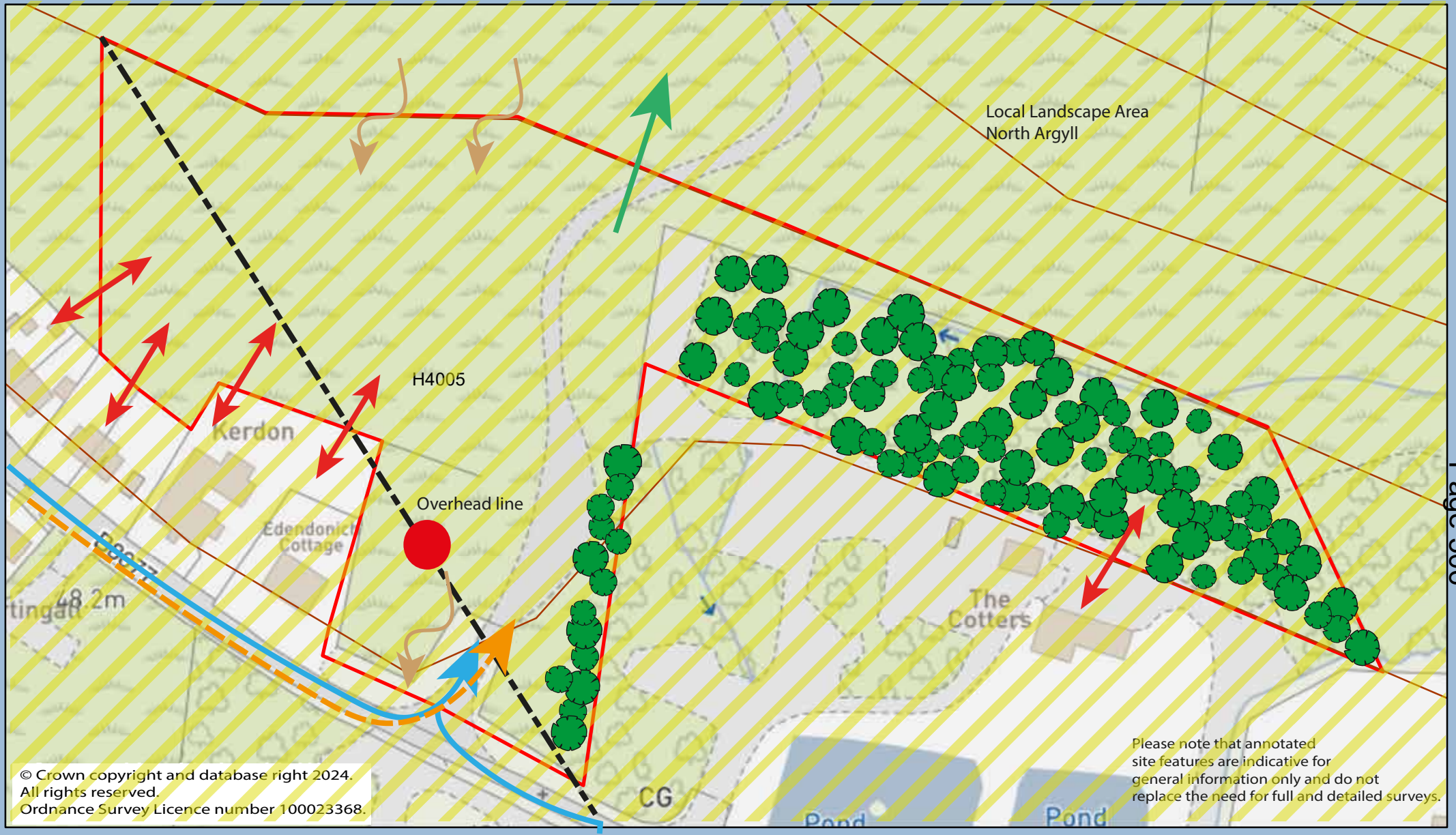
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

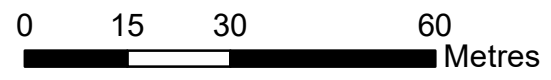
| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Treatment Works – Growth project required</li><li>• Water Network –Water Impact Assessment required</li><li>• Waste Water Treatment Works - Growth project is required</li><li>• Waste Water Network – Early engagement with Scottish Water required to determine whether further network studies are required e.g such as Drainage Impact Assessment</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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H4005 Stronmilchan



#### H4006: Dunbeg - Pennyfuir

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA                            | DM Zone             | DM Zone Name                | Primary School               | Secondary School    |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|--------------------------------|---------------------|-----------------------------|------------------------------|---------------------|
| 8.73ha    | 120           | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | OLI        | Lorn and<br>the Inner<br>Isles | Countryside<br>Area | Lorn and the<br>Inner Isles | Dunbeg; Park;<br>St Columbus | Oban High<br>School |

#### EXISTING USE:

Countryside

#### ACCESS:

Core Path C198 (Ganavan to Dunbeg – National Cycle Network) running through NW of site – site boundary should be adjusted to reflect core path, removing area to NW  
No current vehicular access – requires strategic infrastructure development (I4002)

#### FLOOD RISK:

Risk of surface water flooding indicated on SEPA maps. Small watercourse/drain flows through the allocation and potential flood risk from this source should be taken cognisance of. A basic Flood Risk Assessment, consisting of topographic information in the first instance, and a detailed layout plan will be required.

#### TOPOGRAPHY:

Undulating – generally sloping down to the east. Steeper sloping ground along northern edge of stream.

#### TREES:

Area of ancient and semi natural woodland within site – to be retained.  
Some further trees and hedgerows on site, notably near watercourse.

#### OPPORTUNITIES:

Continuing wider masterplan approach for Ganavan and Dunbeg

**CONSTRAINTS:**

Peat category 3 – requires further investigation

Area of ancient and semi natural woodland to be retained (13170)

In countryside area – detached from other built development

**FORM OF DEVELOPMENT / PLANNING CONSENT:**

This allocation forms part of Masterplan 16/03368/MPLAN approved by Members on 27/04/17.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

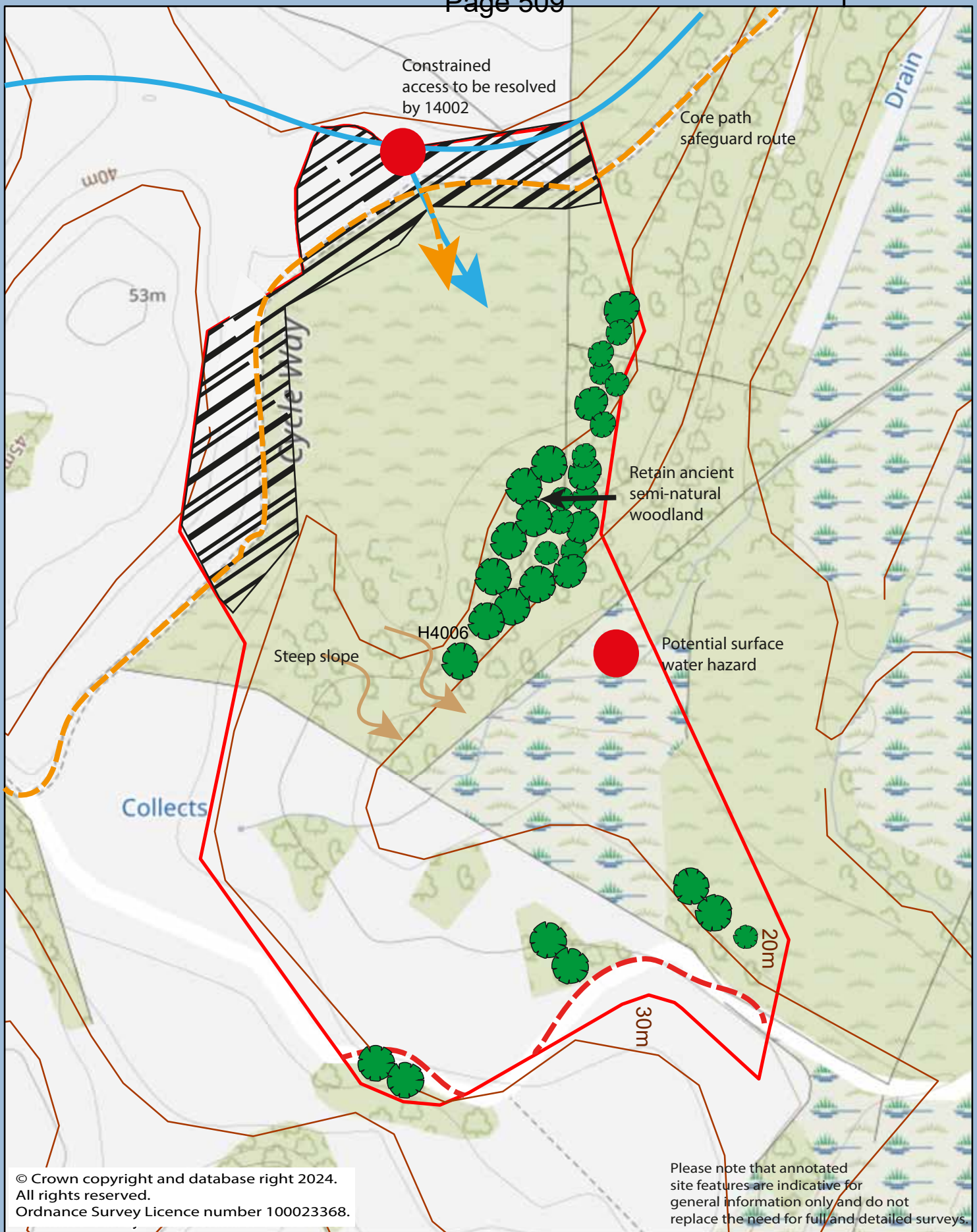
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network – Considerable distance from public network. Any installation of network from site to the public network must be carried out and funded by the developer. Costs may not be covered by Reasonable Cost Contribution Scheme.</li><li>• Waste Water Treatment Works - Growth project is required</li><li>• Waste Water Network – Considerable distance from public network. Any installation of network from the site to public sewers must be funded and carried out by the developer. Costs may not be covered by Scottish Water’s Reasonable Cost Contribution scheme.</li><li>• Access Issue – I4001 and I4002 seek to address this issue</li><li>• AWI – Woodland on site</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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# H4006 Dunbeg



#### H4009: Oban - Ganavan

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA                      | DM Zone         | DM Zone Name             | Primary School    | Secondary School |
|-----------|---------------|--------------------------------|---------------------------------------|-----------|------------|--------------------------|-----------------|--------------------------|-------------------|------------------|
| 3.5ha     | 60            | 25%                            | Landowner/Developer<br>Scottish Water | Short     | OLI        | Lorn and the Inner Isles | Settlement Area | Lorn and the Inner Isles | Park; St Columbus | Oban High School |

#### EXISTING USE:

Grazing

#### ACCESS:

Existing farm gate from Ganavan Road to north of site could be upgraded. Alternative access could possibly be taken from the car park to the west of the site.

Wider access issues in terms of Ganavan Road are known and has been included in the Action Programme.

#### FLOOD RISK:

Risk of surface water flooding indicated on SEPA maps. A minor watercourse runs alongside the site boundary to the north.

#### TOPOGRAPHY:

Undulating

One steep mound to the north of the site which is undevelopable

#### TREES:

High value broadleaf trees around the edge of the site (particularly to the NW boundary) and on the mound to the NE – these should be retained.

#### OPPORTUNITIES:

Wider masterplan approach for Ganavan and Dunbeg

Bus stop directly adjacent to the site

#### CONSTRAINTS:

Adjacent to outdoor nursery – development must be designed to minimise overlooking

Lack of public footpath to Oban – to be addressed via wider masterplan approach

**FORM OF DEVELOPMENT:**

Detached bungalows and 2 storey houses adjacent to the site. The site could accommodate a similar form of development but with inclusion of semi-detached, terraced or flatted units to allow sufficient density

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

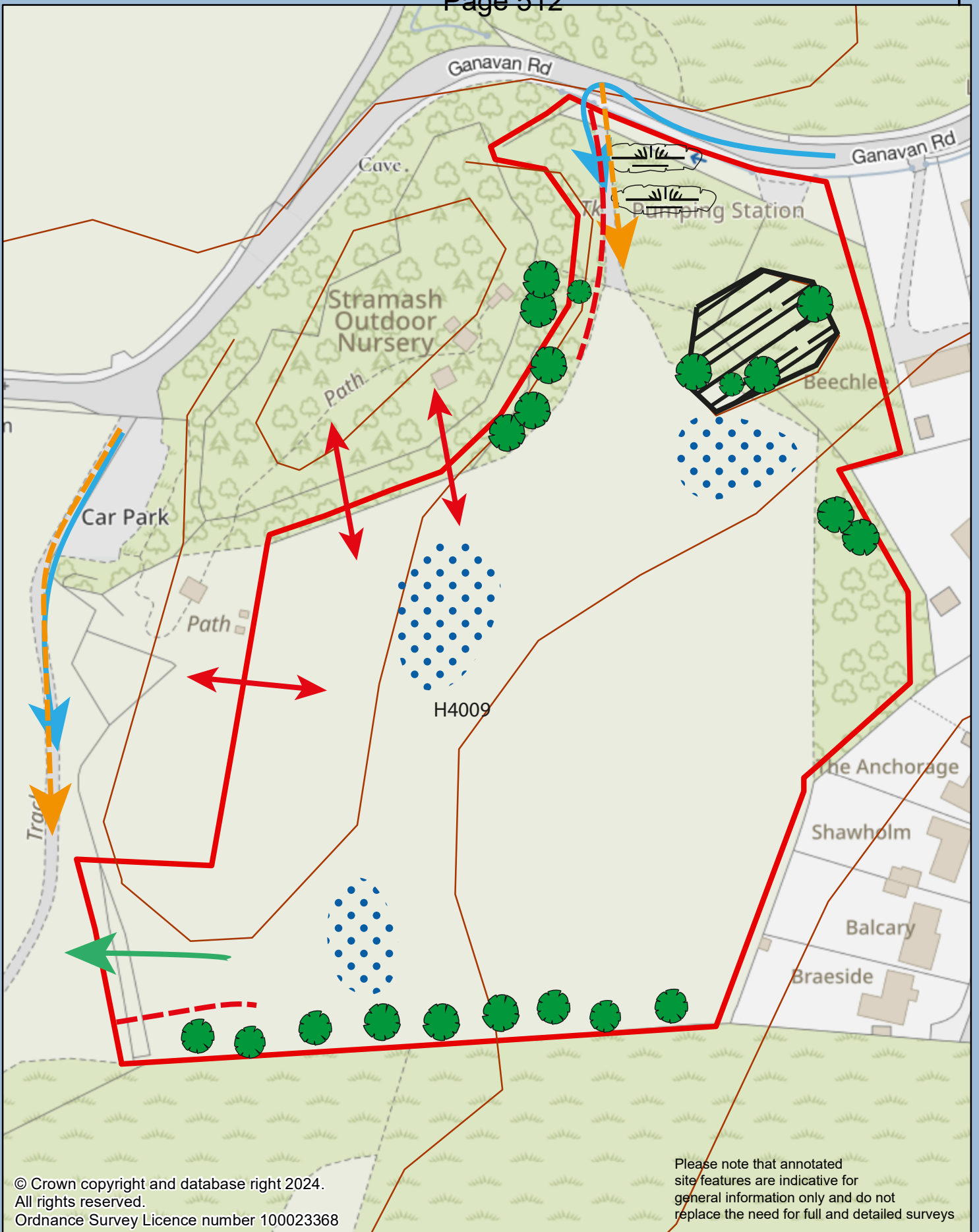
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Waste Water Treatment Works - Growth project is required</li><li>• Access Issue – Footpath required between War memorial and site entrance</li><li>• Potential Asset Conflicts – Sewer infrastructure crosses through middle of site. Early engagement with Scottish Water is required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H4009 Oban - Ganavan





#### H4012: Bridge of Awe

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale      | Admin Area | HMA                      | DM Zone         | DM Zone Name             | Primary School          | Secondary School |
|-----------|---------------|--------------------------------|---------------------|----------------|------------|--------------------------|-----------------|--------------------------|-------------------------|------------------|
| 1.81ha    | 17            | 25%                            | Landowner/Developer | Short / Medium | OLI        | Lorn and the Inner Isles | Settlement Area | Lorn and the Inner Isles | Taynuilt Primary School | Oban High School |

#### EXISTING USE:

Vacant farmland

#### ACCESS:

Existing vehicular access from A85 to north of the site which would need to be upgraded.

#### TOPOGRAPHY:

Generally flat.

#### TREES:

Trees to north-west boundary with holiday park and to north-east on boundary with Orunachy Farm.

#### FORM OF DEVELOPMENT:

Low density to match settlement pattern and form is likely to be appropriate. Properties should have ample garden ground.

#### PLANNING CONSENTS:

23/01466/PPP – site for the erection of residential development (42 units).

#### FORM OF DEVELOPMENT:

Detached bungalows and 2 storey houses adjacent to the site. The site could accommodate a similar form of development but with inclusion of semi-detached, terraced or flatted units to allow sufficient density

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Waste Water Treatment Works - Growth project is required</li><li>• Access Issue – Footpath required between War memorial and site entrance</li><li>• Potential Asset Conflicts – Sewer infrastructure crosses through middle of site. Early engagement with Scottish Water is required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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Please note that annotated site features are indicative for general information only and do not replace the need for full and detailed surveys.

### H4012 Bridge of Awe



#### H4013: Scarinish – Pier Road

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA               | DM Zone            | DM Zone Name | Primary School | Secondary School     |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|-------------------|--------------------|--------------|----------------|----------------------|
| 0.69ha    | 14            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | OLI        | Coll and<br>Tiree | Settlement<br>Area | Scarinish    | Tiree          | Tiree High<br>School |

#### EXISTING USE:

Vacant agricultural land (sheep grazing)

#### ACCESS:

Access can be taken from Pier Road to the south of the site

#### FLOOD RISK:

No flood risk indicated on SEPA maps. However there is a watercourse to the west of the site

#### TOPOGRAPHY:

Flat

#### TREES:

No trees

#### NATURAL ENVIRONMENT DESIGNATION:

Local Nature Conservation Site (LNCS) – Scarinish, Tiree is in the vicinity of the site

#### CONSTRAINTS:

HIE fragile area

Landscape study for the area shows this site as not preferred

**FORM OF DEVELOPMENT:**

Modern bungalows to the east (the Tank Farm). Traditional Tیره development to the west including 2 no B listed cottages.  
Suggest that 10 units may be more suitable for this site to reduce the density and improve integration between the Tank Farm and Scarinish Proper.  
Refer to Isle of Tیره Design Guidance

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

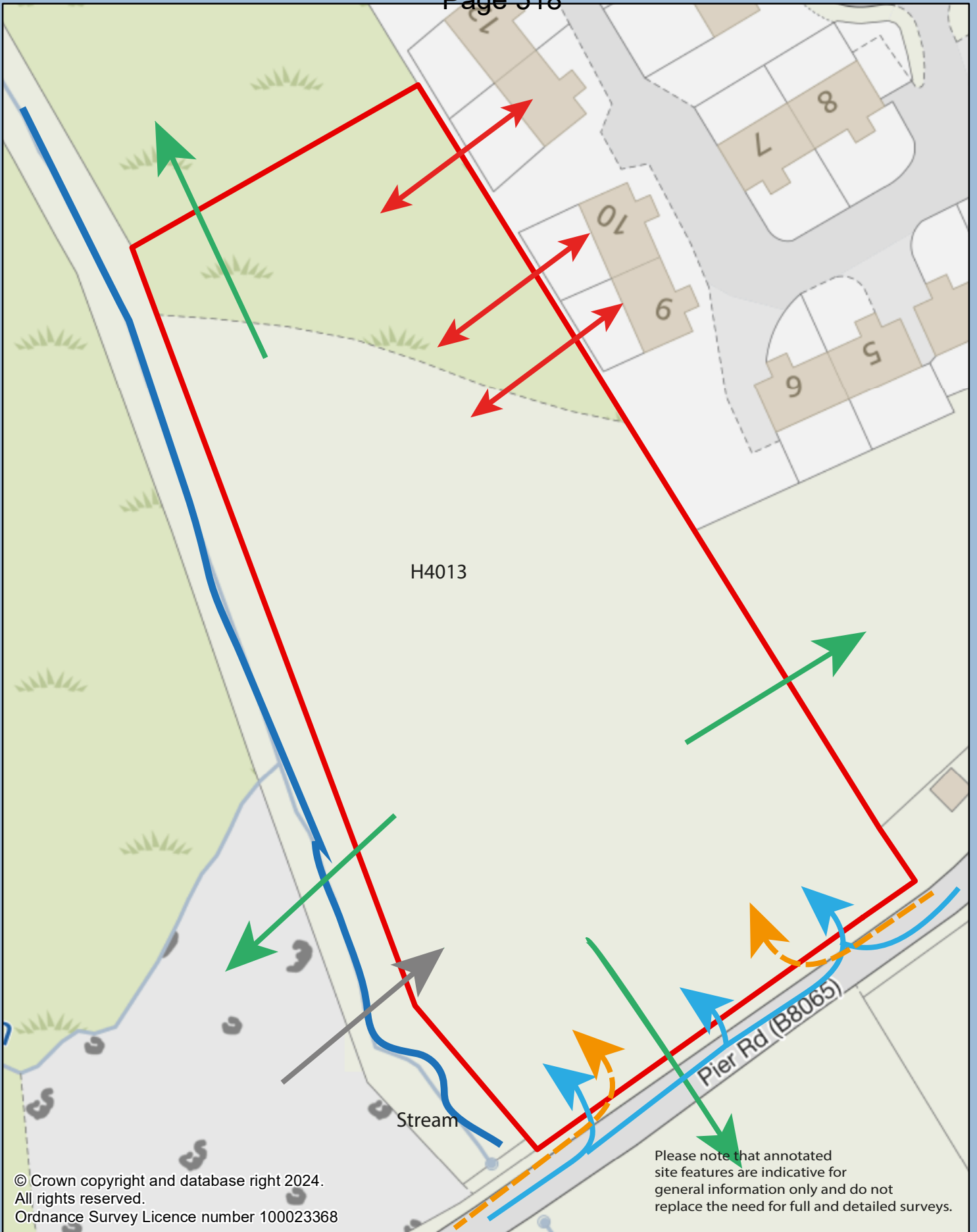
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Treatment Works – Growth project required</li><li>• Water Network –Water Impact Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



### H4013 Tiree - Scarinish, Pier Road



**H4014: Tobermory 1**

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale      | Status                 |
|---------------|--------------------------------|---------------------------------------|----------------|------------------------|
| 60            | 25%                            | Landowner/Developer<br>Scottish Water | Short / Medium | Masterplan 20/00729/PP |

| ACTIONS  |
|--|
| <ul style="list-style-type: none"> <li>• Flood Risk Assessment required</li> <li>• Water Treatment Works – Ongoing Growth Project</li> <li>• Water Network – Flow and Pressure Test and Water Impact Assessment required</li> <li>• Waste Water Treatment Works - Growth project is required</li> <li>• Waste Water Network – Early engagement with Scottish Water is required to determine whether further network studies are required such as Drainage Impact Assessment</li> <li>• Potential Asset Conflicts – Sewer infrastructure crosses through this site. Early engagement with Scottish Water is required.</li> <li>• Sits within Strategic Masterplan (SM4002) area to allow consideration of wider issues, including connectivity with adjacent allocation.</li> <li>• Nature Conservation Constraint – check for European protected species (otters)</li> <li>• Roads constraint – development would only be permitted from the new access road to Shillinghill Phases 1 and 2 – no additional access from A848 will be permitted.</li> </ul> |

## H4015: Dunbeg 2

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale      | Status                    |
|---------------|--------------------------------|---------------------------------------|----------------|---------------------------|
| 250           | 25%                            | Landowner/Developer<br>Scottish Water | Short / Medium | Part of Dunbeg masterplan |

### ACTIONS

- Flood Risk Assessment required
- Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry.
- Water Network – Water Impact Assessment required.
- Waste Water Treatment Works - Growth project is required
- Peat - potential for peat of a significant depth to be investigated and impact minimised.
- Nature Conservation Constraint – check for European protected species (otters)
- Roads constraint – trunk roads authority require to advise
- Blanket bog throughout whole site – peat depth survey required



#### H4016: Strachur

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Status                 |
|---------------|--------------------------------|---------------------------------------|-----------|------------------------|
| 30            | 25%                            | Landowner/Developer<br>Scottish Water | Short     | Masterplan 20/00705/PP |

#### ACTIONS

- Flood Risk Assessment required
- Water Treatment Works – Ongoing Growth Project
- Water Network – Water Impact Assessment and flow pressure tests required
- Waste Water Treatment Works – Growth Project required
- Waste Water network – Early engagement with Scottish Water required via Pre Development Enquiry to determine need for further network studies such as Drainage Impact Assessment
- Potential Asset Conflict – sewer infrastructure is through the middle of the site. Early engagement with Scottish Water is required.
- Sits within Strategic Masterplan (SM4002) area to allow consideration of wider issues, including connectivity with adjacent allocation. Nature Conservation Constraint – check for European protected species (otters)

#### H4017: Barcaldine

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA                            | DM Zone            | DM Zone Name | Primary School               | Secondary School    |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|--------------------------------|--------------------|--------------|------------------------------|---------------------|
| 4.83ha    | 50            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | OLI        | Lorn and<br>the Inner<br>Isles | Settlement<br>Area | Barcaldine   | Barcaldine<br>Primary School | Oban High<br>School |

#### EXISTING USE:

Primarily vacant land with small residential development to north of site. Dwellings within allocated site part of phased development.

#### ACCESS:

Access to the site can be achieved from B845 with improvements required. This includes widening the road serving the site to the junction with the A828.

#### FLOOD RISK:

Medium/Low likelihood of surface water flooding as indicated on SEPA maps

#### TOPOGRAPHY:

Site is predominantly flat. Undevelopable hill in centre of site.

#### TREES:

A few trees on site.

Ancient woodland/semi-ancient woodland

#### NATURAL ENVIRONMENT DESIGNATIONS:

Local Landscape Area: North Argyll

#### FORM OF DEVELOPMENT:

Low density to match surrounding settlement. Detached dwellings of approx. two floors.

**PLANNING CONSENTS:**

23/02409/PP - Erection of 6 dwellinghouses and installation of 2 septic tanks (Phase 3) – Awaiting Decision

19/00150/PP - Erection of 10 dwellinghouses and installation of septic tank (Phase 2) – Approved

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

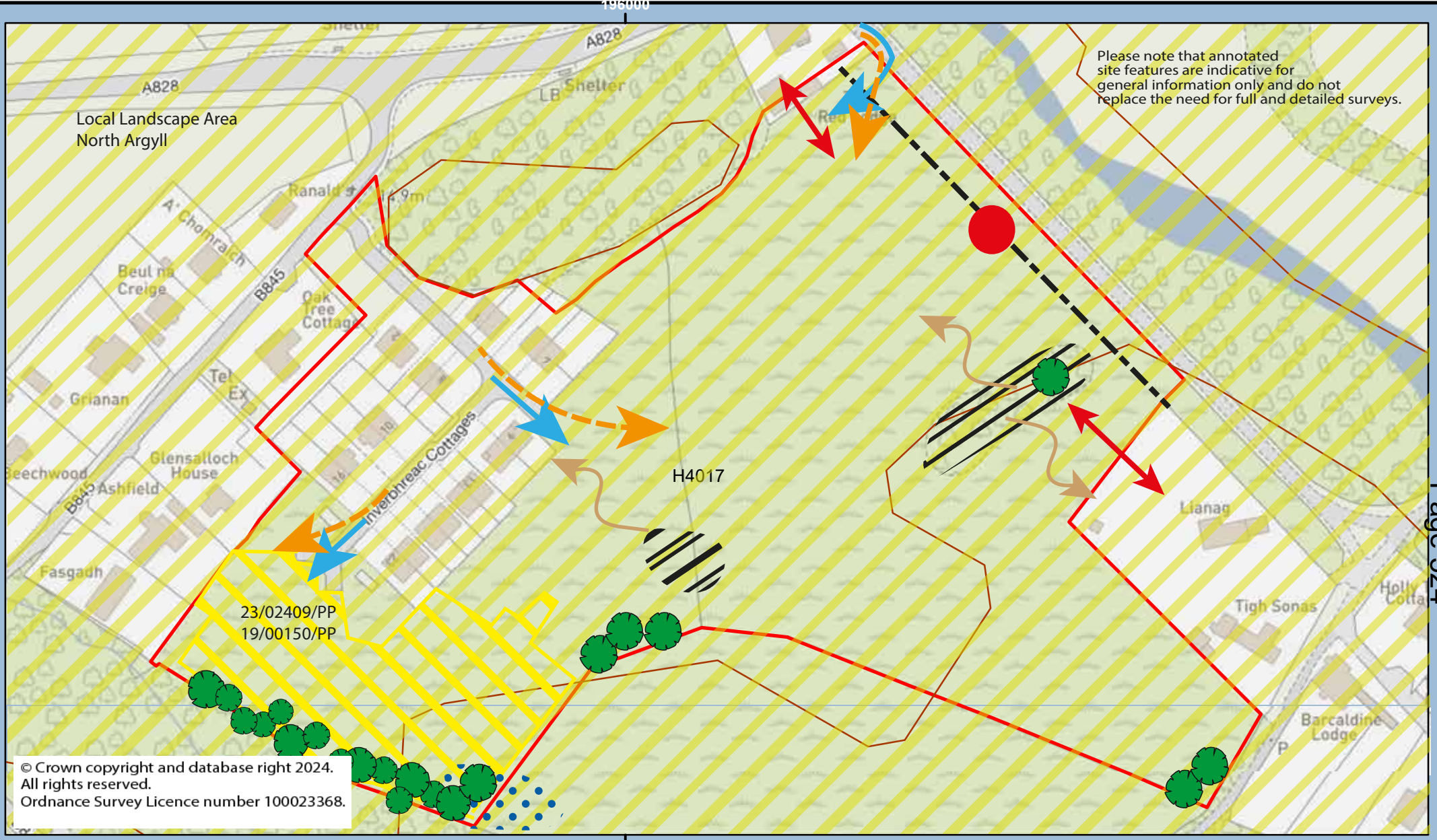
If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

|                |
|----------------|
| <b>ACTIONS</b> |
|----------------|

- |  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry</li><li>• Waste Water Treatment Works – Growth Project required.</li><li>• Waste Water Network – Site is considerable distance from public network. Any installation of network from the site to the public sewer must be funded and carried out by the developer. Costs may not be fully covered by Scottish Water’s Reasonable Cost Contribution Scheme.</li><li>• Potential Asset Conflict – Water infrastructure crosses through the middle of this site. Early engagement with Scottish Water is required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li><li>• 20 units completed as at April 2024. 30 units remaining of LDP2 identified capacity.</li></ul> |
|--|



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23/02409/PP  
19/00150/PP

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# H4017 Barcaldine



#### H4018: Tobermory - Baliscate

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale      | Status   |
|---------------|--------------------------------|---------------------------------------|----------------|--|
| 30            | 25%                            | Landowner/Developer<br>Scottish Water | Short / Medium | Majority of site (including indicative layouts for phases 2 and 3) covered under consent 21/02049/PP |

#### ACTIONS

- Water Treatment Works – On going growth project
- Water Network – Flow and Pressure Test and Water Impact Assessment required
- Waste Water Treatment Works - Growth project is required
- Waste Water Network – Early engagement with Scottish Water via Pre Development Enquiry required to determine whether further network studies such as Drainage Impact Assessment are required
- Nature Conservation Constraint – check for European protected species (otters)

#### H4019: Port Appin

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA                            | DM Zone            | DM Zone Name | Primary School                    | Secondary School    |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|--------------------------------|--------------------|--------------|-----------------------------------|---------------------|
| 2.24ha    | 30            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | OLI        | Lorn and<br>the Inner<br>Isles | Settlement<br>Area | Port Appin   | Strath of Appin<br>Primary School | Oban High<br>School |

#### EXISTING USE:

Primarily vacant farm land.

#### ACCESS:

Access can be achieved from adopted road to west of allocated site.

#### FLOOD RISK:

Risk of surface water flooding indicated on SEPA maps.

#### TOPOGRAPHY:

Site is predominantly flat.

#### TREES:

Around perimeter of site including ancient and semi-ancient woodland.

#### NATURAL ENVIRONMENT DESIGNATIONS:

National Scenic Areas: Lynn of Lorn

#### FORM OF DEVELOPMENT:

Low density development to match surrounding settlement is likely to be appropriate.

#### PLANNING CONSENTS:

21/01259/PP – Erection of 6 dwellinghouses and formation of vehicular access – Approved. Part of phased development. Masterplan has been submitted as part of proposal

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

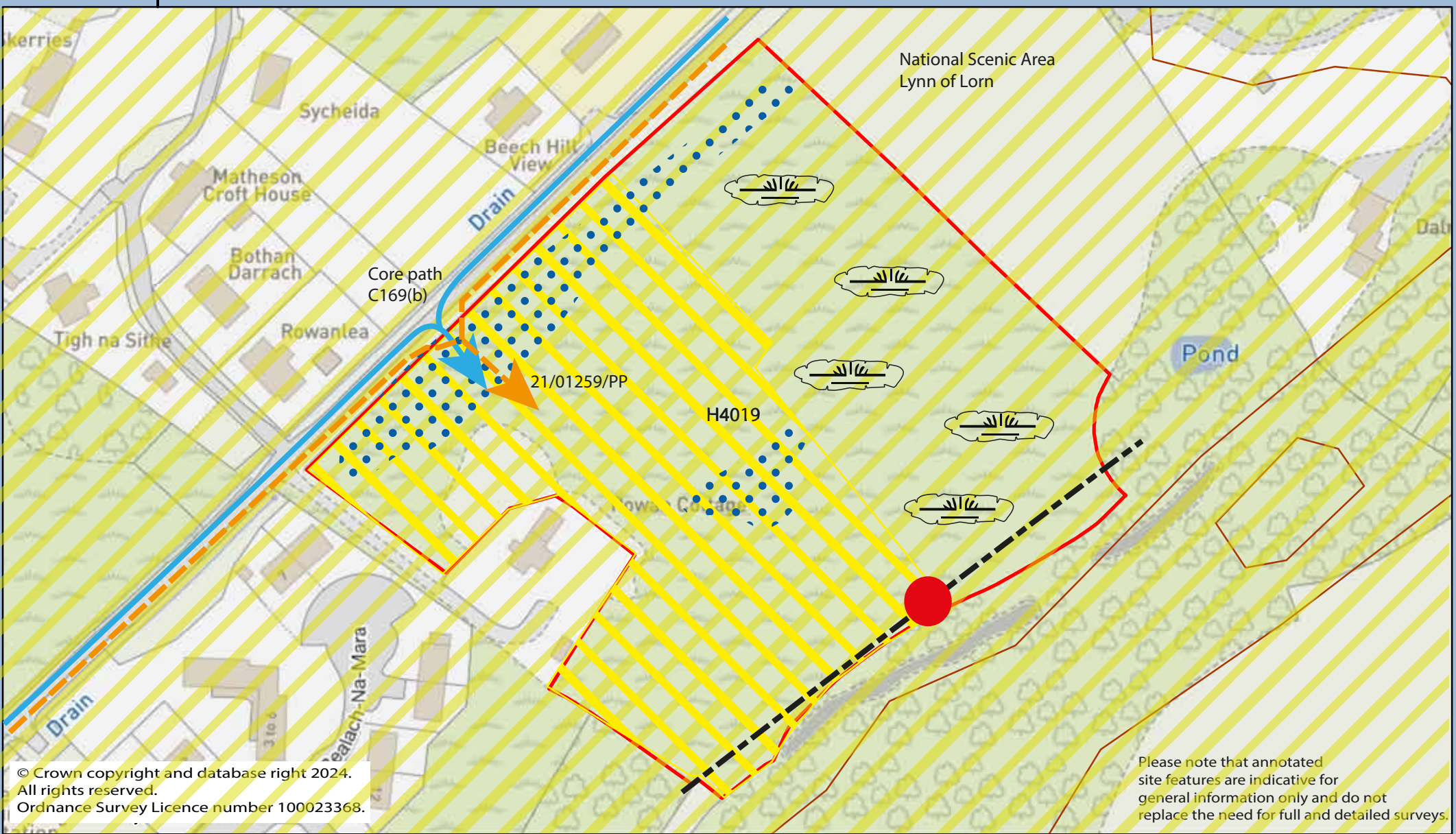
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry.</li><li>• Waste Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry.</li><li>• Waste Water Network – site is considerable distance from public network. Any installation of network from the site to public sewer requires to be funded and carried out by the developer. Costs may not be fully covered by Scottish Water’s Reasonable Cost Contribution Scheme.</li><li>• Flood Risk Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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# H4019 Port Appin





#### H4020: Kilninver

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale     | Admin Area | HMA                      | DM Zone         | DM Zone Name | Primary School           | Secondary School |
|-----------|---------------|--------------------------------|---------------------|---------------|------------|--------------------------|-----------------|--------------|--------------------------|------------------|
| 0.64ha    | 10            | 25%                            | Landowner/Developer | Medium / Long | OLI        | Lorn and the Inner Isles | Settlement Area | Kilninver    | Kilninver Primary School | Oban High School |

#### EXISTING USE:

Grazing

#### ACCESS:

Existing access from A816 which would require to be upgraded

#### FLOOD RISK:

No flood risk indicated on SEPA flood maps

#### TOPOGRAPHY:

Fairly flat other than ditch to south

#### TREES:

One small tree on south east corner of site.

A portion of the site is designated as semi-natural ancient woodland however there appears to be no woodland on this part of the site

#### NATURAL ENVIRONMENT DESIGNATIONS:

Local Landscape Area – Knapdale/Melfort

#### CONSTRAINTS:

Power lines run around the edge of the site

Ditch / boggy area to the south of the site

**FORM OF DEVELOPMENT:**

1 ½ storey houses to the north west of the site. A similar style of development may be appropriate

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

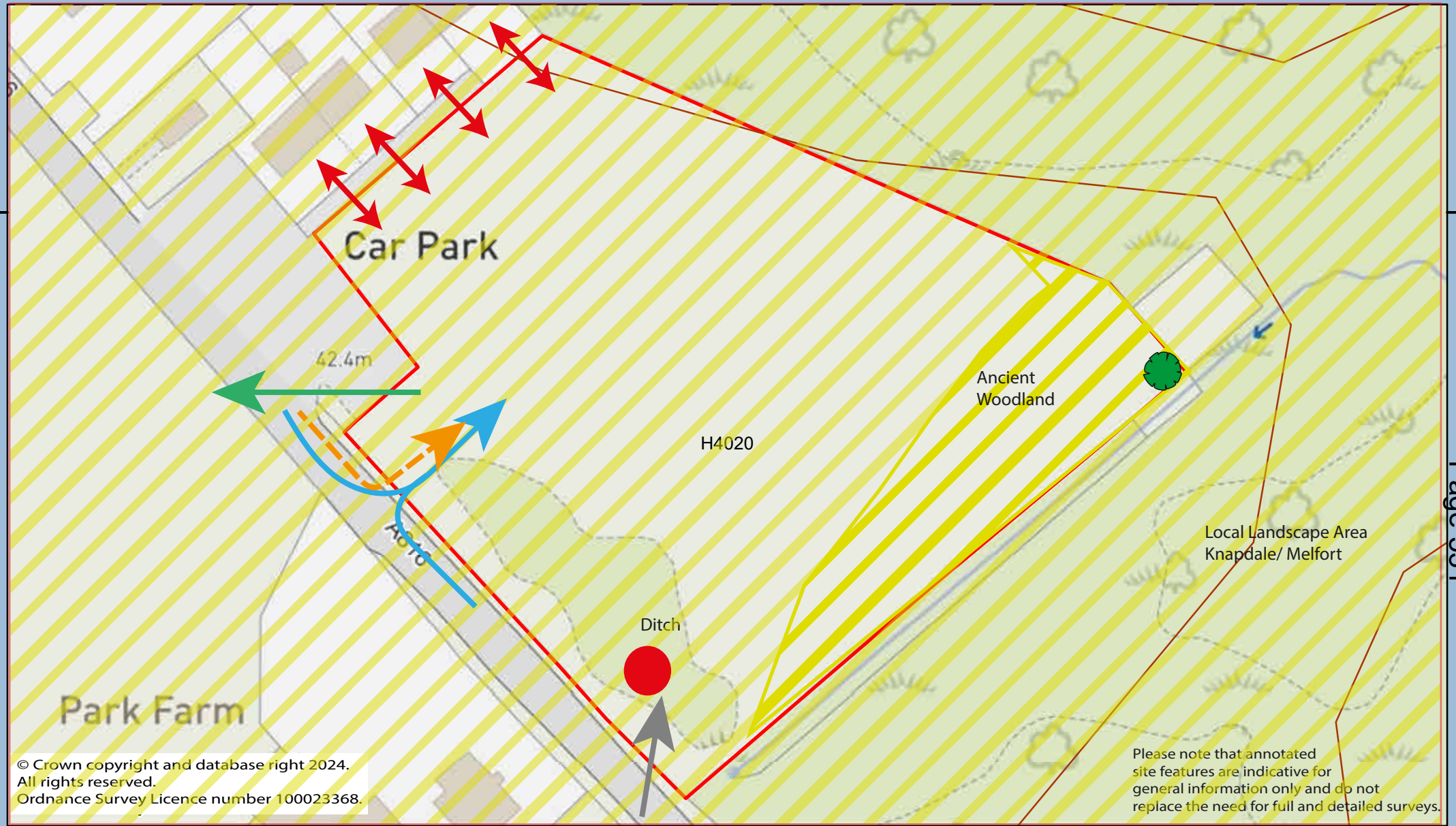
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Treatment Works – Early engagement with Scottish Water required via Pre Development Enquiry.</li><li>• Potential biodiversity interests arising from adjacent woodland.</li><li>• Attention to be paid to any trees overhanging the site boundary with regards to habitats (e.g. bats, birds, red squirrel drays).</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



H4020 Kilniver



#### H4021: Dalmally

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA                      | DM Zone         | DM Zone Name | Primary School          | Secondary School |
|-----------|---------------|--------------------------------|---------------------------------------|-----------|------------|--------------------------|-----------------|--------------|-------------------------|------------------|
| 0.92ha    | 16            | 25%                            | Landowner/Developer<br>Scottish Water | Short     | OLI        | Lorn and the Inner Isles | Settlement Area | Dalmally     | Dalmally Primary School | Oban High School |

#### EXISTING USE:

Vacant Land

#### ACCESS:

Potential access from A85 to north, from existing road at pharmacy/health centre or from existing road south of A85. Roads required to be consulted at an early stage to determine best access.

#### FLOOD RISK:

Small area of site subject to risk of surface water flooding indicated on SEPA maps

#### TOPOGRAPHY:

Site is predominantly flat. Gradual sloping from south to north. No significant level change.

#### TREES:

A few trees on site which should be retained and integrated with the development.

#### NATURAL ENVIRONMENT DESIGNATIONS:

Local Landscape Area: North Argyll.

**FORM OF DEVELOPMENT:**

Low to medium density dwellings to conform with settlement form and pattern is likely to be appropriate. Each dwelling should have ample garden ground

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

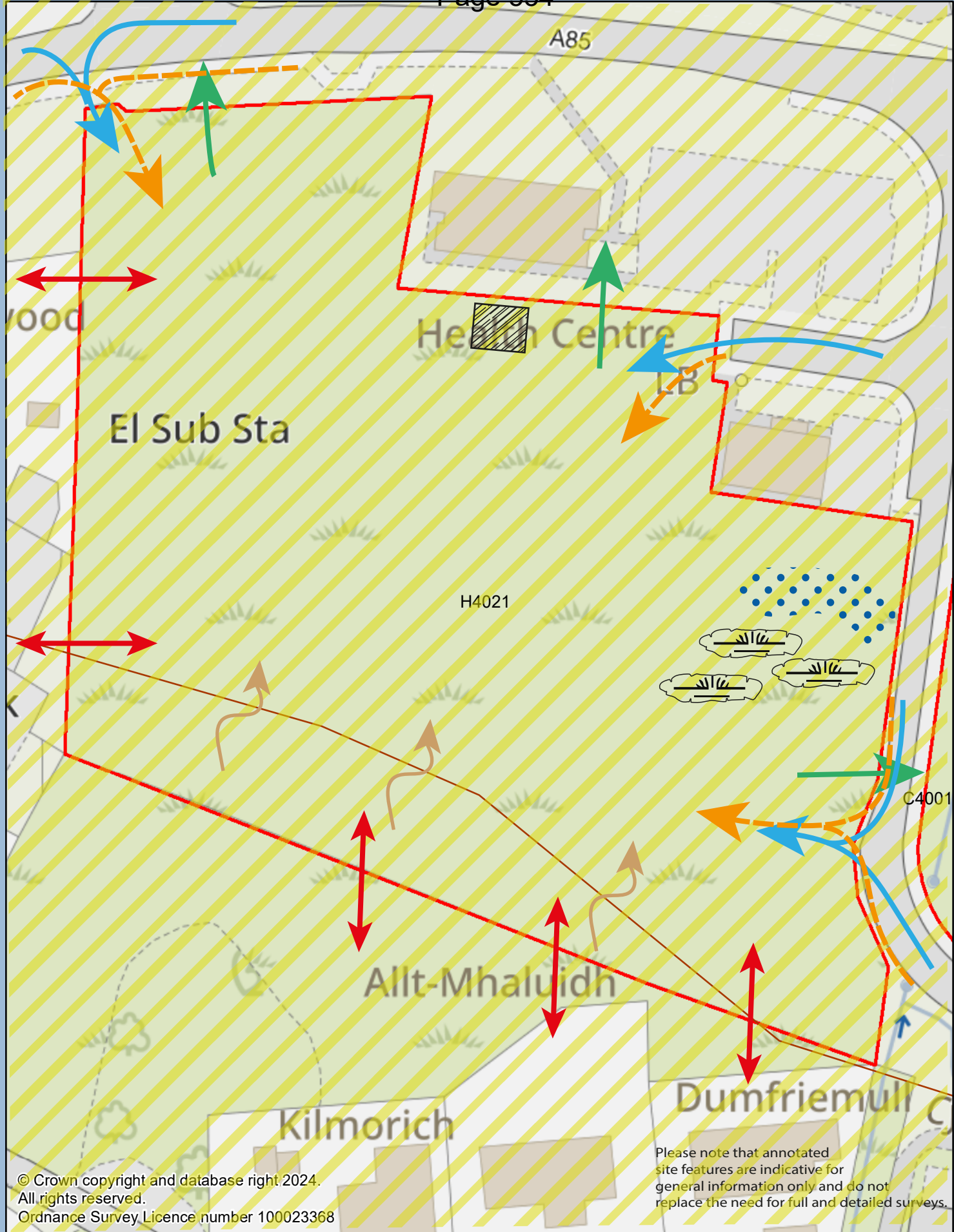
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

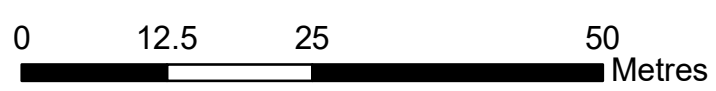
| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Treatment Works - Growth Project required</li><li>• Water Network –Water Impact Assessment required</li><li>• Waste Water Treatment Works - Growth project is required</li><li>• Waste Water Network – Drainage Impact Assessment required.</li><li>• Potential Asset Constraint – Waste water infrastructure within site, Early engagement with Scottish Water is required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H4021 Dalmally



#### H4022: Craignure

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale             | Status                        |
|---------------|--------------------------------|---------------------------------------|-----------------------|-------------------------------|
| 80            | 25%                            | Landowner/Developer<br>Scottish Water | Short / Medium / Long | Full PP on site – 22/01418/PP |

#### ACTIONS

- Flood Risk Assessment required
- Water Network – flow and pressure tests required
- Waste Water Treatment Works - Growth project is required
- Drainage Impact Assessment required
- Nature Conservation Constraint – check for European protected species (otters)

**H4023: Kilmelford**

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale      | Status                             |
|---------------|--------------------------------|---------------------------------------|----------------|------------------------------------|
| 25            | 25%                            | Landowner/Developer<br>Scottish Water | Short / Medium | 06/02223/DET is live in perpetuity |

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Treatment Works - Growth Project required</li><li>• Water Network –Water Impact Assessment required</li><li>• Waste Water Treatment Works - Growth project is required</li><li>• Waste Water Network - Drainage Impact Assessment required</li><li>• Potential Asset Conflict - Water and sewer infrastructure crosses through the middle of this site, early engagement with Scottish Water is required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



**H4025: North Connel**

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale     | Admin Area | HMA                      | DM Zone         | DM Zone Name | Primary School          | Secondary School |
|-----------|---------------|--------------------------------|---------------------------------------|---------------|------------|--------------------------|-----------------|--------------|-------------------------|------------------|
| 1.17ha    | 8             | 25%                            | Landowner/Developer<br>Scottish Water | Medium / Long | OLI        | Lorn and the Inner Isles | Settlement Area | North Connel | Lochnell Primary School | Oban High School |

**EXISTING USE:**

Vacant grassland

**ACCESS:**

New access required to be formed from adopted road to east of the site.

**FLOOD RISK:**

Risk of surface water flooding indicated on SEPA maps

**TOPOGRAPHY:**

Site is flat.

**TREES:**

Mature trees to south-east of allocated site.

Woodland along northern boundary out of settlement boundary.

**CONSTRAINTS:**

Airfield Safeguarding Zone (Oban Airport)

**FORM OF DEVELOPMENT:**

Very low density to match existing settlement is likely to be appropriate

**CAPACITY:**

As the site has capacity of over 8 units 25% affordable housing is required.

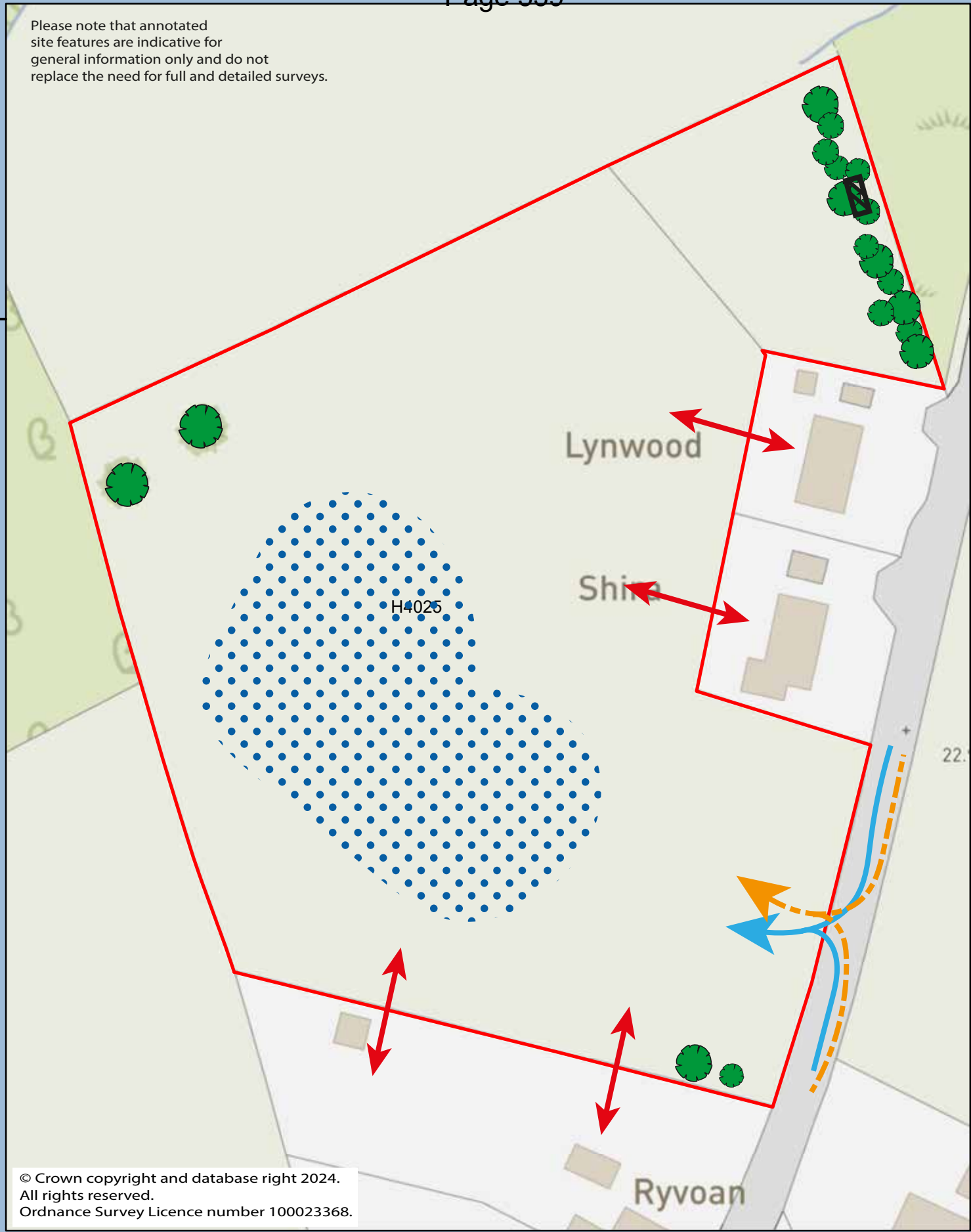
If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Waste Water Treatment Works - Growth project is required</li><li>• Waste Water Network – Drainage Impact Assessment required.</li><li>• Site access – potential visibility issues</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |

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### H4025 North Connel



#### H4026: Kilchrenan

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA                      | DM Zone         | DM Zone Name     | Primary School                            | Secondary School |
|-----------|---------------|--------------------------------|---------------------------------------|-----------|------------|--------------------------|-----------------|------------------|---|------------------|
| 0.41ha    | 6             | 100% (see notes)               | Landowner/Developer<br>Scottish Water | Short     | OLI        | Lorn and the Inner Isles | Settlement Area | Kilchrenan/Annat | Kilchrenan Primary School;<br>St Columbas | Oban High School |

#### EXISTING USE:

Vacant land

#### ACCESS:

Existing access into site from B845 to east of site.

#### FLOOD RISK:

Risk of river flooding indicated on SEPA maps.

#### TOPOGRAPHY:

Slopes downwards from north to south. Site is generally flat to the south.

#### TREES:

Some trees on site.

#### NATURAL ENVIRONMENT DESIGNATIONS:

North Argyll Local Landscape Area

#### FORM OF DEVELOPMENT:

Low density, 1 to 1.5 storey dwellings to match pattern and form in settlement is likely to be appropriate

#### CAPACITY:

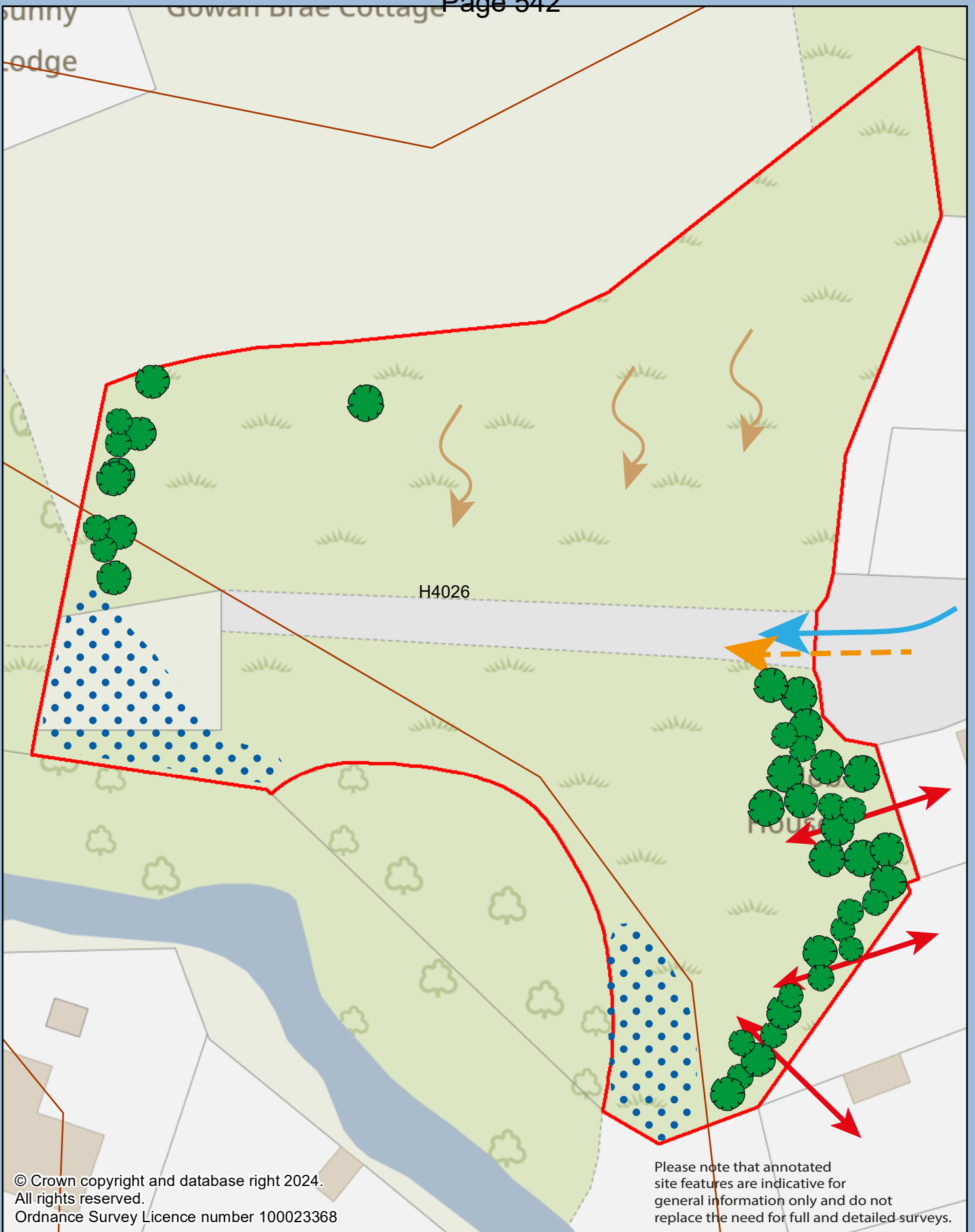
Carried forward allocation with outstanding affordable requirement. Therefore the requirement in this allocation is for 100% affordable.

FOOD GROWING:

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

ACTIONS

- Flood Risk Assessment required
- Water Network – Flow and Pressure Test and Water Impact Assessment required
- Waste Water Treatment Works - Growth project is required
- Nature Conservation Constraint – check for European protected species (otters)



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### H4026 Kilchrenan



**H4027: North Connel - Achnacree**

| LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale | Status  |
|---------------|--------------------------------|---------------------|-----------|---------|
| 7             | 25%                            | Landowner/Developer | Short     | On site |

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |

#### H4028: Benderloch - North

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA                            | DM Zone            | DM Zone Name  | Primary School             | Secondary School    |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|--------------------------------|--------------------|---|----------------------------|---------------------|
| 1.86ha    | 30            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | OLI        | Lorn and<br>the Inner<br>Isles | Settlement<br>Area | Benderloch<br>including<br>Ledaig/Keil<br>Crofts/Baravullin | Lochnell<br>Primary School | Oban High<br>School |

#### EXISTING USE:

Vacant land. Development/buildings on allocated site to the north at Keil Gardens.

#### ACCESS:

No vehicular access into site. Access likely to be required to be achieved from Keil Gardens to the north. Early engagement with Roads would be required.

#### FLOOD RISK:

Risk of surface level flooding to north of site indicated on SEPA maps.

#### TOPOGRAPHY:

Relatively flat. Some mounds on the site but no significant level changes.

#### TREES:

Some trees on site

#### CONSTRAINTS:

Class 3 Radon affected area

FORM OF DEVELOPMENT: Low density to reflect surrounding settlement pattern.



**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

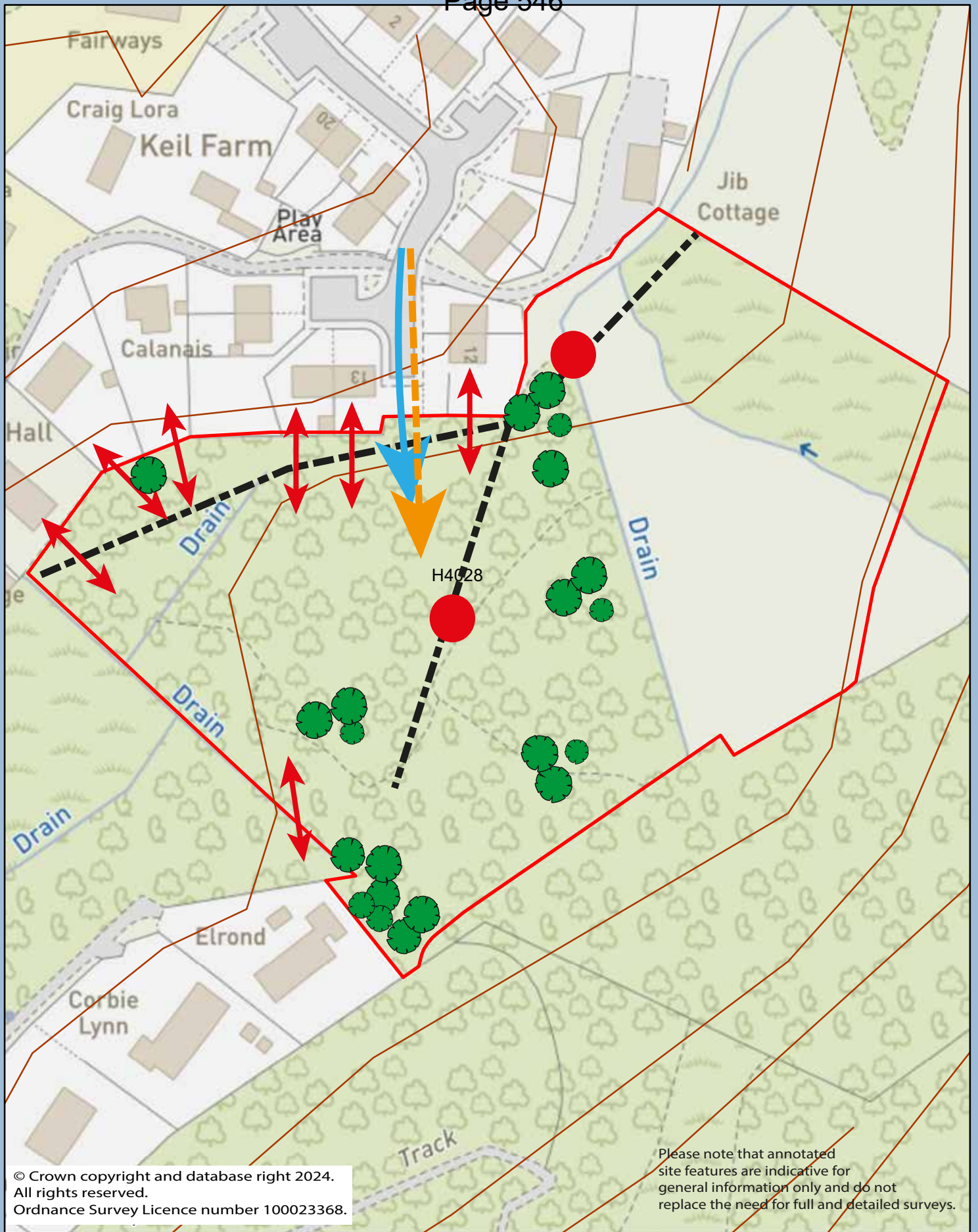
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Waste Water Treatment Works - Growth project is required</li><li>• Waste Water Network - Drainage Impact Assessment/ Network Impact Assessment required</li><li>• Potential Asset Conflict – Waste water infrastructure locates within site. Early engagement with Scottish Water required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H4028 Benderloch



#### H4029: Kilmore - Barran

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale      | Admin Area | HMA                      | DM Zone         | DM Zone Name     | Primary School          | Secondary School |
|-----------|---------------|--------------------------------|---------------------|----------------|------------|--------------------------|-----------------|------------------|-------------------------|------------------|
| 2.03ha    | 16            | 25%                            | Landowner/Developer | Short / Medium | OLI        | Lorn and the Inner Isles | Settlement Area | Kilmore / Barran | Rockfield ; St Columbus | Oban High School |

#### EXISTING USE:

Grazing

#### ACCESS:

Existing access from Barran to south of site. This is a single track road with no footpaths

#### FLOOD RISK:

Risk of SEPA river flooding over north west corner of site

#### TOPOGRAPHY:

Relatively flat

#### TREES:

None on site.

Trees between site and roads will reduce the visual impact of the development to a degree.

#### FORM OF DEVELOPMENT:

Detached bungalows in the area. Previous consent for 16 units (including 6 affordable) appears to be a broadly suitable form and layout, however greenspace will require to be incorporated as per LDP2 policy 68

#### PLANNING CONSENTS:

Whilst a Notification of Initiation of Development was submitted in 2017 in relation to 16/03074/PP, no material start appears to have been made on site (site visit March 2024)

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

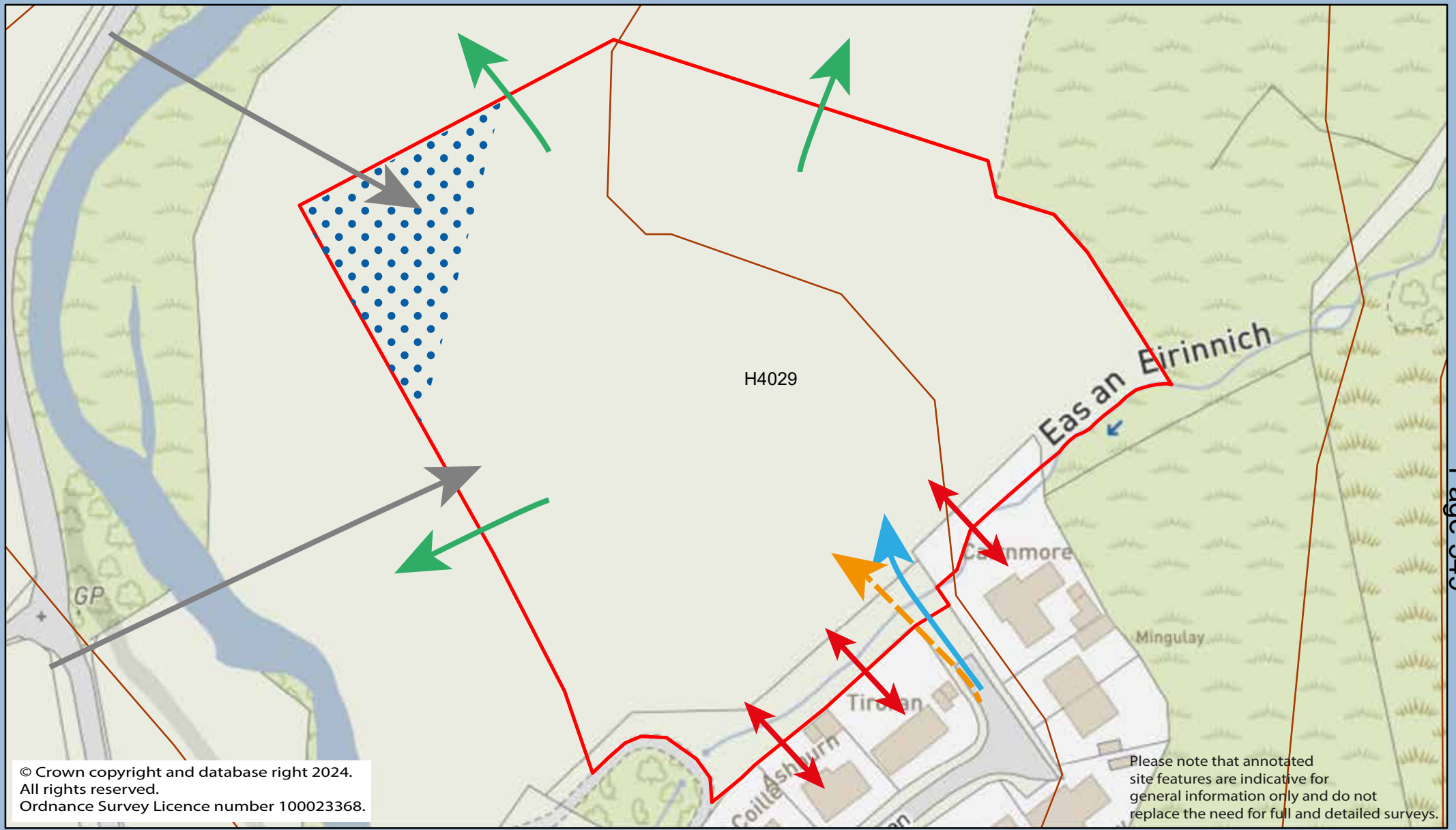
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Potential Asset Conflict – Waste Water infrastructure located within site. Early engagement with Scottish Water is required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H4029 Kilmore - Barrans



#### H4030: Salen - South

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale                   | Admin Area | HMA           | DM Zone         | DM Zone Name | Primary School | Secondary School      |
|-----------|---------------|--------------------------------|---------------------------------------|-----------------------------|------------|---------------|-----------------|--------------|----------------|-----------------------|
| 1.75ha    | 20            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium /<br>Long | OLI        | Mull and Iona | Settlement Area | Salen        | Salen          | Tobermory High School |

#### EXISTING USE:

Rough grassland / scrub

#### ACCESS:

Access from B8035. No footpath to west side of road.

#### FLOOD RISK:

Risk of both river and surface water flooding on parts of the site indicated on SEPA flood maps. A Flood Risk Assessment will be required as well as discussions with SEPA and Scottish Water.

#### TOPOGRAPHY:

Fairly flat but rough ground.

#### TREES:

Ancient woodland to east of site but not within boundary

Small trees / shrubs scattered across site

#### CONSTRAINTS:

Peat class 1 on small portion of site.

Powerlines running across site.

#### FORM OF DEVELOPMENT:

Modern 1 ½ storey houses on opposite side of B8035 – a similar style could be suited here.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Treatment Works – ongoing growth project.</li><li>• Water Network – Flow and Pressure Test and Water Impact Assessment required</li><li>• Waste Water Treatment Works – Growth Project</li><li>• Waste Water Network - Drainage Impact Assessment required</li><li>• Assess impact on trees/woodland – Mature Woodland, layout should seek to minimise tree loss and include appropriate planting as part of green infrastructure provision</li><li>• Potential for bat roosts in trees, bat survey may be required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li><li>• Refer to policy 77 – woodland resources</li></ul> |





#### H4031: Dalmally

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA                            | DM Zone            | DM Zone Name | Primary School           | Secondary School    |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|--------------------------------|--------------------|--------------|--------------------------|---------------------|
| 5.9ha     | 49            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | OLI        | Lorn and<br>the Inner<br>Isles | Settlement<br>Area | Dalmally     | Dalmally; St<br>Columbus | Oban High<br>School |

#### EXISTING USE:

Vacant land

#### ACCESS:

Existing vehicular access can be achieved from A85 to north of site.

#### FLOOD RISK:

Small watercourse runs through the site to north/west. Small portion of site subject to high likelihood of river flooding.

#### TOPOGRAPHY:

Site gradually slopes downwards from south to north. Some areas of site are flat. No drastic change of level throughout site.

#### TREES:

Trees to north of site.

#### NATURAL ENVIRONMENT DESIGNATIONS:

North Argyll Local Landscape Area

#### CONSTRAINTS:

Existing telephone line to north of the site.

#### FORM OF DEVELOPMENT:

Low to medium density to conform with settlement pattern. Dwellings should be no more than two storeys in height and should have ample garden ground

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

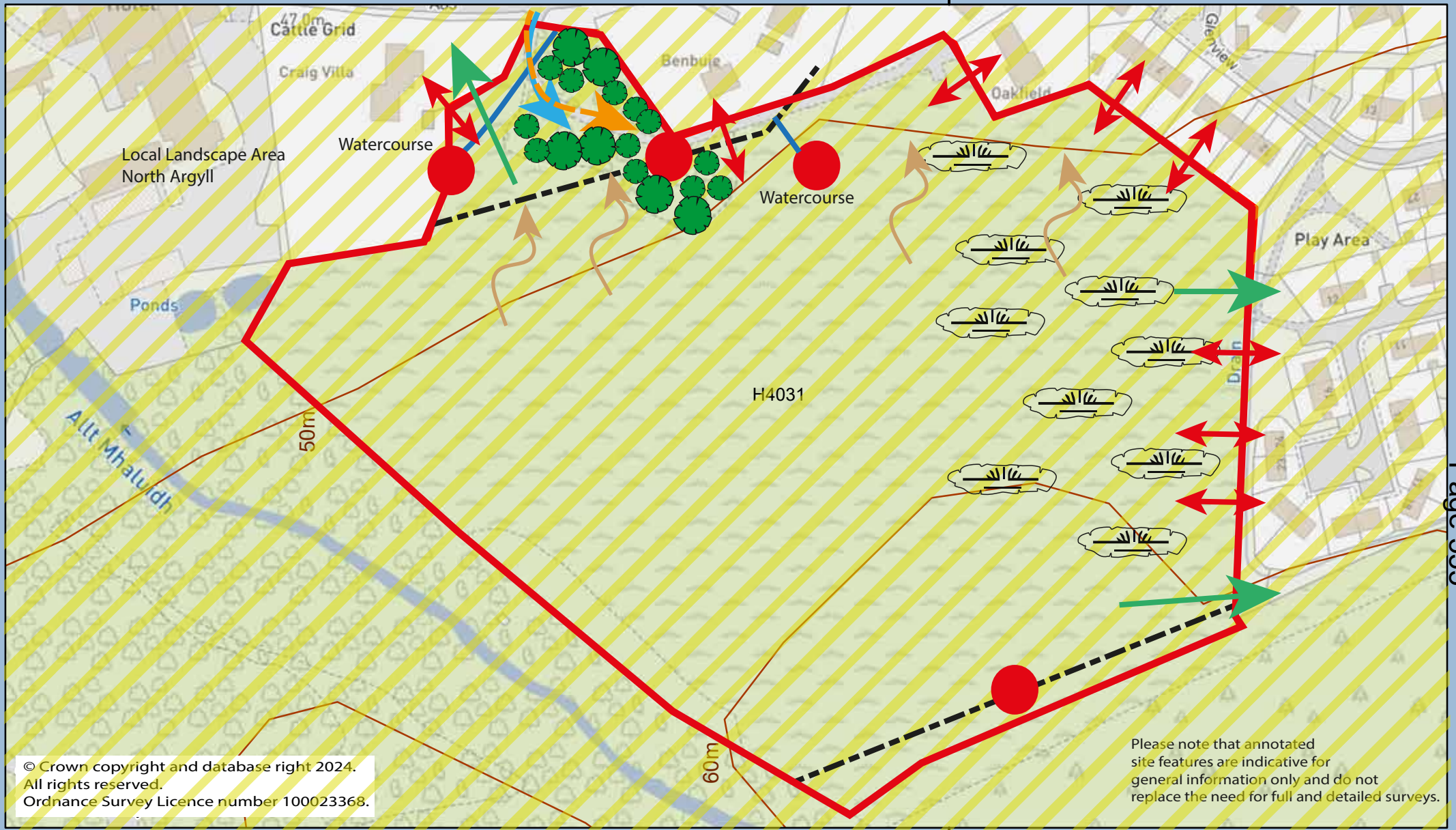
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

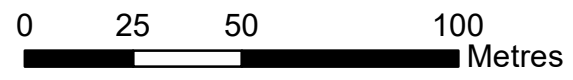
| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Treatment Works - Growth Project required</li><li>• Water Network –Water Impact Assessment required</li><li>• Waste Water Treatment Works - Growth project is required</li><li>• Waste Water Network – Drainage Impact Assessment required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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# H4031 Dalmally



#### H4032: Lochdon - South

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale     | Admin Area | HMA           | DM Zone         | DM Zone Name | Primary School | Secondary School      |
|-----------|---------------|--------------------------------|---------------------|---------------|------------|---------------|-----------------|--------------|----------------|-----------------------|
| 1.22ha    | 12            | 25%                            | Landowner/Developer | Medium / Long | OLI        | Mull and Iona | Settlement Area | Lochdon      | Lochdonhead    | Tobermory High School |

#### EXISTING USE:

Rough grassland

#### ACCESS:

Access from A849

#### FLOOD RISK:

Risk of surface water flooding on central part of the site indicated on SEPA flood maps.

#### TOPOGRAPHY:

Slopes gently away from the road.

#### TREES:

Trees mainly around the site boundary with some small trees scattered throughout.

#### NATURAL ENVIRONMENT DESIGNATION:

Local Nature Conservation Site (Lochdon) to east of site (outwith boundary)

#### CONSTRAINTS:

Peat class 3 over whole of site

#### FORM OF DEVELOPMENT:

There may be a need to protect against sporadic low density development – will require a co-ordinated approach to meet housing needs and contribute towards future island growth.

**PLANNING CONSENTS:**

No live consents (outline consent was granted in 2013 for 7 dwellinghouses – 12/02495/PPP) however a higher density may be preferable to meet housing needs

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

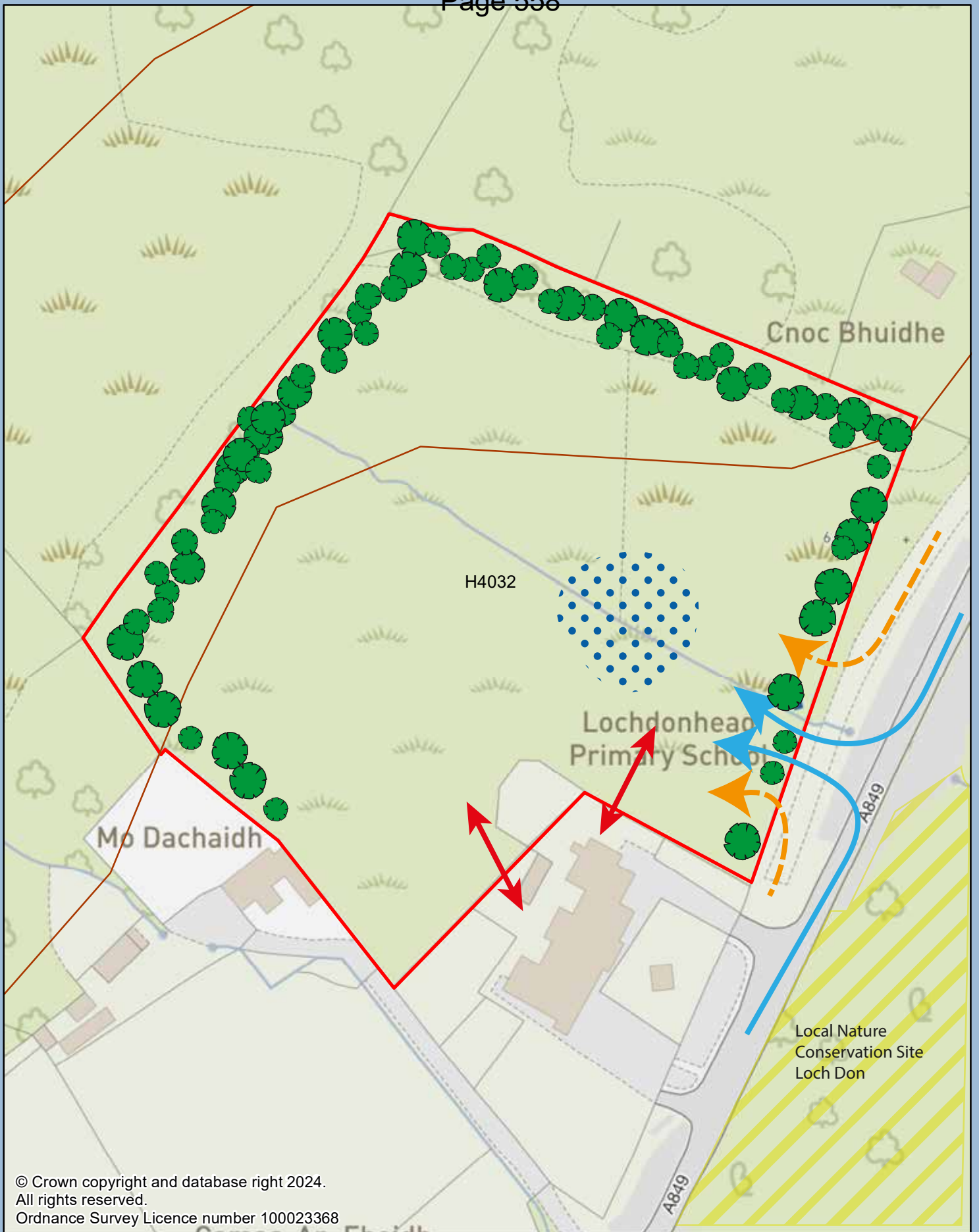
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Network – Flow and pressure tests required.</li><li>• Site approximately 200m from covered service reservoir tank. Early engagement with Scottish Water required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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### H4032 Lochdon South



#### H4035: Benderloch – Keil Farm

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA                            | DM Zone            | DM Zone Name  | Primary School             | Secondary School    |
|-----------|---------------|--------------------------------|---------------------------------------|-------------------|------------|--------------------------------|--------------------|---|----------------------------|---------------------|
| 1.06ha    | 20            | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | OLI        | Lorn and<br>the Inner<br>Isles | Settlement<br>Area | Benderloch<br>including<br>Ledaig/Keil<br>Crofts/Baravullin | Lochnell<br>Primary School | Oban High<br>School |

#### EXISTING USE:

Vacant land

#### ACCESS:

Access can be gained from creating new access of A828 to west. Upgrade would be required to obtain access into the site from Keil Gardens to south.

#### FLOOD RISK:

Risk of surface water flooding indicated on SEPA maps

#### TOPOGRAPHY:

Site is predominantly flat.

#### TREES:

Trees and shrubs around perimeter of site.

Small trees in centre of site.

#### CONSTRAINTS:

Class 3 Radon affected area

#### FORM OF DEVELOPMENT:

Low density development to match surrounding settlement.

#### PLANNING CONSENTS:

No live consents (outline consent was granted in 2013 for 7 dwellinghouses – 12/02495/PPP) however a higher density may be preferable to meet housing needs

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children's play space (including provision for under 5's) must be provided per dwelling.

As the site has capacity of over 8 units 25% affordable housing is required.

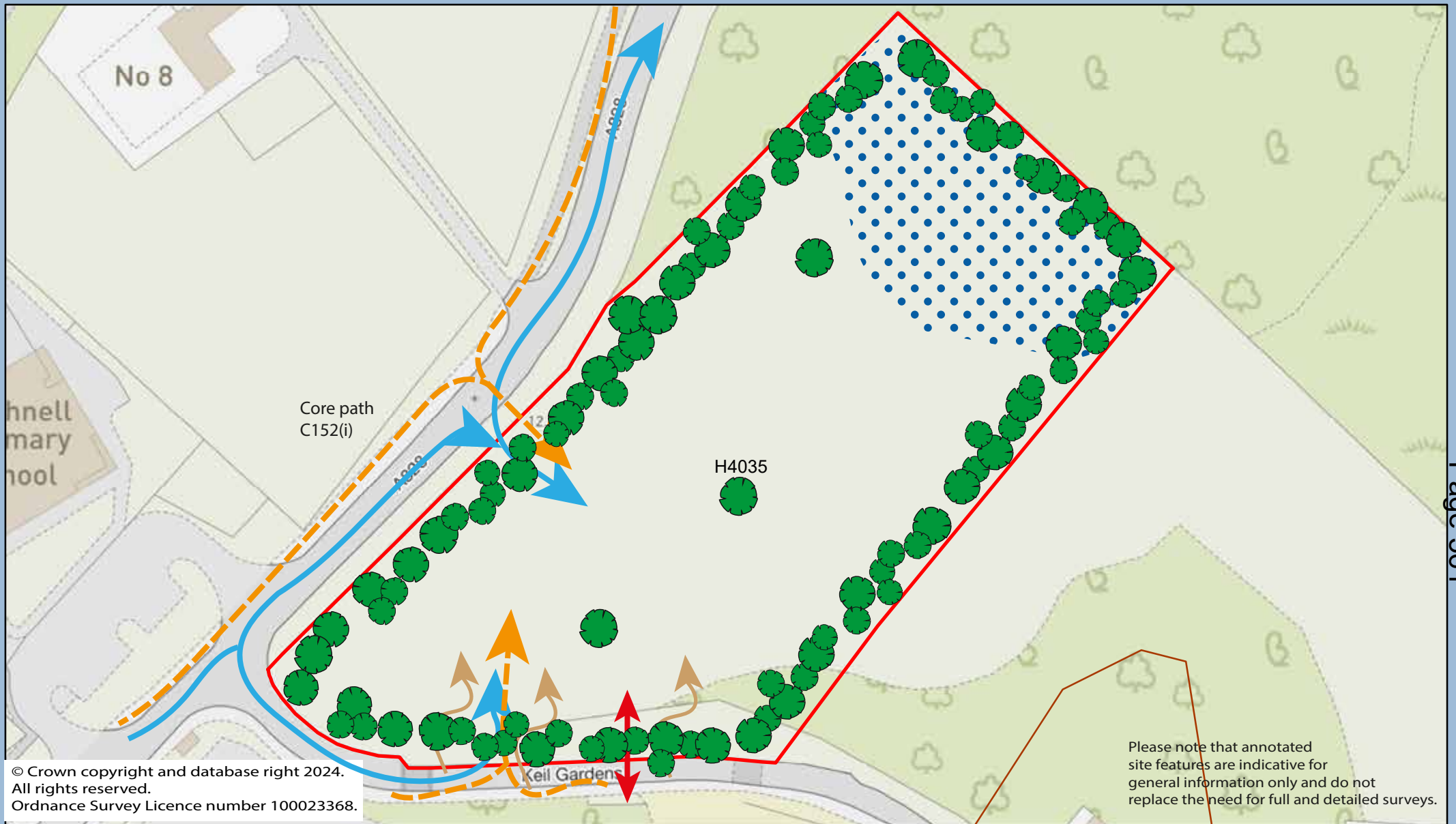
If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Water Treatment Works – Early engagement with Scottish Water required</li><li>• Waste Water Treatment Works - Growth project is required</li><li>• Wste Water Network - Drainage Impact Assessment required</li><li>• Potential Asset Conflict – Waste water infrastructure in site. Early engagement with Scottish Water required.</li></ul> |





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### H4035 Benderloch - Keil Farm



**H4036: Iona – Baile Mor**

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead                    | Timescale | Admin Area | HMA           | DM Zone         | DM Zone Name | Primary School | Secondary School |
|-----------|---------------|--------------------------------|---------------------------------------|-----------|------------|---------------|-----------------|--------------|----------------|------------------|
| 0.16ha    | 4             | 100%                           | Landowner/Developer<br>Scottish Water | Short     | OLI        | Mull and Iona | Settlement Area | Baile Mor    | Iona           | Oban High School |

**EXISTING USE:**

Field – grazing land

**ACCESS:**

Access from single track road (which is a core path C483(e)). There is one access gate into the site existing but with no formed access road so there is flexibility in terms of where the access is taken from this road. It may be suitable to provide direct access from the single track road to each property. However the road is not adopted.

**FLOOD RISK:**

No flood risk indicated on SEPA maps. A minor watercourse flows along the site boundary which could represent a potential flood risk. A basic Flood Risk Assessment, consisting of topographic information in the first instance and a detailed layout plan will be required. Waste water drainage hotspot

**TOPOGRAPHY:**

Flat

**TREES:**

None

**BUILT ENVIRONMENT DESIGNATIONS:**

Iona Conservation Area CA468 (subject to Article 4 Direction)

Scheduled Monument SM90350 Iona Nunnery (setting)

Scheduled Monument SM12968 and A-listed LB12310 Iona Abbey (setting) which is considered to have a wide setting due to its nature and significance

**CONSTRAINTS:**

Overhead lines running across west of site

HIE fragile area

Peat category 2 within buffer zone but not within allocation area

Potential servicing constraint identified by National Trust

100% affordability requirement

Representation received during MIR re corncrakes – further surveys / consultations required

**FORM OF DEVELOPMENT:**

Recently built Iona Village Hall sits to the immediate north of the property which was designed to be contemporary but complimentary to the Nunnery. Any proposal on this site must include a comprehensive Design Statement due to its location in the conservation area which should include a detailed analysis of massing, forms and materials and consider how the development would be viewed from the ferry as well as from the Nunnery

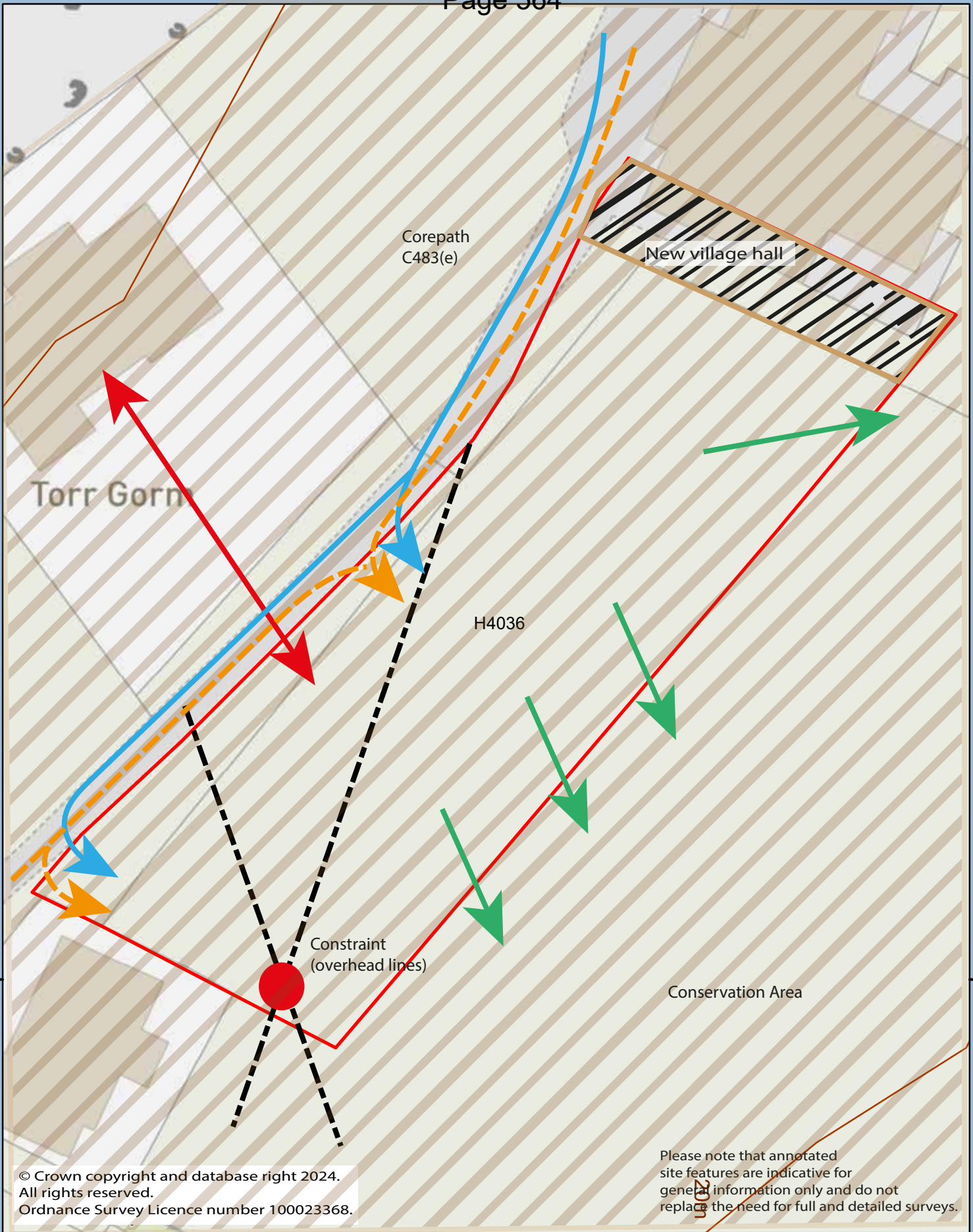
**CAPACITY:**

This is a smaller scale allocation in an island settlement with limited options for affordable housing in an area of identified need. The affordable requirement on this allocation is therefore 100%.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Flood Risk Assessment required</li><li>• Water Treatment Works – Growth Project required</li><li>• Water network – flow and pressure test required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



724000

724000

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### H4036 Iona - Baile Mor



#### H4037: Taynuilt

| Site Size | LDP2 Capacity | Minimum affordable requirement | Responsible / Lead  | Timescale             | Admin Area | HMA                      | DM Zone         | DM Zone Name | Primary School   | Secondary School |
|-----------|---------------|--------------------------------|---------------------|-----------------------|------------|--------------------------|-----------------|--------------|------------------|------------------|
| 3.28ha    | 13            | 25%                            | Landowner/Developer | Short / Medium / Long | OLI        | Lorn and the Inner Isles | Settlement Area | Taynuilt     | Taynuilt Primary | Oban High School |

#### EXISTING USE:

Vacant farmland/woodland

#### ACCESS:

Access into the site from A85 to south. Site includes section of existing access into cemetery. The road is council owned and would require an upgrade should the site be developed.

#### FLOOD RISK:

Small portion of site may be subject to risk of flooding as indicated on SEPA maps.

#### TOPOGRAPHY:

Site is predominantly flat with some areas of gradual sloping.

#### TREES:

Ancient woodland to north of site (Ardchattan & Muckairn).

Large coverage of trees on the site. Site to west potentially undevelopable due to coverage.

#### BUILT ENVIRONMENT DESIGNATIONS:

It is located in the vicinity of the following the scheduled monuments: Nelson Monument, inscribed stone, Taynuilt (Index No. 4077) & Taynuilt, Old Parish Church of Muckairn, tombstones and burial ground (Index No. 3762).

#### NATURAL ENVIRONMENT DESIGNATIONS:

Ancient woodland to north of site (Ardchattan & Muckairn).

**FORM OF DEVELOPMENT:**

Low density housing to conform with pattern and form of existing settlement is likely to be appropriate. Consideration must be given to sensitive location of church and cemetery to west/south of the site.

**CAPACITY:**

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

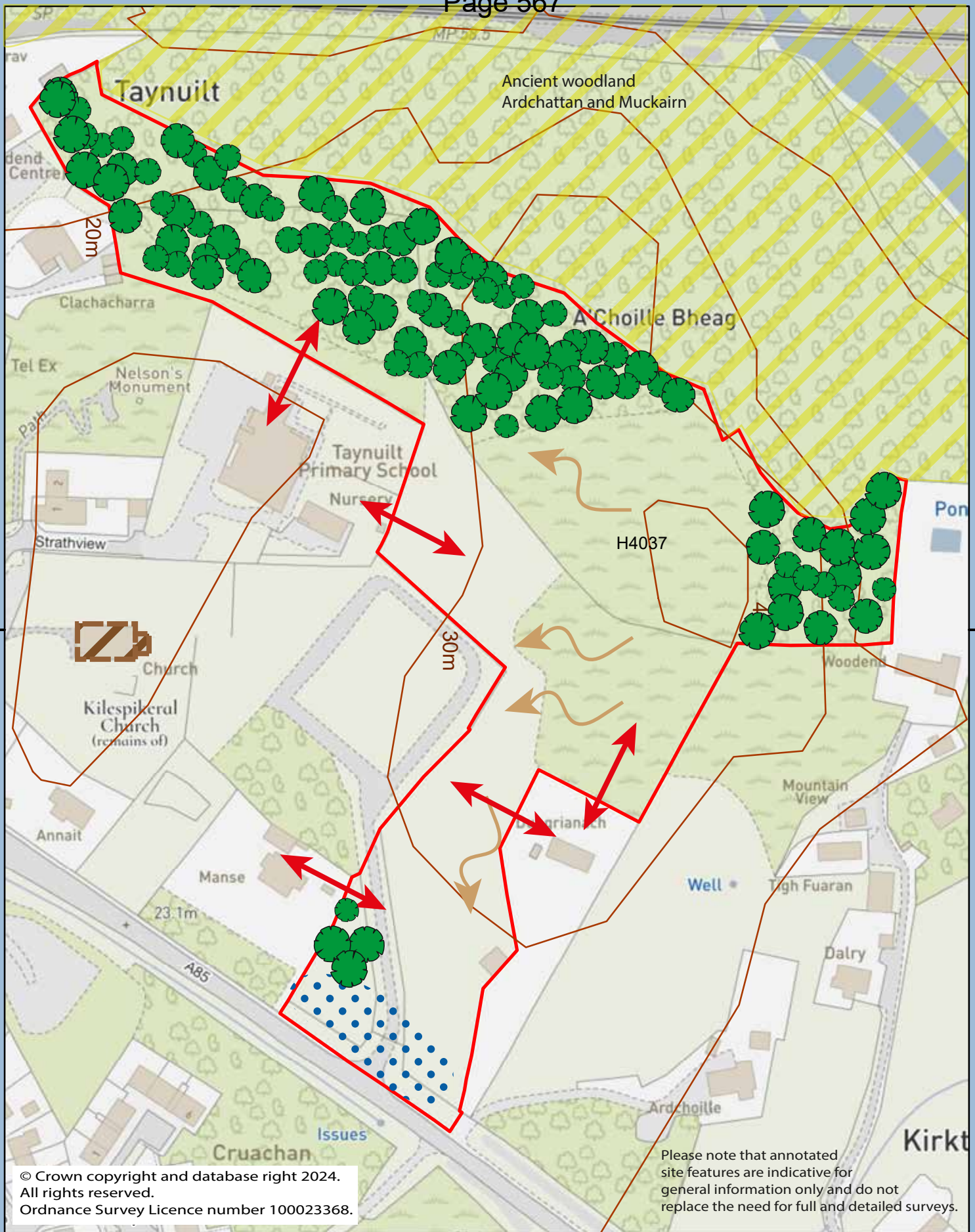
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS  |
|--|
| <ul style="list-style-type: none"><li>• Water Treatment Works – Early engagement with Scottish Water required.</li><li>• Water Network – Flow and Pressure Test and Water Impact Assessment required</li><li>• Waste water treatment Works – Early engagement with Scottish Water required.</li><li>• Waste Water Network – nearby. Any connections would be for foul only and surface water should be discharged to nearby watercourses.</li><li>• Access - Trunk Road access. Early engagement over the access strategy would be required with Transport Scotland. Access may require to be shared with the adjacent Cemetery access or a new access may be required to serve both sites. Potential constraints within site Local Roads Authority should be consulted.</li><li>• Assess impact on trees/woodland - Mature woodland</li><li>• Adjacent to Ancient Semi-Natural Woodland</li><li>• Potential for bat roosts in trees, bat survey may be required</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li><li>• As there is the potential for an adverse impact on the settings of Scheduled monuments, HES would welcome early consultation on this site.</li></ul> |



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H4037 Taynuilt - PDA4004



#### H4040: Dervaig

| Site Size | LDP2 Capacity        | Minimum affordable requirement | Responsible / Lead                    | Timescale         | Admin Area | HMA           | DM Zone         | DM Zone Name | Primary School         | Secondary School      |
|-----------|----------------------|--------------------------------|---------------------------------------|-------------------|------------|---------------|-----------------|--------------|------------------------|-----------------------|
| 0.74ha    | 16 (see notes below) | 25%                            | Landowner/Developer<br>Scottish Water | Short /<br>Medium | OLI        | Mull and Iona | Settlement Area | Dervaig      | Dervaig Primary School | Tobermory High School |

#### EXISTING USE:

Grazing

#### ACCESS:

Vehicular and pedestrian access from B8073 (single track with no footpaths). There is an existing farm gate.

#### FLOOD RISK:

None indicated on SEPA maps

#### TOPOGRAPHY:

Relatively flat

#### TREES:

Some mature trees on site

#### BUILT ENVIRONMENT DESIGNATIONS:

Immediately adjacent to Dervaig Conservation Area (setting)

B-listed Kilmore Church (setting)

C-listed Bellachroy Hotel (setting)

#### FORM OF DEVELOPMENT:

Both traditional and modern 1 ½ storey detached houses in vicinity of the site.



**CAPACITY:**

The capacity noted would give a high density in relation to the immediate surrounding area – number of units may need to be reviewed.

As the site has capacity of over 10 units, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

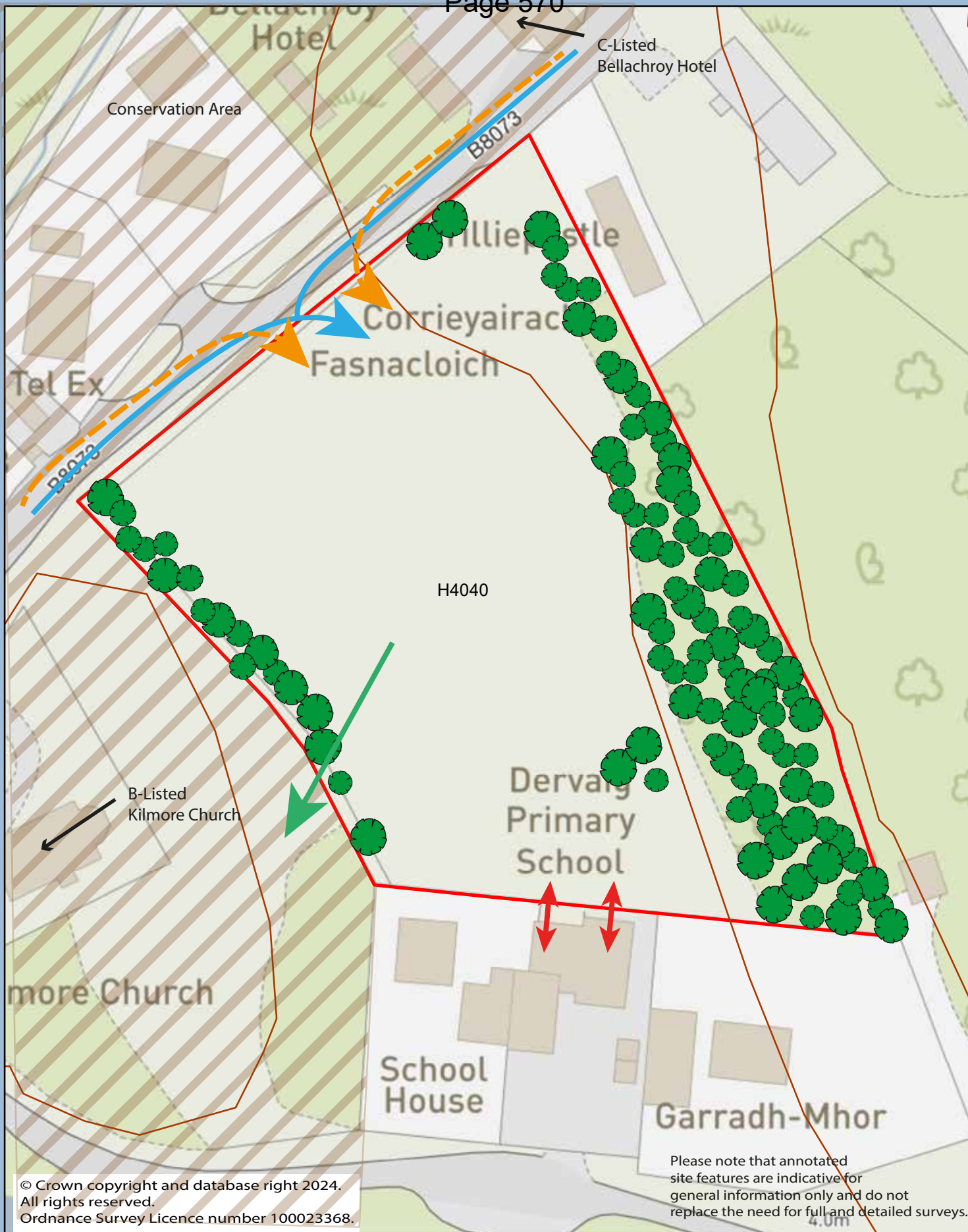
As the site has capacity of over 8 units 25% affordable housing is required.

If a phased approach is proposed, these points should be addressed within the initial phase.

**FOOD GROWING:**

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

| ACTIONS   |
|---|
| <ul style="list-style-type: none"><li>• Water Treatment Works – Growth Project required</li><li>• Water Network – Water Impact Assessment required</li><li>• Waste Water Treatment Works – Growth Project required</li><li>• Waste Water Network - Drainage Impact Assessment required</li><li>• Potential Asset Conflict – 90mm HPPE raw main &amp; 90mm HPPE water main in site boundary. Early engagement with Scottish Water required.</li><li>• Nature Conservation Constraint – check for European protected species (otters)</li></ul> |



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H4040 Dervaig - Church Field



## Business and Industry Allocations

| Ref   | Site Address  | Site Size (Ha) | Allocated Uses  | Responsible/Lead    | Timescale               |
|-------|---|----------------|---|---------------------|-------------------------|
| B1001 | Sandbank - Upper  | 6.20           | Strategic Economic Investment<br>Location for Industry, Business and<br>Storage         | HIE                 | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment will be required, which may result in network mitigations in order to maintain existing customer service.<br>Ensure no detrimental impact on woodland adjoining the site, some of which is shown on the Ancient Woodland Inventory.<br>Nature Conservation Constraint – check for European protected species (otters)   |                |   |                     |                         |
| B1002 | Sandbank - High Road  | 8.40           | Strategic Economic Investment<br>Location for Industry, Business and<br>Storage         | HIE                 | Short /Medium/Long Term |
|       | Actions:<br>Water Impact Assessment will be required, which may result in network mitigations in order to maintain existing customer service.<br>Ensure no detrimental impact on woodland adjoining the site, some of which is shown on the Ancient Woodland Inventory.<br>Nature Conservation Constraint – check for European protected species (otters)   |                |   |                     |                         |
| B2001 | Helensburgh - Craigendoran  | 3.80           | Business (Use Class 4), Hotel (Use<br>Class 7) and ancillary employment<br>related uses | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br><br>Project Level Habitats Regulation Appraisal required<br>Due to the proximity of this site to an SPA developers will need to provide sufficient environmental information to allow the Planning Authority (in consultation with NatureScot) to complete a Habitats Regulations Appraisal. For planning permission to be granted, development must ensure that there would be no adverse effect on the Inner Clyde Special Protection Area/Ramsar site, either alone or in combination with other plans or projects through factors such as construction and operational disturbance (including |                |   |                     |                         |

| Ref   | Site Address  | Site Size (Ha) | Allocated Uses                                     | Responsible/Lead    | Timescale               |
|-------|---|----------------|--|---------------------|-------------------------|
|       |   |                |  |                     |                         |
|       | noise, vibration, timing of construction works relative to the bird wintering period, and timing of construction works relative to other projects that affect the SPA<br>Water Impact Assessment will be required, which may result in network mitigations in order to maintain existing customer service.<br>Nature Conservation Constraint – check for European protected species (otters)<br>Roads – access on the A814 is possible – exact locations with suitable sightlines need to be established. |                |  |                     |                         |
| B3002 | Inveraray - East  | 0.70           | Industry, Business, Storage and Utilities          | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment will be required, which may result in network mitigations in order to maintain existing customer service.<br>Assess impact on trees/woodland – Mature Woodland<br>Potential for bat roosts in trees, bat survey may be required<br>Nature Conservation Constraint – check for European protected species (otters)<br>Site access would have to remain private. Transport Scotland should comment on connection to A83 Trunk Road    |                |  |                     |                         |
| B3003 | Lochgilphead - Achnabreck   | 4.30           | Industry, Storage and biomass related developments | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Water Impact Assessment will be required, which may result in network mitigations in order to maintain existing customer service.<br>Nature Conservation Constraint – check for European protected species (otters)   |                |  |                     |                         |
| B3004 | Bridgend, Islay   | 6.50           | Industry, Business and Storage                     | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment will be required, which may result in network mitigations in order to maintain existing customer service.<br>Assess impact on trees/woodland - site edges<br>Potential for bat roosts in trees, bat survey may be required<br>Nature Conservation Constraint – check for European protected species (otters)  |                |  |                     |                         |

| Ref   | Site Address   | Site Size (Ha) | Allocated Uses                                  | Responsible/Lead    | Timescale               |
|-------|--|----------------|---|---------------------|-------------------------|
| B3005 | Glenegedale, Islay   | 4.60           | Industry, Business, Storage and Airport Related | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment will be required, which may result in network mitigations in order to maintain existing customer service.<br>Nature Conservation Constraint – check for European protected species (otters)  |                |   |                     |                         |
| B3006 | Campbeltown - Snipefield   | 0.70           | Industry, Business and Storage                  | HIE                 | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Note Campbeltown Flood Protections Scheme approved adjacent to site<br>Water Impact Assessment will be required, which may result in network mitigations in order to maintain existing customer service.<br>Nature Conservation Constraint – check for European protected species (otters)   |                |   |                     |                         |
| B3007 | Tarbert - Glasgow Road   | 7.20           | Industry, Business and Storage                  | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment will be required, which may result in network mitigations in order to maintain existing customer service.<br><a href="#">Early engagement with Transport Scotland regarding access strategy required</a><br>Nature Conservation Constraint – check for European protected species (otters)   |                |   |                     |                         |
| B3008 | Inveraray - South  | 0.40           | Industry, Business, Storage and Utilities       | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment will be required, which may result in network mitigations in order to maintain existing customer service.<br>Assess impact on trees/woodland. – Mature Woodland<br>Potential for bat roosts in trees, bat survey may be required.<br>Site access would have to remain private. Transport Scotland should comment on connection to A83 Trunk Road<br>Nature Conservation Constraint – check for European protected species (otters) |                |   |                     |                         |

| Ref   | Site Address  | Site Size (Ha) | Allocated Uses  | Responsible/Lead    | Timescale               |
|-------|---|----------------|---|---------------------|-------------------------|
| B4001 | Oban South adj Livestock Centre   | 7.10           | Industry, Business and Storage  | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment may be required, which may result in network mitigations in order to maintain existing customer service.<br>Nature Conservation Constraint – check for European protected species (otters)<br>Potential road constraint - The site is off the A816 Oban-Lochgilphead road within a 60mph speed limit. Any potential major development will increase already heavy traffic from south in to Oban. Existing road access is suitable. New development road will be required<br>Potential for deep peat |                |   |                     |                         |
| B4002 | Oban South Glenshellach   | 3.70           | Industry, Business and Storage  | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment may be required, which may result in network mitigations in order to maintain existing customer service.<br>Nature Conservation Constraint – check for European protected species (otters)<br>Major road constraint - The site is off the UC132 Glengallan Road within a 30mph speed limit. There is a spur from the current roundabout, however there have been issues regarding current industrial usage. This will also create additional traffic.   |                |   |                     |                         |
| B4004 | Tobermory, west of  | 3.30           | Industry, Business and Storage  | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment will be required, which may result in network mitigations in order to maintain existing customer service.<br>Nature Conservation Constraint – check for European protected species (otters)   |                |   |                     |                         |
| B4006 | Dunbeg - Dunstaffnage   | 1.60           | Strategic Economic Investment<br>Location: Business, Research and Education | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment may be required, which may result in network mitigations in order to maintain existing customer service.<br>Nature Conservation Constraint – check for European protected species (otters)  |                |   |                     |                         |

| Ref   | Site Address  | Site Size (Ha) | Allocated Uses                                       | Responsible/Lead    | Timescale               |
|-------|---|----------------|--|---------------------|-------------------------|
| B4007 | Oban - Glengallan Road  | 3.90           | Industry, Business and Storage                       | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment may be required, which may result in network mitigations in order to maintain existing customer service.<br>Nature Conservation Constraint – check for European protected species (otters)                            |                |  |                     |                         |
| B4008 | Lochdon, Torosay, Mull  | 5.80           | Industry, Business and Storage                       | Landowner/Developer | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment will be required, which may result in network mitigations in order to maintain existing customer service.<br>Nature Conservation Constraint – check for European protected species (otters)<br>Area of Cat 2 peat     |                |  |                     |                         |
| B4009 | North Connel - Airfield   | 3.30           | Industry, Business, Storage and Airport Related Uses | ABC                 | Short /Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Water Impact Assessment may be required, which may result in network mitigations in order to maintain existing customer service.<br>Nature Conservation Constraint – check for European protected species (otters)<br>Potential for deep peat |                |  |                     |                         |

## Community Facilities Allocations

| Community Facilities Allocations |   |                |   |                     |                         |
|----------------------------------|---|----------------|---|---------------------|-------------------------|
| Ref                              | Site Address  | Site Size (ha) | Allocated Use   | Responsible/Lead    | Timescale               |
| C2001                            | Helensburgh Pierhead  | 2.90           | Swimming pool, community leisure facility, open space, town centre parking with up to 2700m <sup>2</sup> retail use, pier | ABC                 | Short/Medium Term       |
|                                  | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)<br>Access Plan required  |                |   |                     |                         |
| C3002                            | Ford – North  | 2.10           | Community uses  | Landowner/Community | Short /Medium/Long Term |
|                                  | Actions:<br>The monument comprises a Bronze Age burial cairn which is situated in a pasture field 60m to the E of the Forestry Houses, measuring 8m in diameter and 0.7m in height. It has been slightly quarried on the NW arc. There is the potential for a significant adverse impact on the setting of the monument, but this could be mitigated to some degree through sensitive design and restricting the area of the allocation to be developed. HES therefore encourage early consultation on this site. |                |   |                     |                         |
| C3003                            | Home Farm, Lochgilphead   | 7.00           | Community Use   | ABC/Community       | Short/Medium Term       |
|                                  | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)<br>Access Plan required<br>Major road constraint – this site is remote from public road. The cost of constructing a road to adoptable standard would be substantial.   |                |   |                     |                         |
| C3004                            | Clock Lodge, Lochgilphead   | 1.30           | Community Facilities, tourism and recreation  | Landowner/Community | Short Term              |
|                                  | Actions:<br>Flood Risk Assessment required  |                |   |                     |                         |



**Community Facilities Allocations**

| Ref   | Site Address   | Site Size (ha) | Allocated Use                               | Responsible/Lead    | Timescale              |
|-------|--|----------------|---|---------------------|------------------------|
|       | Nature Conservation Constraint – check for European protected species (otters)<br>Access Plan required<br>Refer to policy 77 – woodland resources  |                |   |                     |                        |
| C3005 | Kilmory, Lochgilphead  | 4.00           | Community Use                               | Landowner/Community | Short/Medium Term      |
|       | Actions:<br>Flood Risk Assessment required<br>Assess impact on trees/woodland – Mature Woodland.<br>Potential for bat roosts in trees, bat survey may be required.<br>Sits within Strategic Masterplan (SM3002) area to allow consideration of wider issues<br>Nature Conservation Constraint – check for European protected species (otters)<br>Access Plan required  |                |   |                     |                        |
| C3006 | Bowmore – Shore Street   | 1.10           | Community uses related to St Columba Centre | Landowner           | Short/Medium Term      |
|       | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)   |                |   |                     |                        |
| C4001 | Dalmally   | 2.10           | Sports pitch                                | Landowner           | Short/Medium/Long Term |
|       | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)   |                |   |                     |                        |
| C4002 | Oban Hospital  | 0.90           | Community Facilities                        | NHS                 | Medium/Long Term       |
|       | Actions:<br>Flood Risk Assessment required<br>Green Network - demonstrate how impacts on green network will be mitigated.<br>Nature Conservation Constraint – check for European protected species (otters)<br>Major road constraint – Soroba Road is at capacity. Any further development in this area will only lead to more traffic delays. There is also a flooding problem at the culvert under the railway. Any further development that includes hard standings and / or roof drainage will only increase the rate of flow of water to the culvert, with consequent backing up of the water causing flooding in the area. |                |   |                     |                        |

**Community Facilities Allocations**

| Ref   | Site Address  | Site Size (ha) | Allocated Use   | Responsible/Lead    | Timescale         |
|-------|---|----------------|---|---------------------|-------------------|
| C4003 | Dunbeg School   | 1.20           | Community Facilities (Educational Expansion)                  | ABC                 | Short/Medium Term |
|       | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)<br>Access Plan required  |                |   |                     |                   |
| C4004 | European Marine Science Park, Dunstaffnage, Oban  | 1.60           | Sports facilities, open space, potential community facilities | Landowner/Community | Short Term        |
|       | Actions:<br>Flood Risk Assessment required<br>Potential community facilities to be investigated<br>Access constraint to be addressed - The local road approach to the Jane Road/A85(T) junction is nearing capacity. Requires delivery of consented new roundabout.<br>Nature Conservation Constraint – check for European protected species (otters)<br><br>Access Plan required |                |   |                     |                   |

## Mixed Use Allocations

Further detail on mixed use allocations containing housing in respect of developer, programming, planning applications and completions is included in the annual [Housing Land Audit](#), which is available in Storymap format.

Note for all mixed use allocations containing housing – Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision. See LDP2 policies 6 and 68

Where a mixed use allocation contains the potential for housing should developers propose to increase the number of housing units indicated then they are advised to submit a Pre Development Enquiry to Scottish Water so that the potential to supply the higher figure can be assessed.

| Mixed use Allocations |   |                |                |  |                     |                   |
|-----------------------|---|----------------|----------------|--|---------------------|-------------------|
| Ref                   | Site Address  | Site Size (ha) | Dwelling Units | Development action – delivery of allocated uses                              | Responsible/Lead    | Timescale         |
| X1001                 | Cairndow – Inverfyne  | 3.10           | 16             | Residential (including 25% affordable), child care centre and business units | Landowner/Developer | Short – Long term |
|                       | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)<br>Access Plan required  |                |                |  |                     |                   |
| X3001                 | Inverary  | 1.30           | 0              | Mixed Use - Business, Tourism (including Hotel) and community facilities     | Landowner/Developer | Short – Long term |
|                       | Actions:<br>Flood Risk Assessment required<br><br>Sits within Strategic Masterplan (SM3001) area to allow consideration of wider issues<br>Nature Conservation Constraint – check for European protected species (otters)<br>Access Plan required |                |                |  |                     |                   |

**Mixed use Allocations**

| Ref   | Site Address | Site Size (ha) | Dwelling Units | Development action – delivery of allocated uses   | Responsible/Lead    | Timescale  |
|-------|--------------|----------------|----------------|---|---------------------|------------|
| X3002 | Bowmore      | 12.8<br>0      | 120            | <p>Mixed use – housing (including min 25% affordable), industry, business (Class 4) and community facilities</p> <p>Actions:<br/>Flood Risk Assessment required</p> <p>Project Level Habitats Regulations Appraisal required<br/>Due to the proximity of this site to an SPA developers will need to provide sufficient environmental information to allow the Planning Authority (in consultation with NatureScot) to complete a Habitats Regulations Appraisal. For planning permission to be granted, development proposals must ensure that there would be no adverse effect on the integrity and qualifying interests of the Laggan Special Protection Area, either alone or in combination with other plans or projects, through recreational disturbance. To demonstrate this, a Recreation Management Plan should be prepared to accompany the planning application, for the approval of the planning authority in consultation with NatureScot. NOTE: This is a requirement prior to <u>any</u> further consents on this allocation.<br/>Nature Conservation Constraint – potential for Corncrakes, biodiversity check list required.</p> <p>A new/revised masterplan is required to incorporate the additional areas of land included in the LDP2 allocation, in particular demonstrating integration of the various mixed uses. The masterplan should consider, amongst other things, the landscape sensitivities at this coastal location of both additional areas of land including views of the site and the sensitivity of the development edge.</p> <p>Development Brief should be informed by the following: (a) landscape opportunities and constraints; (b) scale and sensitivities of this intricate coastline together with views from the sea/adjacent coast; (c) respecting small scale and intricate character of this largely undeveloped coastline including the setting of key features such as cliffs, beaches etc; (d) the aspiration for the site as a high quality mixed use development with a high standard of design which achieves a good fit with the landscape/seascape; € the need for new defensible boundaries to avoid infill/expansion; (f) the need to set out a robust landscape framework which will safeguard and potentially enhance the landscape/seascape character, draw on the vernacular and provide high quality linked multifunctional spaces.</p> <p>The capacity set out in LDP2 of 120 units includes the 51 units already delivered as at December 2021. (See HLA for further information).</p> | Landowner/Developer | Short term |

**Mixed use Allocations**

| Ref   | Site Address  | Site Size (ha) | Dwelling Units | Development action – delivery of allocated uses           | Responsible/Lead    | Timescale         |
|-------|---|----------------|----------------|---|---------------------|-------------------|
|       | Nature Conservation Constraint – check for European protected species (otters)  |                |                |   |                     |                   |
|       | Access Plan required  |                |                |   |                     |                   |
| X3003 | Port Mor - Port Charlotte, Islay  | 4.10           | 0              | Tourism and Community Facilities                          | Landowner/Developer | Short – Long term |
|       | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)<br>It includes the scheduled monument termed Port Charlotte, chambered cairn (Index No. 3937), a Clyde type cairn situated in a field at the edge of the raised beach, 750m SW of Port Charlotte. While there is some development in the vicinity of the monument, there is the potential for an adverse impact on the monument and its setting from any further development. HES therefore recommend early consultation on this site. |                |                |   |                     |                   |
| X3004 | Lochgilphead South  | 11.6<br>0      | 0              | Mixed use - industry, business, storage and community use | Landowner/Developer | Short – Long term |
|       | Actions:<br>Flood Risk Assessment required<br>Assess impact on trees/woodland – Mature Woodland.<br>Potential for bat roosts in trees, bat survey may be required.<br>Sits within Strategic Masterplan (SM3002) area to allow consideration of wider issues<br>Nature Conservation Constraint – check for European protected species (otters)   |                |                |   |                     |                   |
| X3006 | Scalasaig, Colonsay   | 1.60           | 10             | Mixed use - Housing, community uses (including workshops) | Landowner/Developer | Short – Long term |
|       | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)<br>Masterplan <a href="#">21/00166/MPLAN</a> – Approved 22 Apr 2021 (Former PDA 8/1)   |                |                |   |                     |                   |

**Mixed use Allocations**

| Ref   | Site Address  | Site Size (ha) | Dwelling Units | Development action – delivery of allocated uses  | Responsible/Lead    | Timescale           |
|-------|---|----------------|----------------|--|---------------------|---------------------|
| X4001 | Connel - Saulmore Farm  | 182.70         | 0              | Mixed Use - Hotel, tourism/leisure, golf course, housing. No built development to north of trunk road) | Landowner/Developer | Short – Long term   |
|       | Actions:<br>Flood Risk Assessment required<br>Nature conservation constraints –Semi Natural woodland, assess impact on trees/woodland, potential for bat roosts in trees, bat survey may be required, check for European Protected Species.<br>Nature Conservation Constraint – check for European protected species (otters)<br>Access Plan required |                |                |  |                     |                     |
| X4002 | Dunbeg  | 9.40           | 0              | Mixed use - Business and Tourism   | Landowner/Developer | Short – Long term   |
|       | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)  |                |                |  |                     |                     |
| X4003 | Tobermory – Dervaig Road  | 2.70           | 9              | Mixed Housing, Business and Industry   | Landowner/Developer | Short – Medium term |
|       | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)<br>Access Plan required  |                |                |  |                     |                     |
| X4004 | Oban - Glengallan Road  | 1.70           | 0              | Mixed Use - Business use, local neighbourhood scale facilities and services                            | Landowner/Developer | Short – Long term   |
|       | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)  |                |                |  |                     |                     |

## Tourism Allocations

| Tourism Allocations |  |   |                     |                   |
|---------------------|--|---|---------------------|-------------------|
| Ref                 | Site Address   | Development action – delivery of allocated uses         | Responsible/Lead    | Timescale         |
| T3001               | Tayvallich – Carsaig   | Tourist Caravan Park                                    | Landowner/Developer | Short – Long term |
|                     | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)                         |   |                     |                   |
| T4001               | Pennyghael   | Campsite  | Landowner/Developer | Short – Long term |
|                     | Actions:<br>Flood Risk Assessment may be required (tbc with SEPA)<br>Nature Conservation Constraint – check for European protected species (otters)  |   |                     |                   |
| T4002               | Dunbeg - Tom Liath   | Tourism, Leisure – Golf Course and ancillary facilities | Landowner/Developer | Short – Long term |
|                     | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)<br>Access Plan required |   |                     |                   |
| T4003               | Appin Holiday Park - Appin   | Holiday Park  | Landowner/Developer | Short – Long term |
|                     | Actions:<br>Flood Risk Assessment required<br>Nature Conservation Constraint – check for European protected species (otters)                         |   |                     |                   |

## Minerals Allocations

| Minerals Allocations |  |                            |                |                     |                 |
|----------------------|--|----------------------------|----------------|---------------------|-----------------|
| Ref                  | Site Address   | Site Use                   | Site Size (Ha) | Responsible/Lead    | Life Expectancy |
| M1001                | Kingarth Quarry  | Sand and gravel            | 6.40           | Landowner/Developer | 5-10 years      |
|                      | Actions:<br>Nature Conservation Constraint – check for European protected species (otters)                                     |                            |                |                     |                 |
| M1002                | Kingarth—Ambrose Quarry  | Hard rock                  | 4.10           | Landowner/Developer | 5-10 years      |
|                      | Planning Consent with conditions<br>Actions:<br>Nature Conservation Constraint – check for European protected species (otters) |                            |                |                     |                 |
| M1003                | Killellan  | Sand and gravel            | 10.70          | Landowner/Developer | 5-10 years      |
|                      | Actions:<br>Nature Conservation Constraint – check for European protected species (otters)                                     |                            |                |                     |                 |
| M1004                | Cairndow—Clachan Quarry  | Hard rock, sand and gravel | 24.40          | Landowner/Developer | 10-15 years     |
|                      | Actions:<br>Nature Conservation Constraint – check for European protected species (otters)                                     |                            |                |                     |                 |
| M3001                | Calliburn Farm   | Hard rock                  | 6.00           | Landowner/Developer | 15+ years       |
|                      | Actions:<br>Nature Conservation Constraint – check for European protected species (otters)                                     |                            |                |                     |                 |
| M3002                | Furnace  | Hard rock                  | 26.40          | Landowner/Developer | 15+ years       |
|                      | Actions:<br>Nature Conservation Constraint – check for European protected species (otters)                                     |                            |                |                     |                 |
| M3003                | Isle Of Gigha - North Of Keil Cottages, Cnoc Na Croise, The Glen   | Hard rock                  | 1.90           | Landowner/Developer | 5 years         |
|                      | Actions:<br>Nature Conservation Constraint – check for European protected species (otters)                                     |                            |                |                     |                 |
| M3004                | Achnaba – The Cut  | Hard rock                  | 9.70           | Landowner/Developer | 10-15 years     |
|                      | Actions:<br>Nature Conservation Constraint – check for European protected species (otters)                                     |                            |                |                     |                 |



**Minerals Allocations**

| Ref   | Site Address   | Site Use        | Site Size (Ha) | Responsible/Lead    | Life Expectancy |
|-------|--|-----------------|----------------|---------------------|-----------------|
| M3005 | Corran Farm  | Hard rock       | 3.60           | Landowner/Developer | 15 + years      |
|       | Actions:<br>Nature Conservation Constraint – check for European protected species (otters) |                 |                |                     |                 |
| M3006 | Ballygrant   | Hard rock       | 7.30           | Landowner/Developer | 5 years         |
|       | Actions:<br>Nature Conservation Constraint – check for European protected species (otters) |                 |                |                     |                 |
| M3007 | Torra Lots, Gleneagadale, Islay  | Sand and Gravel | 1.50           | Landowner/Developer | 2 years         |
|       | Actions:<br>Nature Conservation Constraint – check for European protected species (otters) |                 |                |                     |                 |
| M3008 | Langa Quarry, Kilchenzie   | Sand and gravel | 1.30           | Landowner/Developer | 15+ years       |
| M3009 | Calliburn Farm Phase 2   | Hard rock       | 10.30          | Landowner/Developer | 15+ years       |
|       | Actions:<br>Nature Conservation Constraint – check for European protected species (otters) |                 |                |                     |                 |
| M3010 | Kilmartin  | Sand and gravel | 9.70           | Landowner/Developer | 5 years         |
|       | Actions:<br>Nature Conservation Constraint – check for European protected species (otters) |                 |                |                     |                 |
| M4001 | Lochdon – Torosay Sand Pit   | Sand and gravel | 6.40           | Landowner/Developer | 5-10 years      |
| M4002 | Pennygowan   | Hard rock       | 6.80           | Landowner/Developer | 15+ years       |
|       | Actions:<br>Nature Conservation Constraint – check for European protected species (otters) |                 |                |                     |                 |
| M4003 | Oban – Upper Soroba  | Hard rock       | 3.30           | Landowner/Developer | 15+ years       |
| M4004 | Bonawe   | Hard rock       | 19.70          | Landowner/Developer | 15+ years       |
|       | Actions:<br>Nature Conservation Constraint – check for European protected species (otters) |                 |                |                     |                 |
| M4005 | Taynuilt – Barrachander  | Hard rock       | 10.00          | Landowner/Developer | 15+ years       |
|       | Actions:<br>Nature Conservation Constraint – check for European protected species (otters) |                 |                |                     |                 |

**Minerals Allocations**

| <b>Ref</b> | <b>Site Address</b>   | <b>Site Use</b>      | <b>Site Size (Ha)</b> | <b>Responsible/Lead</b> | <b>Life Expectancy</b> |
|------------|---|----------------------|-----------------------|-------------------------|------------------------|
| M4006      | Benderloch – Culcharron   | Sand and gravel      | 62.20                 | Landowner/Developer     | 15+ years              |
|            | Actions:<br>Nature Conservation Constraint – check for European protected species (otters)<br>Importance of retaining mature trees<br>Consult NatureScot re NSA impact for future proposals<br>Retain mature trees/established vegetation for effective screening – working area may require to be reduced to allow this effective screening and possible supplementary advance planting. Views from the NSA are particularly sensitive. Landscape capacity assessment required to establish the landscape’s capacity to accommodate quarrying here. Nature Scot should be consulted on the need for an assessment of any potential significant effects on the NSA.<br>Potential for Peat on site |                      |                       |                         |                        |
| M4007      | Fionnphort, Mull  | Specialist hard rock | 1.30                  | Landowner/Developer     | 15+ years              |
| M4008      | North Connel  | Sand and gravel      | 0.50                  | Landowner/Developer     | 2 years                |
| M4009      | West Hynish - Tiree   | Sand and gravel      | 0.20                  | Landowner/Developer     | -5-10 years            |
|            | Actions:<br>Nature Conservation Constraint – check for European protected species (otters)  |                      |                       |                         |                        |

## Transport Infrastructure Actions

| Ref   | Location   | Action   | Responsible/Lead | Timescale           |
|-------|--|--|------------------|---------------------|
| I4001 | Oban - Dunbeg  | Strategic : junction design and development road - facilitating housing , business and community facility development<br>Assess within context of Oban Strategic Development Framework<br>Nature Conservation Constraint – check for European protected species (otters)<br>Potential peat                                       | ABC/TS           | Short – Medium term |
| I4002 | Oban - Pennyfuir - Ganavan                           | Strategic : development road - facilitating housing, tourist and recreation development at H4006 and P4029. This will not develop a through route to Ganavan Sands Road<br>Nature Conservation Constraint – check for European protected species (otters)<br>Potential peat  | ABC/TS           | Short – Medium term |
| I4003 | Oban - Pennyfuir Cemetery - Glencruitten             | Strategic : investigation of development road – linked to the Oban Strategic Development Framework, including facilitating housing development, traffic management, strategic road network resilience and access improvement<br>Nature Conservation Constraint – check for European protected species (otters)<br>Potential peat | ABC/TS           | Short – Medium term |
| I4004 | Oban - Glencruitten - railway corridor - Connel      | Strategic : investigation of development road – linked to the Oban Strategic Development Framework, including facilitating housing development, traffic management, strategic road network resilience and access improvement<br>Nature Conservation Constraint – check for European protected species (otters)                   | ABC/TS           | Short – Medium term |
| I4005 | Oban - Glencruitten Golf Course route to Soroba Road | Strategic : investigation of development road – linked to the Oban Strategic Development Framework, including facilitating housing development, traffic management, strategic road network resilience and access improvement<br>Nature Conservation Constraint – check for European protected species (otters)                   | ABC/TS           | Short – Medium term |

|       |                                |  |        |                     |
|-------|--------------------------------|--|--------|---------------------|
| I4006 | Soroba Road and adjacent roads | Strategic : junction improvement associated with I4005 and traffic management to improve access in the Main Town Centre<br>Assess within context of Oban Strategic Development Framework<br>Nature Conservation Constraint – check for European protected species (otters) | ABC/TS | Short – Medium term |
|-------|--------------------------------|--|--------|---------------------|

## 6 Potential Development Areas

The LDP2 identifies Potential Development Areas (PDAs). PDAs are areas where specific development opportunities may be supported through the life of the plan subject to those constraints identified in the schedules of the PDA's being successfully addressed. Mini development briefs have been prepared for each PDA and are shown below. The briefs identify the use or range of uses considered appropriate and the constraints that need to be resolved. Proposals require to be assessed against all relevant policies in the development plan and take relevant technical guidance into account. The PDAs are listed in the schedule of the Written Statement and mapped in the Proposals Maps.

Development Briefs are being prepared during the lifetime of the plan by the planning authority for some of the Potential Development Areas. Development Briefs are not required where these have an extant masterplan or have already have full planning permission across the site.

Note for all PDAs containing housing consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision. See LDP2 policies 6 and 68

Masterplans have already been prepared for some allocations. These provide a framework for the development of the site in a holistic manner. Approved masterplans are material considerations in respect of related planning applications and require to be read in conjunction with the Report of Handling and Decision Notice. These may address some of the constraints noted either in full or in part.

| NewRef | Site Address | Site Use  | Key identified constraints requiring action   | Responsible/Lead | Timescale         |
|--------|--------------|---|---|------------------|-------------------|
| P1001  | North Bute   | Potential site for tourism/recreation                     | <p>Sits within Strategic Masterplan (SM1001) area to allow consideration of wider issues</p> <p>Masterplan/comprehensive approach required</p> <p>Flood Risk Assessment Required</p> <p>Water network – Water Impact Assessment required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p> <p>Trees – trees on site and adjacent areas are shown on the Ancient Woodland Inventory. Consider impact on trees.</p> | Owner/Developer  | Mid – Longer term |
| P1003  | Glendaruel   | Potential site for forest crofts and or enterprise centre | <p>Masterplan/comprehensive approach required</p> <p>Nature Conservation constraints</p> <p>Water network – Water Impact Assessment required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p>  | Owner/Developer  | Mid – Longer term |
| P1004  | Portavadie   | Mixed use - tourism/housing/business                      | <p>Masterplan/comprehensive approach required</p> <p>Flood Risk Assessment Required</p> <p>Potential Nature Conservation Constraint – check for European species</p> <p>Water network – Water Impact Assessment required</p>  | Owner/Developer  | Mid – Longer term |

| NewRef | Site Address               | Site Use  | Key identified constraints requiring action   | Responsible/Lead | Timescale         |
|--------|----------------------------|---|---|------------------|-------------------|
|        |                            |   | Nature Conservation Constraint – check for European protected species (otters)<br>Access Plan required  |                  |                   |
| P1005  | Tighnabruaich – Acharossan | Community forest croft project  | Masterplan/comprehensive approach required<br><br>Potential Nature Conservation Constraint – check for European species<br><br>Drainage Impact Assessment required<br><br>Water network – Water Impact Assessment required<br><br>Waste Water Treatment Works – Growth Project required<br><br>Nature Conservation Constraint – check for European protected species (otters) | Owner/Developer  | Mid – Longer term |
| P1007  | Ardyne                     | Mixed use - tourism/business/leisure/housing/marine/aquaculture related | Multiple ownership<br><br>Access Constraint / Road Safety Issue<br><br>Masterplan/comprehensive approach required<br><br>Nature Conservation constraints<br><br>Flood Risk Assessment Required<br><br>Water network – Water Impact Assessment required<br><br>Nature Conservation Constraint – check for European protected species (otters)<br><br>Access Plan required      | Owner/Developer  | Mid – Longer term |

| NewRef | Site Address           | Site Use   | Key identified constraints requiring action  | Responsible/Lead | Timescale         |
|--------|------------------------|--|--|------------------|-------------------|
| P1009  | Portavadie             | Mixed use - tourism/housing/business                   | <p>Masterplan/comprehensive approach required</p> <p>Potential Nature Conservation Constraint – check for European species</p> <p>Water network – Water Impact Assessment required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p> <p>Potential for blanket peat – peat depth survey required to advise on any area to avoid / mitigation / waste issues etc</p> | Owner/Developer  | Mid – Longer term |
| P1010  | Toward – Castle Toward | Mixed use - tourism/education/leisure/housing/business | <p>Sewerage capacity constraint</p> <p>Water network – Water Impact Assessment required</p> <p>Masterplan/comprehensive approach required</p> <p>Built heritage constraint</p> <p>Nature Conservation constraint –check for European protected species</p> <p>Flood Risk Assessment required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p>                     | Owner/Developer  | Short/Medium term |
| P1011  | Portavadie – Pollphail | Mixed use - tourism/leisure/housing/business           | <p>Masterplan/comprehensive approach required</p> <p>Nature Conservation Constraints – check for European protected species (bats, otters)</p>   | Owner/Developer  | Mid – Longer term |



| NewRef | Site Address | Site Use                                     | Key identified constraints requiring action  | Responsible/Lead | Timescale         |
|--------|--------------|--|--|------------------|-------------------|
|        |              |  | <p>Water network – Water Impact Assessment required</p> <p>Access Plan required</p> <p>Potential for blanket peat – peat depth survey required to advise on any area to avoid / mitigation / waste issues etc</p>  |                  |                   |
| P2002  | Rhu Marina   | Mixed use - leisure/tourism/ business/retail | <p>Leisure/tourism/ business/retail developments restricted to marine related given location</p> <p>Masterplan/comprehensive approach required</p> <p>Built Heritage Constraints</p> <p>Water Network– Flow and Pressure and Water Impact Assessment required</p> <p>Waste Water - Treatment Works- A Growth project is required and early engagement with Scottish Water is strongly recommended to discuss build out rates and to establish growth requirements. Network – DIA required.</p> <p>Water quality – avoid adverse impact on ecological status of small watercourses within the site.</p> <p>Water Quality - Developments require sewer connection</p> <p>Flood Risk Assessment required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required – including links to or enhancement of active travel route</p> | Owner/Developer  | Mid – Longer term |

| NewRef | Site Address              | Site Use  | Key identified constraints requiring action  | Responsible/Lead | Timescale         |
|--------|---------------------------|---|--|------------------|-------------------|
| P2003  | Rosneath – Waterfront (4) | Mixed use - housing/leisure/tourism/business/retail | <p>Multiple ownership</p> <p>Access constraint/road safety issue – Consider access to shore</p> <p>Masterplan/comprehensive approach required</p> <p>Flood Risk Assessment Required</p> <p>Water Network - Flow and Pressure &amp; Water Impact Assessment required.</p> <p>Waste Water – Treatment works - A Growth project is required and early engagement with Scottish Water is strongly recommended to discuss build out rates and to establish growth requirements.</p> <p>Network - Considerable distance from the public network. Any installation of network from site to the public sewers must be funded and carried out by the developer. These associated costs may be notable and not fully covered by Scottish Water's Reasonable Cost Contribution (RCC) scheme. A drainage impact assessment (DIA) is required to ascertain what impact (if any) development has on existing network.</p> <p>Nature Conservation constraint – check for European protected species incl. otters<br/>Access Plan required</p> | Owner/Developer  | Short/Medium term |
| P3006  | Craobh Haven (i)          | Mixed use - housing and open space                  | <p>Local Landscape Area</p> <p>Water capacity constraint</p> <p>Sewerage capacity constraint</p> <p>Masterplan/comprehensive approach required</p>   | Owner/Developer  | Mid – Longer term |

| NewRef | Site Address                           | Site Use                            | Key identified constraints requiring action  | Responsible/Lead   | Timescale         |
|--------|--|-------------------------------------|--|--|-------------------|
|        |  |                                     | <p>Nature conservation constraints, including ASNW, impact on trees/woodland, potential for bat roosts in trees, bat survey may be required</p> <p>Adjacent to Open Space Protection Area - potential for green network connectivity<br/>Flood Risk Assessment Required</p> <p>Access Plan required - including issue of retaining current access to the rear of the existing properties adjoin the PDA to the NW</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p>  |  |                   |
| P3008  | Lochgilphead, Argyll and Bute Hospital | Mixed use - Housing, community uses | <p>Affordable Housing requirement minimum of 25%</p> <p>Multiple Ownership</p> <p>Masterplan/comprehensive approach required</p> <p>Built heritage constraints</p> <p>Nature conservation constraints; assess impact on trees/woodland; potential for bat roosts in trees, bat survey may be required</p> <p>Core Paths</p> <p>Drainage Impact Assessment required</p> <p>Water Network–Water Impact Assessment required</p> <ul style="list-style-type: none"> <li>• Take into account Masterplan and Blarbuie Woodland Enterprise Strategic Plan 2015-2020.</li> </ul> <p>Place based review of Lochgilphead can be integrated</p> | Owner/Developer<br>Blarbuie Woodland Project partnership | Mid – Longer term |

| NewRef | Site Address          | Site Use                                      | Key identified constraints requiring action  | Responsible/Lead | Timescale         |
|--------|-----------------------|---|--|------------------|-------------------|
|        |                       |   | <p>Emerging LHEES –potential for District Heating Network to be assessed</p> <p>Nature Conservation Constraint – check for European protected species (otters)Access Plan required</p>   |                  |                   |
| P3009  | Baddens, Lochgilphead | Hotel, tourism, outdoor recreation facilities | <p>Masterplan/comprehensive approach required</p> <p>Built heritage constraints</p> <p>Flood Risk Assessment required</p> <p>Water Network–Water Impact Assessment required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p>  | Owner/Developer  | Mid – Longer term |
| P3011  | Carsaig - Inchjura    | Tourism                                       | <p>National Scenic Area</p> <p>Water Capacity constraint</p> <p>Water Network–Water Impact Assessment required</p> <p>Sewerage capacity constraint</p> <p>Access constraint/road safety issue</p> <p>Masterplan/comprehensive approach required</p> <p>Nature conservation constraint – Proposals require to take into account the existing environmental education use of this area, either by enabling this to continue or by providing satisfactory alternative compensatory facilities</p> | Owner/Developer  | Mid – Longer term |

| NewRef | Site Address       | Site Use                           | Key identified constraints requiring action  | Responsible/Lead | Timescale         |
|--------|--------------------|------------------------------------|--|------------------|-------------------|
|        |                    |                                    | <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p>  |                  |                   |
| P3012  | Craobh Haven (iii) | Mixed use - Housing and open space | <p>Affordable Housing requirement minimum of 25%</p> <p>Local Landscape Area</p> <p>Water capacity constraint<br/>Water Network–Water Impact Assessment required</p> <p>Sewerage capacity constraint</p> <p>Masterplan/comprehensive approach required</p> <p>Nature conservation constraint – Ancient Semi Natural woodland, Assess impact on trees/woodland, Potential for bat roosts in trees, bat survey may be required, check for European protected species</p> <p>Adjacent to Open Space Protection Area – potential for green network connectivity</p> <p>Flood Risk Assessment required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p> <p>Roads issues – gradient and land ownership issues from Lunga road; lower road not adopted and difficult and expensive to bring up to adoptable standard</p> | Owner/Developer  | Short/Medium term |

| NewRef | Site Address               | Site Use   | Key identified constraints requiring action   | Responsible/Lead | Timescale         |
|--------|----------------------------|--|---|------------------|-------------------|
| P3014  | Craobh Haven (iv)          | Affordable housing, including by Self/custom build | <p>Low density development of 100% affordable housing – potential for self/custom build</p> <p>Sewerage Capacity Constraint</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p>   | Owner/Developer  | Mid – Longer term |
| P3015  | Achnaba                    | Tourism, housing                                   | <p>Housing should be ancillary to the tourism development, of low density and affordable</p> <p>Access Constraint / Road Safety Issue</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Nature Conservation Constraints</p> <p>Nature Conservation Constraint – check for European protected species incl. otters</p> <p>Access Plan required</p> <p>Not possible to construct a road to adoptable standard due to gradients – Transport Scotland should comment on connection to A83 Trunk Road</p> | Owner/Developer  | Short/Medium term |
| P3016  | Lochgilphead – County Yard | Mixed use  | <p>Access Constraint / Road Safety Issue</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Flood Risk Assessment required</p>  | Owner/Developer  | Mid – Longer term |

| NewRef | Site Address      | Site Use  | Key identified constraints requiring action  | Responsible/Lead | Timescale         |
|--------|-------------------|---|--|------------------|-------------------|
|        |                   |   | <p>Drainage Impact Assessment required</p> <p>Water Network–Water Impact Assessment required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p>   |                  |                   |
| P3017  | Lunga, by Craobh  | Tourism, residential caravan park and housing               | <p>Water Capacity Constraint</p> <p>Sewerage capacity constraint</p> <p>Access constraint/road safety issue</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Built Heritage Constraints</p> <p>Nature Conservation Constraints – Ancient Semi Natural Woodland, Assess impact on trees/woodland, Potential for bat roosts in trees, bat survey may be required, check for European protected species</p> <p>Flood Risk Assessment required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p> | Owner/Developer  | Short/Medium term |
| P3018  | Craobh Haven (ii) | Mixed use - tourism and marina related economic development | <p>Local Landscape Area</p> <p>Water capacity constraint</p> <p>Sewerage capacity constraint</p>   | Owner/Developer  | Mid – Longer term |

| NewRef | Site Address                             | Site Use                              | Key identified constraints requiring action   | Responsible/Lead | Timescale        |
|--------|--|---------------------------------------|---|------------------|------------------|
|        |  |                                       | <p>Masterplan/comprehensive approach required</p> <p>Nature conservation constraint: Adjacent to Marine Consultation Area</p> <p>Flood Risk Assessment Required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p>   |                  |                  |
| P3019  | Tarbert –<br>Campbeltown<br>Road         | Mixed use – housing<br>and open space | <p>Nature Conservation Constraints – Ancient Semi Natural Woodland, Assess impact on trees/woodland, Potential for bat roosts in trees, bat survey may be required, check for European protected species</p> <p>Access on to Trunk Road – early engagement with Transport Scotland required regarding an access strategy</p> <p>Steeply sloping topography – integration with Landscape to be demonstrated.</p> <p>Affordable Housing requirement minimum of 25%</p> <p>Open Space -clearly indicate area of open space to be safeguarded. Include measures to enhance and manage the existing woodlands.</p> <p>Access Plan required</p> | Owner/Developer  | Short-Mid term   |
| P4003  | Barcaldine -<br>Former<br>Sealife Centre | Marine Related<br>Employment          | <p>Access Constraint / Road Safety Issue</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Nature Conservation Constraints – Ancient Woodland of Semi-Natural Origin and Long-Established: of Plantation Origin – loss of</p>  | Owner/Developer  | Short – Mid Term |



| NewRef | Site Address                        | Site Use  | Key identified constraints requiring action  | Responsible/Lead | Timescale                                     |
|--------|-------------------------------------|---|--|------------------|---|
|        |                                     |   | <p>woodland should be minimised, with any loss subject to the control of woodland removal policy, a species survey and mitigation plan as necessary.</p> <p>Nature conservation constraint - Significant marine environment - adjoining SAC notable for biogenic <b>reefs</b> of the calcareous tube-worm <i>Serpula vermicularis</i> (extremely rare) and other reefs. Adverse impact on reefs to be avoided. For planning permission to be granted in this PDA, development proposals must ensure that there would be no adverse effects on the Loch Creran SAC, either alone or in combination with other plans or projects. The developer must provide sufficient information to allow for any impacts on the qualifying interests of the SAC to be determined.</p> <p>Invasive Non-Native Species (INNS) – consideration of potential for development to spread INNS (potentially including, but not limited to carpet sea squirt). Potential need for INNS eradication plan for <i>Rhododendron ponticum</i>, <i>Gunnera</i> (Giant Rhubarb) and <i>Polygonum superbum/Persicaria bistorta 'Superba'</i></p> <p>Potential need for biosecurity plan.</p> <p>Nature Conservation Constraint – Check for European Protected Species incl. otters</p> <p>Flood Risk Assessment required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> |                  |   |
| P4008  | Kilmelford Village Hall, Kilmelford | Community facilities - recreation and parking. Tourism. | <p>Access Constraint / Road Safety Issue</p> <p>Masterplan / Comprehensive Approach Required</p>   | Owner/Developer  | Related to hall and tourism - standing stones |

| NewRef | Site Address | Site Use | Key identified constraints requiring action   | Responsible/Lead | Timescale |
|--------|--------------|----------|---|------------------|-----------|
|        |              |          | <p>Built Heritage Constraint - Scheduled Monuments:<br/>Kilmelford, cairn &amp; enclosure 600m SW of Kilmelford Village (Index No. 3778)</p> <p>Nature Conservation Constraint – Check for European Protected Species incl. otters</p> <p>Public right of way from the stile at the South west corner adjoining Kinloch to link with the track to the main village</p> <p>Flood Risk Assessment Required</p> <p>Local Landscape Area – Knapdale/Melfort</p> <p>Water Treatment Works – Growth Project required</p> <p>Water Network–Water Impact Assessment required</p> <p>Access Plan required</p> <p>It includes the scheduled monument termed Kilmelford, cairn &amp; enclosure 600m SW of Kilmelford Village (Index No. 3778). Intervisibility between the monument and Loch na Cille are a significant element in its setting. Views to and from the east of the monument are currently limited by tree growth, and these views are not currently significant in defining this setting. Development to the east of the Abhainn na Cille may impact on the setting of the monument, but this could be mitigated by maintenance of existing vegetation or tree planting between this development area and the monument. While it may be possible to develop a reduced number of houses (one or two) in the lower, western part of the PDA, these would have the potential to adversely impact on views from the cairn to the sea, and vice versa. We would strongly recommend that development is limited to the lower, western part of the allocation,</p> |                  |           |

| NewRef | Site Address           | Site Use                       | Key identified constraints requiring action   | Responsible/Lead | Timescale         |
|--------|------------------------|--------------------------------|---|------------------|-------------------|
|        |                        |                                | <p>and that the number of houses is reduced accordingly. Historic Scotland has objected to proposals for housing here in the past and they would maintain this for future proposals. Any development here would have to take into account the setting of the cairn and we would be happy to advise further on the boundary of a re-drawn unit. HES therefore strongly recommend early consultation on this site.</p> <p>This may facilitate extension of the car park adjacent to Kilmelford Village Hall along with the opportunity to develop the field for varied use by the local community</p> |                  |                   |
| P4012  | Kerrera                | Mixed use development          | <p>Water Capacity Constraint</p> <p>Sewerage Capacity Constraint</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Nature Conservation constraint – Check for European Protected Species incl. otters</p> <p>Access Plan required</p>  | Owner/Developer  | Mid – Longer term |
| P4015  | Oban - Glengallan Road | Industry, Business and Storage | <p>Water Capacity Constraint</p> <p>Sewerage Capacity Constraint</p> <p>Nature Constraint – Check for European Protected species incl. otters</p> <p>Flood Risk Assessment</p>  | Owner/Developer  | Mid – Longer term |
| P4016  | Oban - Longsdale       | Housing                        | Affordable Housing requirement minimum of 25%   | Owner/Developer  | Mid – Longer term |

| NewRef | Site Address        | Site Use | Key identified constraints requiring action  | Responsible/Lead | Timescale         |
|--------|---------------------|----------|--|------------------|-------------------|
|        |                     |          | <p>Water Capacity Constraint</p> <p>Sewerage Capacity Constraint</p> <p>Access Constraint / Road Safety Issues, including potential cumulative impact on the A85(T) and local road constraints. Up to date appraisal is required. Note integration with I4003 and I4005</p> <p>Masterplan / Comprehensive Approach Required<br/>Sits within Strategic Masterplan (SM4001) area to allow consideration of wider issues</p> <p>Nature Constraint - Check for European Protected Species – bats; Marsh Fritillary habitat</p> <p>Water Quality - Opportunity to remove culvert and provision of buffer strip</p> <p>Flood Risk Assessment</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p> |                  |                   |
| P4017  | Oban - Glencruitten | Housing  | <p>Affordable Housing requirement minimum of 25%</p> <p>Water Capacity Constraint</p> <p>Sewerage Capacity Constraint</p> <p>Access Constraint / Road Safety Issues, including potential cumulative impact on the A85(T) and local road constraints up to date appraisal is required. . Note integration with I4004 and I4005</p>  | Owner/Developer  | Mid – Longer term |

| NewRef | Site Address                    | Site Use                 | Key identified constraints requiring action   | Responsible/Lead | Timescale         |
|--------|---------------------------------|--------------------------|---|------------------|-------------------|
|        |                                 |                          | <p>Masterplan / Comprehensive Approach Required</p> <p>Sits within Strategic Masterplan (SM4001) area to allow consideration of wider issues</p> <p>Nature Constraint - Check for European Protected Species – bats; Marsh Fritillary habitat</p> <p>Water Quality - Opportunity to remove culvert and provision of buffer strip</p> <p>Flood Risk Assessment</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p> |                  |                   |
| P4018  | Connel - Camas Braaich, Ruaidhe | Marina, leisure, tourism | <p>Water Capacity Constraint</p> <p>Sewerage Capacity Constraint</p> <p>Access Constraint / Road Safety Issues, including potential cumulative impact on the A85(T) and local road constraints</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Nature Constraint - Check for European Protected Species incl. otters</p> <p>Flood Risk Assessment Required</p> <p>Access Plan required</p>   | Owner/Developer  | Mid – Longer term |
| P4019  | Oban - Glencruitten             | Housing                  | <p>Affordable Housing requirement minimum of 25%</p> <p>Water Capacity Constraint</p>   | Owner/Developer  | Mid – Longer term |

| NewRef | Site Address                   | Site Use                           | Key identified constraints requiring action   | Responsible/Lead | Timescale         |
|--------|--------------------------------|------------------------------------|---|------------------|-------------------|
|        |                                |                                    | <p>Sewerage Capacity Constraint</p> <p>Access Constraint / Road Safety Issues, including potential cumulative impact on the A85(T) and local road constraints up to date appraisal is required. . Note integration with I4003 and I4005</p> <p>Masterplan / Comprehensive Approach Required<br/>Sits within Strategic Masterplan (SM4001) area to allow consideration of wider issues</p> <p>Nature Constraint - Check for European Protected Species – bats; otters<br/>Marsh Fritillary habitat</p> <p>Water Quality - Opportunity to remove culvert and provision of buffer strip</p> <p>Flood Risk Assessment</p> <p>Access Plan required</p> |                  |                   |
| P4020  | Culcharron Quarry - Benderloch | Class 6 - Storage and Distribution | <p>Masterplan / Comprehensive Approach Required</p> <p>Access - Recommended to be shared with the existing access to the quarry. The access may require to be upgraded depending on the nature and scale of anticipated additional levels of traffic. Impacts on cycle track crossing the access road to be considered. Early engagement with Transport Scotland advised.</p> <p>Evidence of appropriate phasing of quarry extraction to facilitate development of the site required. Extraction of the minerals across</p>   | Owner/Developer  | Mid – Longer term |

| NewRef | Site Address | Site Use | Key identified constraints requiring action  | Responsible/Lead | Timescale |
|--------|--------------|----------|--|------------------|-----------|
|        |              |          | <p>the PDA should be complete prior to commencement of any development.</p> <p>High quality landscaping scheme required for the development site that closely integrates with surrounding quarry restoration. Landscaping should help facilitate screening of the proposed development and should be co-ordinated across the whole PDA.</p> <p>Approval of alternative quarry restoration scheme required that demonstrates close integration with landscaping proposals for the development of the PDA. Restoration scheme needs to demonstrate how any peat intended for restoration across the PDA site will be utilised across the remaining restoration area.</p> <p>Potential noise constraints – potential for noise impacts at nearby residential properties. Noise assessment maybe required.</p> <p>Visual impact – proposed site ground levels and surrounding ground levels will need to be demonstrated. Existing and proposed tree screening will need to be considered.</p> <p>Habitats and Species – potential impacts on habitats and species on surrounding land including badgers. Appropriate surveys maybe required.</p> <p>Pollution – potential ground/water pollution. Potential issues with proximity of ground level to water table. Suitability of ground conditions require consideration. Appropriate surveys maybe required. Potential for contamination due to proximity of adjacent quarry. Engagement with SEPA potentially required.</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> |                  |           |

| NewRef | Site Address          | Site Use                               | Key identified constraints requiring action  | Responsible/Lead | Timescale         |
|--------|-----------------------|--|--|------------------|-------------------|
|        |                       |  | Small area of Cat 1 Peat – Nature Scot note likely presence of deep peat   |                  |                   |
| P4021  | Oban - Longsdale Road | Housing                                | <p>Affordable Housing requirement minimum of 25%</p> <p>Water Capacity Constraint</p> <p>Sewerage Capacity Constraint</p> <p>Access Constraint / Road Safety Issues, , including potential cumulative impact on the A85(T) and local road constraints up to date appraisal is required. Note integration with I4003 and I4005</p> <p>Masterplan / Comprehensive Approach Required<br/>Sits within Strategic Masterplan (SM4001) area to allow consideration of wider issues</p> <p>Nature Constraint - Check for European Protected Species – bats; Marsh Fritillary habitat; woodland on site</p> <p>Water Quality - Opportunity to remove culvert and provision of buffer strip</p> <p>Flood Risk Assessment</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p> | Owner/Developer  | Mid – Longer term |
| P4022  | Oban - Glencruitten   | Golf Course - potential expansion area | <p>Housing - possible ancillary low density high amenity small scale housing development</p> <p>Water Capacity Constraint</p>  | Owner/Developer  | Mid – Longer term |



| NewRef | Site Address | Site Use | Key identified constraints requiring action   | Responsible/Lead | Timescale |
|--------|--------------|----------|---|------------------|-----------|
|        |              |          | <p>Sewerage Capacity Constraint</p> <p>Access Constraint / Road Safety Issues, including potential cumulative impact on the A85(T) and local road constraints up to date appraisal is required. Note integration with I4004 and I4005</p> <p>Masterplan / Comprehensive Approach Required<br/>Sits within Strategic Masterplan (SM4001) area to allow consideration of wider issues</p> <p>Nature Constraint – Check for European Protected species incl. otters</p> <p>Flood Risk Assessment</p> <p>Access Plan required</p> |                  |           |

**P4023: Ganavan**

| Site Size | Site Use   | Responsible / Lead                | Timescale        | Admin Area | HMA                      | DM Zone         | DM Zone Name  | Primary School    | Secondary School |
|-----------|--|-----------------------------------|------------------|------------|--------------------------|-----------------|---------------|-------------------|------------------|
| 12.25ha   | Mixed - Housing, recreation, community and tourism | Owner/Developer<br>Scottish Water | Mid- longer term | OLI        | Lorn and the Inner Isles | Settlement Area | Oban / Dunbeg | Park; St Columbus | Oban High School |

**EXISTING USE:**

Shinty Pitch (OSPA); Countryside

**ACCESS:**

No current vehicular access – requires strategic infrastructure development (I4002)

**FLOOD RISK:**

No flood risk indicated on SEPA maps.

**TOPOGRAPHY:**

Generally fairly flat but with steep slope to east edge of site.

**TREES:**

Some trees to east edge of site.

**OPPORTUNITIES:**

Continuing wider masterplan approach for Ganavan and Dunbeg

**CONSTRAINTS:**

Peat category 3 – requires further investigation

OSPA – no development within this area

FORM OF DEVELOPMENT / PLANNING CONSENT:

Mixed – housing, recreation, community and tourism – note, as this is a PDA no specific housing numbers or density has been assigned. This allocation forms part of Masterplan 16/03368/MPLAN approved by Members on 27/04/17.

CAPACITY:

If more than 10 housing units are to be developed on the PDA, 12sqm of communal casual open space and 6sqm of children’s play space (including provision for under 5’s) must be provided per dwelling.

If more than 8 housing units are to be developed on the PDA, 25% affordable housing is required.





















If a phased approach is proposed, these points should be addressed within the initial phase

FOOD GROWING:

Consideration should be given to the potential for community food growing areas as part of open space/green infrastructure provision

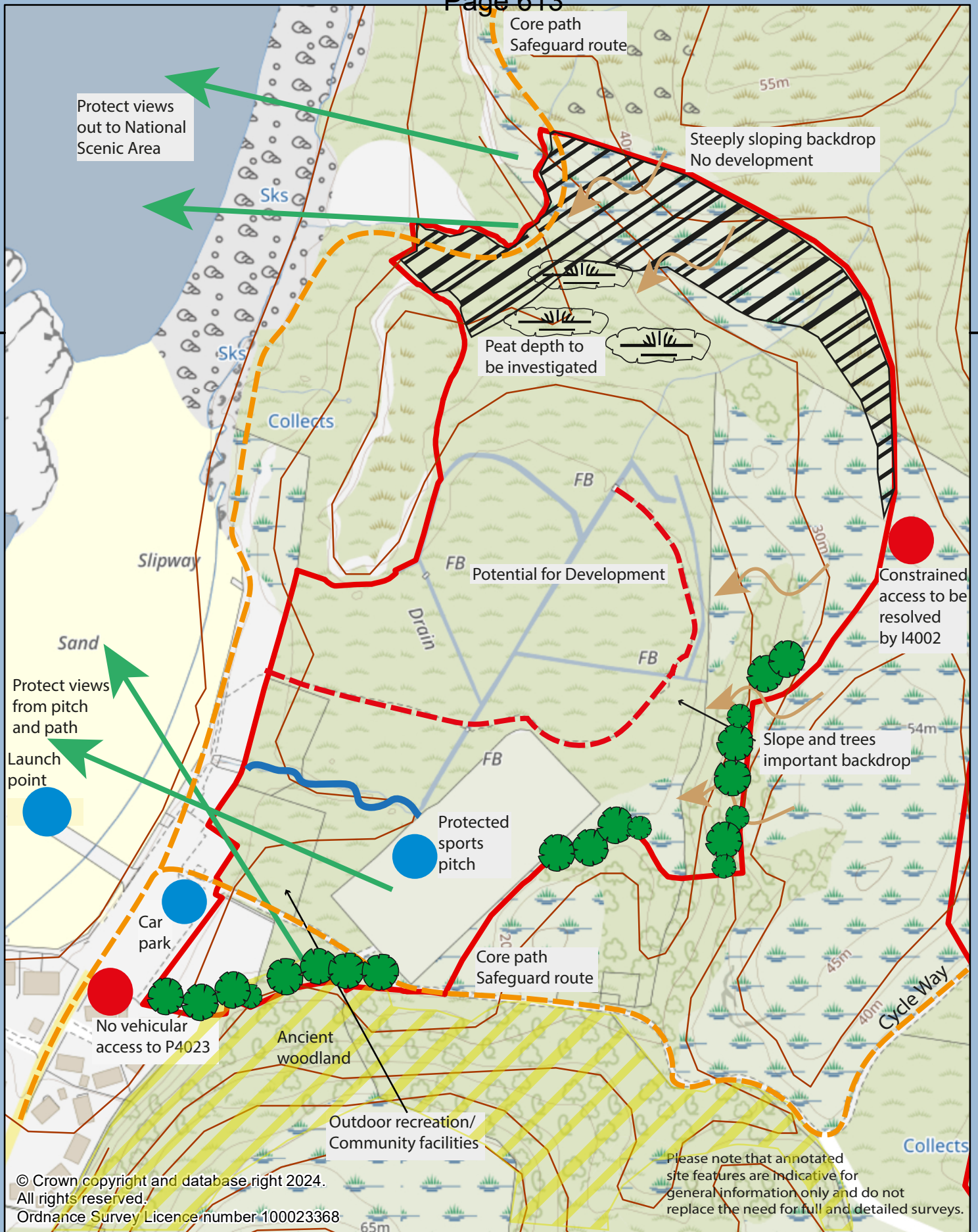
KEY IDENTIFIED CONSTRAINTS REQUIRING ACTION

- Affordable Housing requirement minimum of 25%
- Water Capacity Constraint
- Sewerage Capacity Constraint
- Waste Water Treatment Works – Growth Project Required
- Access Constraint / Road Safety Issue – Access to be delivered through I4002. No vehicular access to P4023 from Ganavan Sands Road.
- Masterplan / Comprehensive Approach Required
- Nature Constraints – Check for European Protected species incl. otters; AWI on southern edge of site, deciduous trees on eastern edge of site.
- Water Quality – buffer strip to water courses recommended
- Access Plan required

|   |                           |  |                                 |
|---|---------------------------|--|---------------------------------|
|    | Site Boundary             |  | Live planning consent           |
|    | Existing building         |  | Overlooking constraint          |
|    | Non-developable area      |  | Natural environment designation |
|    | View in                   |  | Built heritage designation      |
|    | View out                  |  | Power Line                      |
|    | Pedestrian access         |  | Water Course                    |
|    | Path through site         |  |                                 |
|    | Vehicle access            |  |                                 |
|   | Tree/ large shrub         |  |                                 |
|  | Bog                       |  |                                 |
|  | Slope downward            |  |                                 |
|  | Key feature               |  |                                 |
|  | Constraint                |  |                                 |
|  | Potential flood risk area |  |                                 |

## Key to Development Brief Maps

Please note that annotated site features are indicative for general information only and do not replace the need for full and detailed surveys.



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Please note that annotated site features are indicative for general information only and do not replace the need for full and detailed surveys.

# P4023 Ganavan

0 60 120

240 Metres



| NewRef | Site Address                    | Site Use | Key identified constraints requiring action  | Responsible / Lead | Timescale         |
|--------|---------------------------------|----------|--|--------------------|-------------------|
| P4024  | West Ardhu                      | Housing  | <p>Affordable Housing requirement minimum of 50%</p> <p>Access Constraint / Road Safety Issue</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Nature Constraint – Check for European Protected species (bats and otter)</p> <p>Flood Risk Assessment Required</p> <p>Water Network - A Flow and Pressure test would be required</p> <p>Access Plan required</p>   | Owner/Developer    | Mid – Longer term |
| P4025  | Arinagour Farm Road – Arinagour | Housing  | <p>Affordable Housing requirement minimum of 25%</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Island of Coll Landscape Capacity for New Housing to be taken into account</p> <p>Drainage Impact Assessment required</p> <p>Water Treatment Works – Growth Project required</p> <p>Water Network – A Water Impact Assessment is required</p> <p>Waste Water Treatment Works – Growth Project Required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p> | Owner/Developer    | Mid – Longer term |

| NewRef | Site Address   | Site Use                       | Key identified constraints requiring action   | Responsible / Lead | Timescale         |
|--------|----------------|--------------------------------|---|--------------------|-------------------|
| P4026  | Barcaldine (i) | Industry, Business and Storage | <p>Water Capacity Constraint</p> <p>Sewerage Capacity Constraint<br/>Waste Water Treatment Works – Growth Project Required</p> <p>Drainage Impact Assessment required</p> <p>Access Constraint / Road Safety Issue - Access - Existing access may require upgrading to accommodate further development. Issues regarding visibility heading north from the exiting access adjacent to the primary School.</p> <p>Discussions with Transport Scotland required regarding access strategy for P4026, P4027 and P4029<br/>Proportionate cumulative transport appraisal and TIA required</p> <p>Road Safety – consideration required of road safety relating to proximity of adjacent primary school.</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Built Heritage constraint - scheduled ancient monument termed Barcaldine School, standing stone 46SW of (Index No. 3905).</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Bad Neighbour Uses – Potential bad neighbour impacts on adjacent primary school.</p> <p>Biosecurity of existing business and future expansion are considerations for this area</p> <p>It includes the scheduled monument termed Barcaldine School, standing stone 46m SW of (Index No. 3905). It has the potential to</p> | Owner/Developer    | Mid – Longer term |

| NewRef | Site Address    | Site Use                       | Key identified constraints requiring action   | Responsible / Lead | Timescale         |
|--------|-----------------|--------------------------------|---|--------------------|-------------------|
|        |                 |                                | <p>have a significant adverse impact on the setting of the standing stone, and HES recommend early consultation for these sites.</p> <p>Impacts on existing development including biosecurity risk to hatchery</p>  |                    |                   |
| P4027  | Barcaldine (ii) | Industry, Business and Storage | <p>Water Capacity Constraint</p> <p>Sewerage Capacity Constraint</p> <p>Drainage Impact Assessment required</p> <p>Access Constraint / Road Safety Issue</p> <p>Existing access may require upgrading to accommodate further development (either of the two nearby access points). Issues regarding visibility heading north from the exiting access adjacent to the primary School (if access to be taken at that access point).</p> <p>Discussions with Transport Scotland required regarding access strategy for P4026, P4027 and P4029</p> <p>Proportionate cumulative transport appraisal and TIA required</p> <p>Road Safety – consideration required of road safety relating to proximity of nearby primary school (if access to be taken at that access point).</p> <p>Biosecurity of existing business and future expansion are considerations for this area</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Built Heritage constraint - Scheduled Monuments in the Vicinity(to the east) of the Allocation: Barcaldine School, standing stone 46m SW of (Index No. 3905)</p> <p>Nature constraint – check for European Protected Species</p> | Owner/Developer    | Mid – Longer term |



| NewRef | Site Address          | Site Use  | Key identified constraints requiring action   | Responsible / Lead | Timescale         |
|--------|-----------------------|---|---|--------------------|-------------------|
|        |                       |   | <p>Bad Neighbour Uses – Potential bad neighbour impacts on nearby primary school.</p> <p>Trees – consideration of impact on trees on site.</p>  |                    |                   |
| P4028  | Lismore - Achnacroish | Housing   | <p>Low density affordable Housing (including self/custom build) – 100% requirement</p> <p>Water Capacity Constraint<br/>Water Treatment Works – Growth Project required<br/>Water Network – A Water Impact Assessment may be required</p> <p>Sewerage Capacity Constraint</p> <p>Access Constraint / Road Safety Issue</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Nature Conservation constraint. - Check for European protected species incl. otters</p> <p>Flood Risk Assessment Required</p> | Owner/Developer    | Mid – Longer term |
| P4029  | Barcaldine (iii)      | Marine related industrial, business and storage use | <p>Water Capacity Constraint</p> <p>Sewerage Capacity Constraint<br/>Waste Water Treatment Works – Growth Project Required</p> <p>Drainage Impact Assessment required</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Flood Risk Assessment required</p>   | Owner/Developer    | Mid – Longer term |

| NewRef | Site Address | Site Use | Key identified constraints requiring action   | Responsible / Lead | Timescale |
|--------|--------------|----------|---|--------------------|-----------|
|        |              |          | <p>Project level Habitats Regulation Appraisal required</p> <p>Nature conservation constraint - Significant marine environment - adjoining SAC notable for biogenic reefs of the calcareous tube-worm <i>Serpula vermicularis</i> (extremely rare) and other reefs. Adverse impact on reefs to be avoided. Appropriate Assessment liable to be required. For planning permission to be granted in this PDA, development proposals must ensure that there would be no adverse effects on the Loch Crearan SAC, either alone or in combination with other plans or projects. For planning permission to be granted in this PDA, development must ensure that there would be no adverse effects on the Loch Creran SAC, either alone or in combination with other plans or projects. The developer must provide sufficient information to allow for any impacts on the qualifying interests of the SAC to be determined.</p> <p>Check for European protected species incl. otters</p> <p>Access - Existing access may require upgrading to accommodate further development. Issues regarding visibility heading north from the exiting access adjacent to the primary School.</p> <p>Discussions with Transport Scotland required regarding access strategy for P4026, P4027 and P4029<br/>Proportionate cumulative transport appraisal and TIA required</p> <p>Road Safety – consideration required of road safety relating to proximity of adjacent primary school.<br/>Bad Neighbour Uses – Potential bad neighbour impacts on adjacent primary school.</p> <p>Impacts on existing development including biosecurity risk to hatchery</p> |                    |           |

| NewRef | Site Address                         | Site Use                                     | Key identified constraints requiring action  | Responsible / Lead | Timescale         |
|--------|--------------------------------------|--|--|--------------------|-------------------|
| P4030  | North Connel                         | Tourism<br>Accommodation and<br>Housing      | <p>Multiple Ownership</p> <p>Water Capacity Constraint</p> <p>Sewerage Capacity Constraint</p> <p>Waste Water Treatment Works – Growth Project Required</p> <p>Access Constraint / Road Safety Issue</p> <p>Masterplan / Comprehensive Approach Required</p> <p>Flood Risk Assessment Required</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p> <p>Access Plan required</p> <p>Peat survey required</p> | Owner/Developer    | Short term        |
| P4031  | Lismore -<br>Northern<br>Ferry Point | Leisure/Tourism/Tra<br>nsport Infrastructure | <p>Water Capacity Constraint</p> <p>Sewerage Capacity Constraint</p> <p>Access Constraint / Road Safety Issue</p> <p>Nature Conservation Constraint</p> <p>Flood Risk Assessment required</p> <p>National Scenic Area – Landscape assessment</p> <p>QUERY MASTERPLAN REQUIREMENT SJ ASK ML</p> <p>Nature Conservation Constraint – check for European protected species (otters)</p>   | Owner/Developer    | Mid – Longer term |

| NewRef | Site Address | Site Use | Key identified constraints requiring action | Responsible / Lead | Timescale |
|--------|--------------|----------|---|--------------------|-----------|
|        |              |          | Access Plan required                        |                    |           |

# 7 Areas for Action

Area for Action are areas which, subject to resource availability during the plan-period, will be the focus for partnership or community action. These are areas that require actions to take forward regeneration and environmental enhancement activities which support the delivery of the spatial strategy and objectives in LDP2. Area remits for these AFAs are included in this Action Programme and other in other Technical Working Notes being prepared. These area remits may include investment and funding packages, land assembly and asset management programmes, development and redevelopment proposals, infrastructure provision and environmental enhancement proposals. Depending on circumstances, AFAs may coincide with other categories of sites such as potential development areas.

| Ref   | Site Address   | Site Use  |  |           |
|-------|--|---|--|-----------|
| A1001 | Rothesay Town Centre and Waterfront  | Strategic; town centre regeneration and environmental enhancement, harbour development and management |  |           |
|       | <p><b>Action</b></p> <p>To continue to pursue an area for action in support of:</p> <ul style="list-style-type: none"> <li>• Stimulating investment and enhancement in Rothesay town centre and waterfront areas.</li> <li>• Increasing the competitiveness of Rothesay as an important tourist destination.</li> <li>• Realising further town centre enhancement opportunities.</li> <li>• Resolving development/redevelopment and relocation options and managing the town centre assets effectively.</li> <li>• Resolving traffic management options.</li> <li>• Resolving gap sites and poor condition of built heritage including Royal Hotel</li> <li>• To realise opportunities for further exploiting the potential of inner and outer harbour areas and adjacent land/water for leisure and commercial purposes.</li> <li>• to consider and safeguard the role of Rothesay and its harbour/ferry infrastructure as potentially part of a trans-Clyde rapid transit strategy.</li> </ul> <p><b>Progress</b></p> <p>Rothesay Townscape Heritage Initiative (THI) was a successful heritage-led regeneration project, which has substantially improved the gateway into the Isle of Bute, and has greatly enhanced the conservation area. As a partnership project of £2.6M, Rothesay THI's common fund was made up of funding from Heritage Lottery Fund (£1.5M), Argyll and Bute Council (£0.5M), Historic Environment Scotland (£0.5M) and LEADER (£98K).</p> | Responsible/Lead  | Key Partners   | Timescale |
|       |  | ABC/HIE   | Private sector<br>Local Communities<br>SPT<br>VistScotland<br>SURF | Ongoing   |

| Ref   | Site Address  | Site Use   |  |                  |
|-------|---|--|--|------------------|
| A1002 | <b>Port Bannatyne Waterfront</b>  | <b>Local; waterfront development and environmental enhancement</b>                       |  |                  |
|       | <b>Action</b>   | <b>Responsible/Lead</b>  | <b>Key Partners</b>                    | <b>Timescale</b> |
|       | To pursue an area for action at the Port Bannatyne waterfront area which will support: <ul style="list-style-type: none"> <li>• Regeneration on the Island of Bute.</li> <li>• Expansion of water related tourist activity.</li> <li>• To pursue development, redevelopment and relocation opportunities focusing on the potential of the bay, foreshore and immediately contiguous property and land in order to service the needs of the marine and leisure community.</li> </ul>   | ABC  | HIE<br>VisitScotland<br>Private Sector | Mid to long term |
| A1003 | <b>Rothesay - Barone Road/High Street</b>   | <b>Local; regeneration and environmental enhancement</b>                                 |  |                  |
|       | <b>Action</b>   | <b>Responsible/Lead</b>  | <b>Key Partners</b>                    | <b>Timescale</b> |
|       | To pursue an area for action in support of: <ul style="list-style-type: none"> <li>• Stimulating investment and enhancement in Rothesay Town Centre and waterfront areas.</li> <li>• Re-structuring conflicting land uses.</li> <li>• Environmental enhancement.</li> <li>• Bring into use the former gas works site.</li> <li>• Re-organise and improve the Council depots.</li> <li>• Provide additional land for appropriate commercial/light industrial use.</li> </ul>   | ABC  | HIE                                    | Mid to long term |
| A1004 | <b>Dunoon - Town Centre/Waterfront/West Bay</b>   | <b>Strategic; regeneration and environmental enhancement; community uses (Charrette)</b> |  |                  |
|       | <b>Action</b>   | <b>Responsible/Lead</b>  | <b>Key Partners</b>                    | <b>Timescale</b> |
|       | Delivering the actions identified during the Charrette and as set out in the accompanying <a href="#">Action Plans</a> ;<br>And To pursue an area for action in the Dunoon town centre and waterfront which will support: <ul style="list-style-type: none"> <li>• Regeneration and investment in Dunoon and Cowal.</li> <li>• The potential for expanding water related tourist activity in this area.</li> <li>• realise opportunities for marine/ferry infrastructure provision and effective asset management.</li> <li>• To promote town centre/waterfront enhancement schemes.</li> </ul> | Dunoon Area Alliance/<br>SURF  | ABC<br>HIE                             | Ongoing          |

| Ref   | Site Address  | Site Use  |  |   |
|-------|---|---|--|---|
|       | <ul style="list-style-type: none"> <li>To resolve access/traffic management options in support of the above.</li> <li>Developers to check for European Protected species.</li> </ul> <p><b>Progress</b><br/>           ABC funding and project work through CHORD<br/>           Charrette held – Dunoon Area Alliance<br/>           Action Programme identified<br/>           Facilitator appointed</p>  |   |  |   |
| A1005 | Dunoon - Argyll Street/Hamilton Street/Victoria Road  | Local; regeneration and environmental enhancement, community uses (Charrette) |  |   |
|       | <p><b>Action</b></p> <p>To consider options for development/redevelopment and relocation in order to regenerate and uplift this important area close to the town centre. These considerations should include:</p> <ul style="list-style-type: none"> <li>Assessment of any remedial decontamination works still outstanding.</li> <li>Flooding minimisation and management in association with the Milton Burn.</li> <li>Traffic management issues having regard to ingress and egress onto Argyll Street.</li> <li>Environmental enhancement opportunities</li> </ul> <p><b>Progress</b><br/>           Charrette undertaken<br/>           Actions identified</p> | <p><b>Responsible/Lead</b></p> <p>Dunoon Area Alliance/<br/>SURF</p>          | <p><b>Key Partners</b></p> <p>ABC<br/>HIE<br/>SEPA</p>                           | <p><b>Timescale</b></p> <p>Mid to long term</p> |
| A1006 | Ardyne  | Strategic; development and environmental enhancement                          |  |   |
|       | <p><b>Action</b></p> <p>To pursue an area for action that supports the redevelopment environmental improvements of the former oil platform construction site including:</p> <ul style="list-style-type: none"> <li>The development of a marine/leisure based facility.</li> <li>The provision of berthing/landing facilities for trans-clyde ferry services.</li> <li>The protection of existing mineral extraction within the AFA.</li> <li>The provision of housing/leisure related accommodation and other facilities.</li> </ul>  | <p><b>Responsible/Lead</b></p> <p>Private Sector</p>                          | <p><b>Key Partners</b></p> <p>HIE<br/>ABC<br/>SEPA<br/>SPT<br/>VisitScotland</p> | <p><b>Timescale</b></p> <p>Mid to long term</p> |

| Ref          | Site Address   | Site Use  |                     |                  |
|--------------|--|---|---------------------|------------------|
|              | <ul style="list-style-type: none"> <li>The re-use or removal of the redundant harbour walls, berthing areas and other structures associated with the former use of the site together with environmental improvements.</li> <li>Developers need to check for European protected species</li> </ul>  |   |                     |                  |
| <b>A2001</b> | <b>Kilcreggan</b>  | <b>Local; environmental improvements, public realm, parking, transport inter-change</b>                     |                     |                  |
|              | <b>Action</b>  | <b>Responsible/Lead</b>   | <b>Key Partners</b> | <b>Timescale</b> |
|              | To explore the opportunities for environmental improvements, improved public access and recreation and tourist facilities, together with potential for some limited enabling development such as housing (including affordable).<br>Developers need to check for European protected species<br>Wider issue of potential need for upslope Natural Flood Management areas should be considered   | Private Sector  | ABC                 | Ongoing          |
| <b>A2002</b> | <b>Geilston Estate, Cardross</b>   | <b>Local; safeguarding historic property, consideration of redevelopment and enhancement opportunities</b>  |                     |                  |
|              | <b>Action</b>  | <b>Responsible/Lead</b>   | <b>Key Partners</b> | <b>Timescale</b> |
|              | Local, safeguarding of historic property, consideration of redevelopment and enhancement, preparation of development brief required.<br>Developers need to check for European protected species  | Private Sector  | ABC                 | Ongoing          |
| <b>A2003</b> | <b>Helensburgh - Craigendoran</b>  | <b>Local; recreation and tourist related development, consideration of transportation and access issues</b> |                     |                  |
|              | <b>Action</b>  | <b>Responsible/Lead</b>   | <b>Key Partners</b> | <b>Timescale</b> |
|              | <ul style="list-style-type: none"> <li>To consider Craigendoran pier recreation/tourist development potential (including opportunities for rail linkage).</li> <li>To consider opportunities for low-key marine associated development on coastal edge (consistent with retention of open space, local nature conservation site and residential amenity).</li> <li>To consider cost/benefits of improving road junction and traffic management options in support of the above.</li> </ul> | Private Sector  | ABC<br>SPT          | Ongoing          |



| Ref          | Site Address   | Site Use   |                     |                  |
|--------------|--|--|---------------------|------------------|
|              | <ul style="list-style-type: none"> <li>To consider feasibility of achieving a promenade link from Craigendoran to town centre/waterfront.</li> <li>Developers need to check for European protected species:-Project level Habitats Regulation Appraisal required. Due to the proximity of this site to an SPA developers will need to provide sufficient environmental information to allow the Planning Authority (in consultation with NatureScot) to complete a Habitats Regulations Appraisal. For planning permission to be granted, development must ensure that there would be no adverse effect on the integrity of Inner Clyde Special Protection Area/Ramsar site, either alone or in combination with other plans or projects, through such factors as construction, operational or recreational disturbance (including noise, vibration, timing of construction works relative to the bird wintering period, and timing of construction works relative to other projects that affect the SPA.</li> </ul> |  |                     |                  |
| <b>A2004</b> | <b>Kilmahew/Cardross</b>   | <b>Strategic; environmental improvements, consideration of re-use and regeneration options</b> |                     |                  |
|              | <b>Action</b>  | <b>Responsible/Lead</b>  | <b>Key Partners</b> | <b>Timescale</b> |
|              | <ul style="list-style-type: none"> <li>To consider and support options for safeguarding and bringing into sustainable re-use the Category A Listed St Peters Seminary at the heart of the Kilmahew policies.</li> <li>To consider development potential including possibly housing, tourist accommodation, business, educational and industry, leisure and recreation and institutional components, where this is consistent with its greenbelt location, or where it can be justified as enabling development directly linked to securing a sustainable future for the Category A listed St Peters Seminary building.</li> <li>To ensure opportunities and potential for the area to be used and accessed by the general public (particularly the Cardross community) for leisure and recreation purposes are realised.</li> <li>To consider opportunities to effectively manage the Kilmahew woodland policies.</li> </ul>   | Private Sector   | ABC<br>HES          | Ongoing          |
| <b>A2005</b> | <b>Helensburgh Reservoirs</b>  | <b>Local; consideration of access, recreation and environmental enhancement opportunities</b>  |                     |                  |
|              | <b>Action</b>  | <b>Responsible/Lead</b>  | <b>Key Partners</b> | <b>Timescale</b> |

| Ref          | Site Address   | Site Use   |                              |                  |
|--------------|--|--|------------------------------|------------------|
|              | To consider options for the enhancement/redevelopment of the redundant reservoirs for leisure/recreational purposes.<br><br>Consideration of integration with and impact on Green Network required.  | Scottish Water   | ABC<br>Local Communities     | Ongoing          |
| <b>A2006</b> | <b>Helensburgh Town Centre and Waterfront</b>  | <b>Strategic; regeneration enhancement opportunities</b>   |                              |                  |
|              | <b>Action</b>  | <b>Responsible/Lead</b>  | <b>Key Partners</b>          | <b>Timescale</b> |
|              | <ul style="list-style-type: none"> <li>•To further support the regeneration and enhancement of Helensburgh town centre and waterfront areas.</li> <li>•. To support the role of Helensburgh pier and waterfront to provide destination and embarkation facilities for scheduled, pleasure and excursion vessels operating or visiting the Clyde.</li> <li>• To consider the relationship of this area with “people movement plans” .</li> <li>•To consider further opportunities for waterfront enhancement.</li> <li>•.To take into account the framework principles of the Pierhead Masterplan, including<br/>The swimming pool/community sports centre; Additional retail facilities; The car/coach park; Existing users (e.g. funfair operation); Traffic management, parking and access arrangements; Tourist attraction potential; Relocation opportunities and implications</li> <li>• To continue to address emerging flooding and erosion issues, including considering the need for property level protection</li> <li>•. Developers need to check for European protected species</li> </ul> <p><b>Progress</b><br/>ABC CHORD funded public realm works completed<br/>Masterplan for pier adopted<br/>Planning permission for £18M Helensburgh Waterfront Development, including swimming pool granted</p> | ABC  | Private Sector<br>SPT<br>MoD | Ongoing          |
| <b>A3001</b> | <b>Ballygrant - Old Quarry</b>   | <b>Local; environmental improvement, assess potential to accommodate industrial, retail and community uses</b> |                              |                  |
|              | <b>Action</b>  | <b>Responsible/Lead</b>  | <b>Key Partners</b>          | <b>Timescale</b> |
|              | •Environmental improvement   | Private Sector   | Local Community              | Ongoing          |

| Ref          | Site Address  | Site Use                                |  |                  |
|--------------|---|---|--|------------------|
|              | <ul style="list-style-type: none"> <li>Assess potential to accommodate industrial/business, neighbourhood scale retail and community uses</li> </ul>  |   |  |                  |
| <b>A3002</b> | <b>Port Ellen - Village Centre and Waterfront</b>   | <b>Local; Environmental enhancement</b> |  |                  |
|              | <b>Action</b>   | <b>Responsible/Lead</b>                 | <b>Key Partners</b>                                | <b>Timescale</b> |
|              | <p>To pursue an area for action in Port Ellen which will:</p> <ul style="list-style-type: none"> <li>promote greater synergy between economic and environmental enhancement actions to support the local community in this fragile economic area.</li> <li>consider projects for Port Ellen to uplift and stimulate investment in this Key Rural Settlement and its environs including:- provision for mixed use development; investment in its continuing function as a port and ferry terminal; environmental enhancement (in particular building facades), development/redevelopment at prime sites within the settlement.</li> <li>promote Port Ellen as an important tourist destination</li> <li>Consideration of options to maintain and further develop ferry services between the mainland and Islay..</li> </ul>  | ABC Ec Dev                              | Local Community<br>HIE<br>Private Sector<br>Calmac | On going         |
| <b>A3003</b> | <b>Ardfern - Central</b>  | <b>Local; Environmental enhancement</b> |  |                  |
|              | <b>Action</b>   | <b>Responsible/Lead</b>                 | <b>Key Partners</b>                                | <b>Timescale</b> |
|              | <p>To resolve options with the community for development within this extensive village backlands area having regard to:</p> <ul style="list-style-type: none"> <li>The need to make proportionate improvements to the substandard access regime.</li> <li>The need for effective servicing of development.</li> <li>The need for a comprehensive approach.</li> </ul> <p>Work on the above has been progressed through the Craignish Community Plan, which requires to be taken into consideration.</p> <p>The comprehensive approach requires to consider the range of issues and different types of development (i.e. not restricted to housing) with an emphasis on community benefit including the following:-</p> <ol style="list-style-type: none"> <li>Access issues</li> <li>Low-cost self-build housing</li> </ol> | Private Sector                          | Local Community<br>ABC Roads<br>Scottish Water     | Ongoing          |

| Ref          | Site Address   | Site Use   |  |                             |
|--------------|--|--|--|-----------------------------|
|              | iii. Community energy projects<br>iv. Small scale workshops<br>v. Open Space<br>vi. Allotments / shared land<br>vii. Sports Hall<br>viii. Sports Pitches<br>ix. Waste water treatment<br>x. Camping / bunkhouse business / small-scale rural tourism   |  |  |                             |
| <b>A3004</b> | <b>Tarbert Harbour and Conservation Area</b>   | <b>Strategic; harbour improvements; regeneration and environmental improvements, and flood protection scheme</b> |  |                             |
|              | <b>Action</b><br><ul style="list-style-type: none"> <li>• To support the promotion of action programmes at Tarbert waterfront.</li> <li>• To consider the interests of harbour users including the harbour authority, commercial fishing, lifeboat, yachting, boating, water sports, tourists, overlooking property and East Loch harbour interests.</li> <li>• To consider navigational issues.</li> <li>• To consider development and redevelopment options on the harbour edge, the adjacent harbour facing properties</li> <li>• To consider harbour part-infill options.</li> <li>• To resolve harbour drainage and water quality issues.</li> <li>• To consider traffic management and road access opportunities and constraints.</li> <li>• To consider conservation area enhancement schemes.</li> </ul> | <b>Responsible/Lead</b><br>ABC   | <b>Key Partners</b><br>Private Sector<br>Scottish Government | <b>Timescale</b><br>Ongoing |
| <b>A3005</b> | <b>Clachan Village</b>   | <b>Local; traffic management and environmental enhancement, and flood protection scheme</b>                      |  |                             |
|              | <b>Action</b><br><ul style="list-style-type: none"> <li>• To consider options for environmental enhancement including building retention and upgrades and the possibility of conservation area status.</li> <li>• To consider options for traffic arrangements to address the issue of dangerous road corners from the south side of the village across the main road to the village centre and shop.</li> <li>• See Action Programme re policy 55 - Local Flood Protection Scheme proposed. To include consideration of potential areas above Clachan for upslope natural</li> </ul>  | <b>Responsible/Lead</b><br>ABC   | <b>Key Partners</b><br>Private Sector<br>Scottish Government | <b>Timescale</b><br>Ongoing |

| Ref          | Site Address  | Site Use   |                     |                  |
|--------------|---|--|---------------------|------------------|
|              | flood management; property level protection; and weir removal within the village..<br>•   |  |                     |                  |
| <b>A3006</b> | <b>Campbeltown Harbour</b>  | <b>Strategic; harbour improvements and development</b> |                     |                  |
|              | <b>Action</b>   | <b>Responsible/Lead</b>                                | <b>Key Partners</b> | <b>Timescale</b> |
|              | <ul style="list-style-type: none"> <li>•To make effective use of past and future investment in Campbeltown Harbour as part of: <ul style="list-style-type: none"> <li>the regeneration of fragile communities in the Kintyre Peninsula; maintaining the capacity of the Campbeltown harbour to service the needs of the wind turbine manufacturing investment at Machrihanish; the potential to re-establish ferry links with Ireland and with a future trans-Clyde rapid transit operation. (Link to Ayrshire re-established in the summer –aspiration for Ireland)</li> </ul> </li> <li>•Promotion of ‘action programmes’ for Campbeltown town centre, conservation area and waterfront</li> <li>•. To consider inner harbour/marina potential and options with the Campbeltown harbour area.</li> <li>•. To consider the effective use of Hall Street (or single carriageway) as part of the overall future use of the harbour (including possible future ferry/marina activity).</li> <li>•. To consider coastguard, lifeboat, commercial fishing and other commercial operator interests in the harbour.</li> <li>•Developers need to check for European protected species.</li> </ul> | ABC  | Private Sector      | Ongoing          |
| <b>A3007</b> | <b>Campbeltown - Quarry Green</b>   | <b>Local; waterfront environmental enhancement</b>     |                     |                  |
|              | <b>Action</b>   | <b>Responsible/Lead</b>                                | <b>Key Partners</b> | <b>Timescale</b> |
|              | <ul style="list-style-type: none"> <li>•To make more effective use of this extensive green waterfront asset.</li> <li>•To undertake appropriate environmental enhancements.</li> <li>•Developers need to check for European protected species.</li> </ul>   | ABC  | Private Sector      | Mid to long term |

| Ref   | Site Address  | Site Use   |   |                  |
|-------|---|--|---|------------------|
| A3008 | <b>Campbeltown - Town Centre (Longrow/Kinloch Road) and Conservation Area</b>   | <b>Strategic; relocation/redevelopment town centre improvement. Conservation Area/Listed Buildings</b> |   |                  |
|       | <b>Action</b>   | <b>Responsible/Lead</b>  | <b>Key Partners</b>                           | <b>Timescale</b> |
|       | To make effective use of this central area of Campbeltown as part of: the regeneration of fragile communities in the Kintyre Peninsula by <ul style="list-style-type: none"> <li>Promoting a relocation strategy to address the poor arrangement of land use and compatibility issues within this area.</li> <li>Considering appropriate redevelopment opportunities.</li> <li>Undertaking land assembly and asset management in association with the above.</li> <li>Considering traffic management and parking arrangement options.</li> <li>Considering townscape enhancement opportunities (particularly on the Kinloch Road and Longrow frontages).</li> <li>Considering health and safety zone issues.</li> </ul> | ABC  | HIE<br>Private Sector                         | Ongoing          |
| A3009 | <b>Campbeltown - Roading/Glebe Street</b>   | <b>Strategic; relocation/redevelopment edge of town centre improvement</b>                             |   |                  |
|       | <b>Action</b>   | <b>Responsible/Lead</b>  | <b>Key Partners</b>                           | <b>Timescale</b> |
|       | <ul style="list-style-type: none"> <li>To make effective use of this edge of town centre area of Campbeltown</li> <li>Promotion of 'action programme' for Campbeltown town centre and waterfront</li> <li>To encourage effective inward and indigenous investment to regenerate this under-performing but important edge of town centre area taking account of: Options and implications for retaining or relocating the liquid petroleum gas development site; Other redevelopment opportunities and constraints; Townscape enhancement opportunities.</li> </ul>  | ABC  | HIE<br>Private Sector                         |                  |
| A3010 | <b>Millknowe Flood Protection Scheme</b>  | <b>Flood protection</b>  |   |                  |
|       | <b>Action</b>   | <b>Responsible/Lead</b>  | <b>Key Partners</b>                           | <b>Timescale</b> |
|       | Flood Alleviation   | ABC  | SEPA<br>Scottish Water<br>Scottish Government | Ongoing          |

| Ref   | Site Address  | Site Use  |                     |                  |
|-------|---|---|---------------------|------------------|
| A3011 | <b>Carradale Harbour</b>  | <b>Local; harbour improvements and development</b>  |                     |                  |
|       | <b>Action</b>   | <b>Responsible/Lead</b>   | <b>Key Partners</b> | <b>Timescale</b> |
|       | <ul style="list-style-type: none"> <li>•To pursue an area for action which will supports Carradale and its harbour as an area for development and employment opportunities.</li> <li>•To consider the potential of the harbour and adjacent waters for increased tourist-related boating/yachting use.</li> <li>•To reconcile tourist and commercial fishing interests.</li> <li>•To consider harbour/waterfront enhancement opportunities.</li> <li>•Developers need to check for European protected species.</li> </ul>   | ABC   | Private Sector      | Mid to long term |
| A3012 | <b>Machrihanish Air Base</b>  | <b>Strategic; redevelopment and inward investment opportunities; green technologies hub</b> |                     |                  |
|       | <b>Action</b>   | <b>Responsible/Lead</b>   | <b>Key Partners</b> | <b>Timescale</b> |
|       | <ul style="list-style-type: none"> <li>• National Planning Framework site for XXXXXXXX</li> <li>•To take account of the potential for re-development of the former RAF airbase including inward investment opportunities, the expansion of the existing wind turbine tower manufacturing facility, use as a green and blue R&amp;D hub and investigation of spaceport potential.</li> <li>•A development brief has been prepared and agreed by the Council which outlines the constraints of the site and the planning issues that should be addressed.</li> <li>•Identified as a strategic economic investment location in LDP2 <ul style="list-style-type: none"> <li>• Project level Habitats Regulation Appraisal required. For planning permission to be granted in this AFA, development proposals must ensure that there would be no adverse effects on the Kintyre Goose Roosts SPA, either alone or in combination with other plans or projects. The developer must provide sufficient information to allow for any impacts on the qualifying interests of the SPA to be determined, including those related to construction, operational noise or disturbance.</li> </ul> </li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Base purchased via a community buy out by MACC</li> <li>• Masterplan approved May 2015</li> </ul> | Machrihanish Airbase<br>Community Company   | HIE<br>ABC          | Ongoing          |

| Ref          | Site Address  | Site Use   |   |                    |
|--------------|---|--|---|--------------------|
|              | <ul style="list-style-type: none"> <li>£488,000 awarded to MACC to explore horizontal spaceport development services from the site using UK based space technology companies (Sept 2019)</li> </ul>   |  |   |                    |
| <b>A3013</b> | <b>Tarbert - South Campbeltown Road/Back Street</b>   | <b>Local; land use rationalisation and redevelopment</b>                           |   |                    |
|              | <b>Action</b>   | <b>Responsible/Lead</b>  | <b>Key Partners</b>                         | <b>Timescale</b>   |
|              | <p>To consider redevelopment/development options having regard to:</p> <ul style="list-style-type: none"> <li>Relocation opportunities for existing uses.</li> <li>Linkages with adjacent land uses including H3024</li> <li>Land use compatibility issues.</li> <li>Access constraints.</li> <li>Opportunities for local environmental improvements.</li> </ul>  | ABC  | Private Sector                              | Mid to longer term |
| <b>A3014</b> | <b>Inveraray Town Centre and Waterfront</b>   | <b>Strategic: Historic regeneration and enhancement. Access to masterplan area</b> |   |                    |
|              | <b>Action</b>   | <b>Responsible/Lead</b>  | <b>Key Partners</b>                         | <b>Timescale</b>   |
|              | <p>To pursue an area for action to:</p> <ul style="list-style-type: none"> <li>enable investment and initiatives in the Key Rural Settlement of Inveraray related to the conservation area, the adjoining Strategic Masterplan Area and Tourism Development Opportunity area.</li> <li>continue to promote essential repairs and maintenance of the historic environment and focus on opportunities in the town centre, conservation area, 'avenue', public realm and waterfront areas (including the pier), community hall and on the component listed buildings, spaces, ground surfaces and enclosures.</li> <li>consider opportunities for town centre, access and parking improvements arising from development/redevelopment opportunities and from development road action on land adjacent to this area for action.</li> <li>resolve access issues related to delivering the adjoining Strategic Masterplan Area development potential prior to any further development that is dependent on this resolution within the SMA.</li> </ul> | ABC  | Private Sector<br>Transport Scotland<br>HES | Ongoing            |
|              | <b>Progress</b>   |  |   |                    |



| Ref          | Site Address  | Site Use   |  |                  |
|--------------|---|--|--|------------------|
|              | <p>Conservation Area Regeneration Scheme (CARS) funding was obtained to secure the delivery of a heritage-led regeneration project in Inveraray 2013 - 2018. Total budget of over £2.1 million including £970,059 from HES and £350,000 of match funding from Argyll and Bute Council. This supported major repair and conservation works to 5 category A listed priority buildings as well as 6 small repair grant projects covering 54 properties in total.</p> <p>Strategic Masterplan for adjoining development opportunities approved in 2017.</p>   |  |  |                  |
| <b>A3015</b> | <b>Lochgilphead Town Centre and Waterfront</b>  | <b>Local: Historic regeneration, redevelopment and environmental enhancement, flood protection</b> |  |                  |
|              | <b>Action</b>   | <b>Responsible/Lead</b>  | <b>Key Partners</b>                                  | <b>Timescale</b> |
|              | <p>To pursue an area for action for the town centre and waterfront of Lochgilphead</p> <ul style="list-style-type: none"> <li>• To progress projects identified or developed through the Charrette process in the Action Plan, in particular Ardrishaig and Lochgilphead cycling link; Front Green improvements (Lochgilphead); Improvements to Argyll Street (Lochgilphead).</li> <li>• To consider other development/redevelopment options.</li> <li>• To consider backland opportunities and constraints.</li> <li>• To resolve flooding issues (wind and tidal incursion), including property level protection</li> <li>• To consider community, recreational and habitat options related to the Corran Grazings.</li> <li>• To consider traffic management, parking and access options.</li> <li>• To consider part-pedestrianisation options (e.g. Colchester Square – Lorne Street).</li> <li>• To consider potential for waterfront and townscape enhancement schemes (including shop frontage/building façade improvements).</li> <li>• To seek supporting investment and pursue initiatives to focus on essential repair and maintenance of the historic environment and on the enhancement opportunities in the town centre, conservation area and waterfront areas and on the component listed buildings, spaces, ground surfaces, back land areas and enclosures.</li> </ul> | ABC  | Scottish Canals<br>Local Community<br>Private Sector | Ongoing          |

| Ref          | Site Address   | Site Use   |                                   |                   |
|--------------|--|--|-----------------------------------|-------------------|
|              | <p><b>Progress</b><br/>Crinan Canal Corridor Charrette June 2016 – Report and draft Action Plan</p> <p>Tarbert and Lochgilphead Regeneration Fund £3M – identified for the regeneration and economic development in the Mid Argyll area. 29 potential projects in Ardrishaig/Lochgilphead were initially proposed (taking the charrette Action Plan into account).<br/>Front Green improvements – delivered<br/>Streetscape improvements to Argyle St - delivered</p>  |  |                                   |                   |
| <b>A3016</b> | <b>Lochgilphead - Kilmory Home Farm</b>  | <b>Local: Reuse and redevelopment for community based uses</b>           |                                   |                   |
|              | <b>Action</b>  | <b>Responsible/Lead</b>  | <b>Key Partners</b>               | <b>Timescale</b>  |
|              | <ul style="list-style-type: none"> <li>•To explore the redevelopment opportunities for this group of traditional farm buildings, including the potential to use the farm buildings and associated farm land to provide new crofts and/or live/work units.</li> <li>•Consider access issues</li> </ul>  | ABC  | Local Community                   | Ongoing           |
| <b>A3017</b> | <b>Ardrishaig - South Village Centre and Crinan Canal</b>  | <b>Local: Redevelopment and environmental improvements</b>               |                                   |                   |
|              | <b>Action</b>  | <b>Responsible/Lead</b>  | <b>Key Partners</b>               | <b>Timescale</b>  |
|              | <ul style="list-style-type: none"> <li>• The promotion of Ardrishaig and the Crinan Canal as an important tourist attraction (Tourism Development Opportunity Diag 6).</li> <li>• To consider development and redevelopment options for village centre, harbour frontage and Crinan Canal areas.</li> <li>• To consider opportunities for environmental enhancement.</li> <li>• To take account of tourist, yachting, Scottish Canals and commercial interests, including timber transshipment requirements.</li> <li>• Developers need to check for European protected species</li> </ul> | Scottish Canals<br>ABC   | Private Sector<br>Local Community | Ongoing           |
| <b>A4001</b> | <b>Lon Mor, Glenshellach, Oban</b>   | <b>Strategic: Green infrastructure -Flood Alleviation and open space</b> |                                   |                   |
|              | <b>Action</b>  | <b>Responsible/Lead</b>  | <b>Key Partners</b>               | <b>Timescale</b>  |
|              | <ul style="list-style-type: none"> <li>•Progress action identified in the <a href="#">Oban Flood Study</a> regarding flood alleviation for Lon Mor. There is a requirement for additional flood attenuation in this area as</li> </ul>   | ABC  | Scottish Government<br>SEPA       | Short to Mid Term |

| Ref          | Site Address  | Site Use  |  |                  |
|--------------|---|---|--|------------------|
|              | <p>set out in the option appraisal, identifying this area for upstream storage. Funding is being sought from the Scottish Government</p> <ul style="list-style-type: none"> <li>• Consider the potential for enhanced biodiversity related to the wetland area</li> <li>• Consider the potential for community use of the wetland area</li> </ul>   |   | Private Sector<br>Local Community                    |                  |
| <b>A4002</b> | <b>Oban Airport</b>   | <b>Strategic: Airport related use and economic development. Masterplan approach</b> |  |                  |
|              | <b>Action</b>   | <b>Responsible/Lead</b>   | <b>Key Partners</b>                                  | <b>Timescale</b> |
|              | <ul style="list-style-type: none"> <li>• To continue to develop existing and new air services focused on Oban, servicing the wider north-west coast, fragile islands and potentially providing a connection with Glasgow.</li> <li>• To safeguard development options for airport related activity in the vicinity of Oban Airport.</li> <li>• To take account of the various issues considered as part of the Oban Airport study and masterplan process.</li> <li>• To consider water and land use links across the Dunstaffnage Bay area.</li> <li>• To further consider all the potential uses of the Oban Airport interface including use of land/water for wider economic purposes (e.g. renewable energy, tourism).</li> <li>• Developer to check for European Protected Species (otter)</li> </ul> | ABC   | HIE<br>Oban and the Isles Airports<br>Private Sector | Ongoing          |
| <b>A4003</b> | <b>Lynn of Lorn</b>   | <b>Strategic; transport infrastructure</b>  |  |                  |
|              | <b>Action</b>   | <b>Responsible/Lead</b>   | <b>Key Partners</b>                                  | <b>Timescale</b> |
|              | <ul style="list-style-type: none"> <li>• Actions to improve the ferry services between Port Appin and the north end of Lismore</li> <li>• To consider land use and access implications on both sides of Lynn of Lorn.</li> <li>• Consider the above actions within the context of the Oban Strategic Development Framework given the inter-relationship of wider transportation issues.</li> <li>• Developer to check for European Protected Species (otter)</li> </ul>   | ABC   | CMAL<br>Scottish Government                          | Ongoing          |

| Ref          | Site Address   | Site Use  |                        |                  |
|--------------|--|---|------------------------|------------------|
|              | <b>Progress</b><br>Lismore Access Priorities – STAG Appraisal 2008 completed   |   |                        |                  |
| <b>A4004</b> | <b>Oban - south pier and railway</b>   | <b>Strategic: Town centre, waterfront and strategic transport hub</b> |                        |                  |
|              | <b>Action</b>  | <b>Responsible/Lead</b>   | <b>Key Partners</b>    | <b>Timescale</b> |
|              | <p>Note: This area for action supports Oban as a Main Town within the Growth Corridor and is closely associated with AFAs A4005 and A4006.</p> <ul style="list-style-type: none"> <li>•The key actions are related to :-</li> <li>•Delivery of development/redevelopment opportunities to maximise the town and waterfront potential, including public sector office rationalisation, taking into consideration land assembly/asset management issues, land use compatibility issues</li> <li>•Assess potential for further townscape and waterfront enhancement</li> <li>• Transportation issues – maximising the potential of the strategic transportation hub including enhancement of facilities, safeguard and further develop integration between the ferry terminal, bus and rail station and the trunk/local road network.</li> <li>•Transportation issues -To consider traffic management and vehicle parking implications (short and longer-term), landward and seaward congestion issues, improvement of network resilience.</li> <li>• Maritime interests – take account of the range of interests including ferry operator, commercial fishing, northern lighthouse and harbour authority.</li> <li>•Consider the above actions within the context of the Oban Strategic Development Framework</li> <li>•Developers to check for European Protected Species (otter)</li> </ul> <p><b>Progress</b><br/><a href="#">Part - Oban CHORD Project - £6.9M</a></p> | ABC   | CMAL<br>HiTRANS<br>HIE | Ongoing          |
| <b>A4005</b> | <b>Oban - George Street and North Pier</b>   | <b>Strategic: Town centre and waterfront</b>                          |                        |                  |
|              | <b>Action</b>  | <b>Responsible/Lead</b>   | <b>Key Partners</b>    | <b>Timescale</b> |
|              | Note This area for action supports Oban as a Main Town within the Growth Corridor and is closely associated with AFAs A4004 and A4006  | ABC   | HIE<br>SEPA            | Ongoing          |

| Ref   | Site Address  | Site Use  |                                   |                  |
|-------|---|---|-----------------------------------|------------------|
|       | <ul style="list-style-type: none"> <li>•The key actions are related to :-</li> <li>•Delivery of development/redevelopment opportunities to maximise the town and waterfront potential, taking into consideration land assembly/asset management issues, land use compatibility issues and signage and advertisement issues.</li> <li>•Assess potential for further townscape and waterfront enhancement</li> <li>• Transportation issues -To consider traffic management and vehicle parking implications (short and longer-term), improvement of network resilience, integration of land uses with the Trunk and local road network</li> <li>• Maritime interests – take account of the range of interests.</li> <li>•Consider flooding/wind/wave incursion issues</li> <li>•Consider the above actions within the context of the Oban Strategic Development Framework</li> <li>•Developers to check for European Protected Species (otter)</li> </ul> <p><b>Progress</b><br/> <a href="#">Part - Oban CHORD Project - £6.9M</a></p> |   | Transport Scotland                |                  |
| A4006 | Oban - Esplanade  | <b>Strategic: Town Centre, waterfront, harbour development and management</b> |                                   |                  |
|       | <b>Action</b>   | <b>Responsible/Lead</b>   | <b>Key Partners</b>               | <b>Timescale</b> |
|       | <p>Note: This area for action supports Oban as a Main Town within the Growth Corridor and is closely associated with AFAs A4004 and A4005</p> <ul style="list-style-type: none"> <li>•The key actions are related to :-</li> <li>•Delivery of development/redevelopment opportunities to maximise the town and waterfront potential, including Corran Halls/car park, taking into consideration land assembly/asset management issues, land use compatibility issues.</li> <li>•Assess potential for further townscape and waterfront enhancement</li> <li>• Transportation issues -To consider traffic management and vehicle parking implications (short and longer-term), improvement of network resilience, integration of land uses with the Trunk and local road network</li> <li>• Maritime interests – take account of the range of interests.</li> <li>•Consider flooding/wind/wave incursion issues</li> </ul>  | ABC   | HIE<br>SEPA<br>Transport Scotland | Ongoing          |

| Ref          | Site Address  | Site Use  |                                   |                  |
|--------------|---|---|-----------------------------------|------------------|
|              | <ul style="list-style-type: none"> <li>Consider the above actions within the context of the Oban Strategic Development Framework</li> <li>Developers to check for European Protected Species (otter)</li> </ul> <b>Progress</b><br><a href="#">Part - Oban CHORD Project - £6.9M</a>  |   |                                   |                  |
| <b>A4007</b> | <b>Scarinish Pierhead</b>   | <b>Local: economic development and environmental enhancement</b>                            |                                   |                  |
|              | <b>Action</b>   | <b>Responsible/Lead</b>   | <b>Key Partners</b>               | <b>Timescale</b> |
|              | <ul style="list-style-type: none"> <li>To consider the capacity of the pierhead area for further business, industry and transport based development.</li> <li>To consider opportunities for environmental enhancements at this important island gateway.</li> <li>Developers to check for European Protected Species (otter)</li> </ul> | ABC   | Private Sector<br>Local Community | Ongoing          |
| <b>A4008</b> | <b>Crossapol and Airport, Tiree</b>   | <b>Local: Redevelopment for economic and residential uses and environmental enhancement</b> |                                   |                  |
|              | <b>Action</b>   | <b>Responsible/Lead</b>   | <b>Key Partners</b>               | <b>Timescale</b> |
|              | To resolve options for development/redevelopment (including business and housing) and environmental enhancements in this visually prominent area and at the entrance to the airport.  | ABC   | Local Community<br>HIE<br>HIAL    | Ongoing          |

# 8 Other Locations

| <b>Tourism Development Opportunities identified in Diagram 6</b>   |                          |  |  |                                    |
|--|--------------------------|--|--|------------------------------------|
| These areas have been identified as having positive potential to deliver sustainable tourist development that could actively contribute towards the growth of the tourism sector in Argyll and Bute in accordance with the spatial strategy. All proposals in TDO require to be assessed against the policies within LDP2. The potential and constraints identified at these locations is not limited to that set out below. |                          |  |  |                                    |
| <b>Location</b>  |                          | <b>Main Opportunities</b>  | <b>Potential Constraints requiring action</b>  | <b>Responsible/Lead</b>            |
| Tobermory, Mull  |                          | Tourism destination, Nature/Forestry tourism experience on Mull  | Tobermory Strategic Development Framework to set out constraints and opportunities in Tobermory Woodland and Forestry Strategy review to consider woodland related tourism opportunities on Mull Nature constraints to be assessed | ABC<br>Owner/Developer             |
| Tioran Forest, Mull  |                          | Forest experience, cycle trails, visitor centre  | Biodiversity – assessment as adjacent to SPA<br>See associated Community Plan info below<br>Road access, including weak road, Sensitive landscape (LLA).<br>Remote – sustainable development                                       | Local Community Company            |
| Ballygowan Farm, Kilmore, South of Oban  |                          | Small scale tourist accommodation<br>Cycle facilities<br>Tourism/recreation related redevelopment and infill opportunities at the existing steadings | Road capacity<br>Scheduled Monuments in vicinity<br>Ancient and semi natural woodland<br>Landscape capacity<br>Sustainable Development – servicing and scale   | Owner/Developer                    |
| Islay  | Distilleries             | Tourist destination  | Water capacity to be assessed  | Local Community<br>Owner/Developer |
|  | Islay wide - Eco Tourism |  | Sewerage capacity to be assessed   |                                    |

|                    |  |  |  |                        |
|--------------------|--|--|--|------------------------|
|                    | Bridgend – Islay House Home Farm                               | Existing courtyard area - small scale craft workshop with retail opportunities<br>Existing community garden – visitor experience | Nature conservation interests to be safeguarded  |                        |
| Inveraray          | Town Centre Conservation Area<br>Garden and Designed Landscape | Tourist destination  | Built Heritage Access  | ABC<br>Owner/Developer |
|                    | Former Brickworks Site<br>Land South of Argyll Caravan Site    | Tourism/recreation redevelopment opportunities   | Access issues<br>Sensitive Landscape – LLA<br>Safeguard existing caravan park<br>Contaminated land to be assessed<br>Sustainable Development - servicing | Owner/Developer        |
| Mid Argyll Gateway | Lochgilphead   | Crinan Charrette action plan identified opportunities related to tourism and recreation  | Flooding issues<br>Built heritage<br>Scheduled Monument<br>Sensitive Landscape (NSA)<br>Nature conservation  | ABC<br>Scottish Canals |
|                    | Crinan Canal   |  |  |                        |
|                    | Ardrishaig   |  |  |                        |
|                    | Kilmartin Glen   | Historic Environment – visitor/tourist destination   | Historic environment<br>Sensitive Landscape (LLA)  | Owner/Developer        |
| Tarbert            |  | Tourist destination  | Built Heritage<br>Flooding issues to be assessed<br>Access issues to be assessed   | Owner/Developer        |
| Portavadie         |  | Tourist/leisure/recreation destination   | Flood risk to be assessed<br>Nature constraints  | Owner/Developer        |
| North Bute         |  | Community Forest   | Nature constraints<br>Sensitive Landscape (NSA)  | Local Community        |
| Rothesay           | Sea Front Conservation Area<br>Mount Stuart                    |  | Built heritage   |                        |
| Dunoon             | Sea Front  | Dunoon Project   | Built heritage   |                        |



|                          |  |  |   |                 |
|--------------------------|--|--|---|-----------------|
|                          | Access to Loch Lomond National Park Conservation Area  |  |   |                 |
| Helensburgh              | Hill House Reservoirs Conservation area<br>Sea Front<br>John Muir Way<br>Access to Loch Lomond National Park | Visitor/tourist destination  | Built heritage<br>Nature constraints    | Owner/developer |
| Campbeltown/Machrihanish |  | Develop links to Ardrossan and Northern Ireland<br>Distilleries<br>Kintyre Way<br>Golf | Built heritage<br>Flood risk assessment | Owner/developer |

## Community Plans and Local Place Plans identified in Diagram 9

These areas have been identified as potential areas that could benefit from a community plan or Local Place Plan approach. The diagram is indicative, and shows only those general locations where an interest in preparing a Community or Place Plan has been expressed prior to the preparation of the Proposed LDP2 (2019).

The potential opportunities shown in the table reflect development ideas (i.e. potentially requiring planning consent) that could be explored within the creation process of a plan and do not represent approval or support from the Planning Authority. Any proposals requiring planning permission would require to be assessed against the policies within LDP2. The lists of potential constraints are not exhaustive.

| Map Reference | Location                  | Potential Opportunities   | Potential Constraints requiring action  | Responsible/Lead                     |
|---------------|---------------------------|---|---|--------------------------------------|
| 1             | Ulva                      | New housing, improvement to existing housing, tourism, marine industries, economic and community developments             | Landscape – National Scenic Area, infrastructure requirements, access, provision of services, flood risk (proposed development locations dependent)   | North West Mull Community Woodland   |
| 2             | Tioran Community Woodland | Visitor centre, woodland crofts, small scale wood related industrial, hydro-electricity, green burials, walk/cycle trails | Landscape – Local Landscape Area, biodiversity and nature conservation (near to SSSI and Special Protection Area), road access – weak road, service provision, remote location, flood risk (proposed development locations dependent) | South West Mull and Iona Development |
| 3             | Ardura Forest             | Outdoor forest school, wildlife hides, wild camping area  | Landscape – Local Landscape Area, biodiversity and nature conservation (near to SSSI and Special Protection Area), flood risk   | Mull and Iona Community Trust        |

|   |                               |   |  |                            |
|---|-------------------------------|---|--|----------------------------|
|   |                               |   | (proposed development locations dependent)   |                            |
| 4 | Achnamara                     | Replacement village hall, hydro-electricity, marine access facilities (pontoon, slipway), Community led housing (affordable, self-build), forest crofts, community growing, visitor accommodation (pods/huts), hutting, walk/cycle trails, camper van pitches | Landscape – National Scenic Area, biodiversity and nature conservation (Ancient Woodland Inventory), accessibility and connectivity, flood risk (proposed development locations dependent) | Achnamara Community        |
| 5 | Acharossan Community Woodland | Development underway subject to masterplan and other LDP policies.  | Local Landscape Area. Capacity of forest location to accommodate development and other activities.   | Acharossan Community Devt. |
| 6 | Glendaruel                    | Not started but might include housing/business development  | Local Landscape Area. Economic underpinning of proposals.  | Glendaruel Community.      |
| 7 | North Bute                    | Not started. Based on recreational/tourism including low impact development, access to the countryside.   | National Scenic Area, biodiversity and nature conservation, accessibility.   | Bute Forest Ltd.           |

| Partner        | Project  | Investment   | Information  |
|----------------|--|--------------|--|
| Scottish Water | New Water Treatment Works, Tullich, Oban                       | £29 Million  | Raw water from Loch Gleann A’Bhearraidh Reservoir is treated to ensure customers in the area continue to enjoy clear, fresh drinking water for years to come. Future proofed for 20 years. Completed December 2018 |
| Scottish Water | Improvements to water network, Cullipool, Luing                | £1.2 Million | 9 month project. Commenced October 2021  |
| Scottish Water | Improvements to water network, Soroba, Oban                    | £4.6 Million | 20 month project. Improving resilience and helping to reduce bursts on the network. Started Nov 2020. Phase 1 complete. Phase 2 started Sept 2021. Completed July 2022.  |
| Scottish Water | Improving the water network, Tayvallich                        | £840,000     | Installing a new water main commencing January 2022. Anticipate 6 months to complete.  |
| Scottish Water | Transportable Treatment Unit, Torra, Islay                     | £2.5 Million | Capacity for an additional 70,000litres of drinking water per day. Delivered Nov 2020  |
| Scottish Water | Waste Water Improvement Project, Tarbert                       | £3.4 Million | Reducing the risk of sewer flooding. Completed August 2021   |
| Scottish Water | Mains improvement work, Bowmore, Islay                         | £3 Million   | Adding resilience to the water network for the future and to reduce the chance of pipes bursting Commenced Sept 2021. Estimate 18 months to completion.  |
| Scottish Water | Photovoltaic panels added to Campbeltown Water Treatment Works | £94, 000     | Offsetting 16% of the energy required to operate the facility. Jan 2021  |
| Scottish Water | Bogany Point Pumping station, Rothesay                         | -            | Restoration of iconic Category B Listed Building July 2021   |
| Scottish Water | Upgrades to Dhu Loch Reservoir, Rothesay                       | £250,000     | Completed Dec 2020   |

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**ARGYLL AND BUTE COUNCIL****COUNCIL****DEVELOPMENT AND ECONOMIC GROWTH****27 JUNE 2024**

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**ACHA STOCK RESTRUCTURE PROPOSALS**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 Argyll and Bute Council transferred their housing stock to Argyll Community Housing Association (ACHA) in 2006.
- 1.2 Any amendments to the original Transfer Agreement must be agreed by ACHA, Argyll and Bute Council and in the case of disposals, may require the consent of the Scottish Ministers. This report outlines ACHA's proposal to demolish and redevelop, or dispose of, a number of properties in Campbeltown and Dunoon which have been identified as no longer suitable to retain within its housing stock due to age, disrepair and ongoing maintenance costs.

**RECOMMENDATIONS**

It is recommended that Council:-

:

- i. approve ACHA's proposals to remove 44 units from the affordable rented stock at Dalintober, Campbeltown by means of demolition by a formal amendment to the Transfer Agreement. Funding is in place to build 24 new build properties on the site.
- ii. approve ACHA's request to sell a further 7 properties in Campbeltown on the open market subject to the consent of the Scottish Ministers being obtained prior to any sale, and satisfactory financial justification being received by the Council.
- iii. approve ACHA's request to sell 4 properties in the Dunoon area on the open market subject to the consent of the Scottish Ministers being obtained prior to any sale, and satisfactory financial justification being received by the Council.
- iv. delegate to the Council's Executive Director with responsibility for Development and Economic Growth, in consultation with the Executive Director with responsibility for Legal and Regulatory Support, the Leader of the Council, the Depute Leader, the Leader of the largest Opposition Group and the Policy Lead for Finance and Commercial Services for approval of the necessary financial justifications.

- v. retrospectively approve the demolition of 34 units at Eton Avenue, Dunoon. New build housing has been delivered on the site through the SHIP to meet the specific needs of families in the Dunoon area.
- vi. note ACHA's sale of 15 properties across Argyll and Bute in line with the stock rationalisation approval granted by the Council in February 2018.
- vii. support ACHA's request to the Scottish Government to exclude any disposals undertaken as part of these proposals from the tripartite Disposal Clawback Agreement.
- viii. advise ACHA that the proposed demolitions will require to be the subject of separate approvals from the Council as the Planning and Building Control Authority. ACHA will also be reminded that they will remain responsible for the maintenance of the areas of land detailed in this report.
- ix. advise ACHA that any future proposals to dispose of any of the land freed up by the demolitions will be subject to approval from Argyll and Bute Council.
- x. advise ACHA that any property or dwelling sold on the open market must be sold with title burdens securing in perpetuity principal occupation either through owner occupation or private rented tenancy.

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**ARGYLL AND BUTE COUNCIL****COUNCIL****DEVELOPMENT AND ECONOMIC GROWTH****27 JUNE 2024**

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**ACHA STOCK RESTRUCTURE PROPOSALS**

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**2.0 INTRODUCTION**

- 2.1 The Council transferred their housing stock to Argyll Community Housing Association (ACHA) in 2006.
- 2.2 Any amendments to the original Transfer Agreement must be agreed by ACHA, Argyll and Bute Council and in the case of disposals, may also require the consent of the Scottish Ministers. This report outlines ACHA's proposal to demolish and redevelop, or dispose of, a number of properties in Campbeltown and Dunoon which have been identified as no longer suitable to retain within its housing stock due to age disrepair and ongoing maintenance costs.

**3.0 RECOMMENDATIONS**

It is recommended that Council:-

- :
- i. approve ACHA's proposals to remove 44 units from the affordable rented stock at Dalintober, Campbeltown by means of demolition by a formal amendment to the Transfer Agreement. Funding is in place to build 24 new build properties on the site.
  - ii. approve ACHA's request to sell a further 7 properties in Campbeltown on the open market subject to the consent of the Scottish Ministers being obtained prior to any sale, and satisfactory financial justification being received by the Council.
  - iii. approve ACHA's request to sell 4 properties in the Dunoon area on the open market subject to the consent of the Scottish Ministers being obtained prior to any sale, and satisfactory financial justification being received by the Council.
  - xi. delegate to the Council's Executive Director with responsibility for Development and Economic Growth, in consultation with the Executive Director with responsibility for Legal and Regulatory Support, the Leader of the Council, the Depute Leader, the Leader of the largest Opposition Group and the Policy Lead for Finance and Commercial Services for approval of the necessary financial justifications.

- iv. retrospectively approve the demolition of 34 units at Eton Avenue, Dunoon. New build housing has been delivered on the site through the SHIP to meet the specific needs of families in the Dunoon area.
- v. note ACHA's sale of 15 properties across Argyll and Bute in line with the stock rationalisation approval granted by the Council in February 2018.
- vi. support ACHA's request to the Scottish Government to exclude any disposals undertaken as part of these proposals from the tripartite Disposal Clawback Agreement.
- vii. advise ACHA that the proposed demolitions will require to be the subject of separate approvals from the Council as the Planning and Building Control Authority. ACHA will also be reminded that they will remain responsible for the maintenance of the areas of land detailed in this report.
- viii. advise ACHA that any future proposals to dispose of any of the land freed up by the demolitions will be subject to approval from Argyll and Bute Council.
- ix. advise ACHA that any property or dwelling sold on the open market must be sold with title burdens securing in perpetuity principal occupation either through owner occupation or private rented tenancy.

## 4.0 DETAIL

- 4.1 **Dalintober, Campbeltown.** ACHA have carried out extensive investigative work on the existing properties at Dalintober and concluded that they are not economically viable to repair and cannot be brought up to current Scottish Housing Quality Standards. The Council has supported ACHA to acquire the appropriate consents to enable demolition of the Dalintober properties. Funding has been agreed for ACHA to build 24 new build properties on the site to meet housing need and demand identified in Campbeltown. Listed Building Consent to demolish Dalintober has now been granted. Prior to any demolition, Planning Permission will be required for the detail of replacement new build properties.
- 4.2 **Campbeltown.** ACHA have identified a further 7 properties in Campbeltown where after extensive investigations and costings work they have concluded that they are uneconomical to repair. ACHA will market the properties for sale with a view to attracting investment into the properties. The recommendation in this paper is that they must be sold for principal occupation maintained in perpetuity by title burden.
- 4.3 **Eton Avenue Dunoon.** ACHA have demolished 34 units at Eton Avenue in Dunoon. They have delivered 4 varying needs new build properties on the site. The houses are built to fully accessible standards which meet the specific needs of families in the Dunoon area in consultation with local health services.





Photo 1: Eton Ave, Dunoon replacement properties

4.4 **Dunoon.** ACHA have identified a further 4 properties in the Dunoon area where after extensive investigations and costings work they have concluded that they are uneconomical to repair. ACHA will market the properties for sale with a view to attracting investment into the properties. The recommendation in this paper is that they must be sold for principal occupation maintained in perpetuity by title burden.

## 5.0 CONCLUSION

5.1 Despite the Housing Emergency in Argyll and Bute there is a requirement for ACHA to make best use of the stock available to the organisation in order to continue to be able to deliver high quality housing which meets the identified need and demand across the local authority area.

5.2 Properties in Campbeltown and Dunoon have been identified by ACHA as not being economically viable to repair. As such this justifies the course of action now being proposed by ACHA, both in terms of demolition and redevelopment, and disposal.

5.3 As a result of the current poor condition, and financial unviability of repair, ACHA will propose to Scottish Government that they should be excluded from the Disposal Clawback Agreement. There is no financial benefit to the Council from this agreement, and it is recommended the Council support ACHA's position subject to receiving confirmation paperwork and valuations to substantiate that contention. It is proposed that this confirmation can be delegated to the Council's Executive Director with responsibility for Development and Economic Growth in consultation with the Executive Director with responsibility for Legal and Regulatory Support, the Leader of the Council, the Depute Leader

Councillor Ross Moreland and the Leader of the largest Opposition Group.

- 5.4 It should be noted that this report has been prepared on the basis of the Council's interest as the Housing Authority, and the recommendations are made in relation solely to the Stock Transfer Agreement and the Disposal Clawback Agreement. Listed Building consent has been granted to demolish the buildings. However prior to any proposed demolitions ACHA will require further agreement by the Council for approval in its role as planning authority and building standards regulator to ensure an appropriate method of demolition of the buildings, and restoration of the site in order to safeguard local amenity, and an acceptable redevelopment. ACHA are therefore advised to contact the Councils Planning and Building Standards services to discuss their proposals and secure the necessary consents.

## **6.0 IMPLICATIONS**

- 6.1 Policy - No change.
- 6.2 Financial - None.
- 6.3 Legal - The Stock Transfer agreement will need to be updated to reflect the changes.
- 6.4 HR – None.
- 6.5 Fairer Scotland Duty: Positive in terms of making best use of housing stock.
- 6.5.1 Equalities - protected characteristics – None.
- 6.5.2 Socio-economic Duty - Positive in terms of delivering affordable housing which meet identified need.
- 6.5.3 Islands – No impact.
- 6.6 Climate Change – Through stock rationalisation ACHA will be able to deliver housing which meets current energy efficiency standards.
- 6.7 Risk – None.
- 6.8 Customer Service – None.
- 6.9 The Rights of the Child (UNCRC) – The housing delivered by ACHA has met the specific needs of children in Dunoon and the proposed development in Campbeltown will meet the needs of children in the Kintyre area.

**Kirsty Flanagan, Executive Director with responsibility for Development and Economic Growth**

**Councillor Jim Lynch, Depute Policy Lead for Economic Development, Housing, Communities and Islands**

June 2024

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