



MINUTES

B - PUBLIC

Policy and Resources Committee
Council Chamber, Town Hall, Lerwick
Wednesday 26 November 2014 at 2pm

Present:

G Robinson	G Cleaver
A Cooper	B Fox
G Smith	T Smith
M Stout	V Wishart

Apologies:

S Coutts	C Smith
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In Attendance:

N Grant, Director of Development Services
J Gray, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
A Jamieson, Executive Manager – Housing
V Simpson, Executive Manager – Community Planning and Development
R Sinclair, Executive Manager – Capital Programme
K Adam, Solicitor
M Duncan, External Funding Officer
B Kerr, Communications Officer
L Adamson, Committee Officer

Also in Attendance:

A Manson
P Campbell

Chairperson

Mr Robinson, Leader, as Chair of the Committee presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None

40/14

Corporate Services and Chief Executive's 2015-16 Directorate Plan

The Committee considered a report by the Director of Corporate Services [CRP-21-14-F], which presented the Corporate and Executive Services Directorate Plan for 2015/16, describing how the Directorate is going to deliver key actions, manage key risks and report and manage progress and performance through the coming year.

In his introduction, the Executive Manager – Governance and Law reported on the proposed savings of 3.8% being put forward from the Chief Executive/Corporate Services Directorate for 2015-16, where he advised from the recent participatory budget exercise the suggestion of a 3.6% budget reduction from this Directorate. In referring to Page 18, the Executive Manager – Governance and Law reported from the “Previous Actions Completed and Due to be Completed in 2014/15”, where he advised that most of the targets set had been achieved on time. He reported on the new planned actions for 2015/16 as set out on Pages 21-23 of the Plan, where he added that many reflect the aspirations of Members, and in referring Members to pages 23-27, he informed on the risks being observed during the implementation of the Plan.

In response to questions relating to the Ongoing Action “Council House Sales – be prepared for the anticipated increase in applications”, the Executive Manager – Governance and Law advised that the increase in applications was as a result of the change in legislation which will remove the Right to Buy. The Executive Manager – Housing advised that further guidance, received this week, informed on the deadline for Right to Buy applications which could generate a further increase in applications. The Executive Manager – Governance and Law said that he anticipated Right to Buy applications will continue to be made until the end of next year, where he added that the conveyancing work is undertaken by the Council’s Legal Services. In response to a further question, the Executive Manager – Housing undertook to inform Mr Cleaver on the % of housing stock that has been sold under the Right to Buy Scheme and on how the Council compares with other Local Authorities.

A Member enquired whether the New Planned Action to “Improve Staff Communications” related to the work that is ongoing on the integration of the Council and NHS Shetland. The Executive Manager – Governance and Law confirmed that would be the case, and he advised that the Integration Scheme for the body corporate model includes the formation of a group of specialists from Human Resources sections within the Council and NHS, which will ensure appropriate engagement with the Unions.

Ms Wishart made comment on the Ongoing Action to “Conduct an Equal Pay Audit”, where she noted the target date for completion was late 2014. The Executive Manager – Governance and Law gave assurance that should the audit not be completed this year the action will migrate into the Plan for 2015/16.

Mr Stout made reference to the Ongoing Action “To continue to work to improve broadband availability and bandwidth throughout Shetland”, where he advised that this is an issue which has instigated significant discussion at Committees in regard to further work required, and he suggested the need for regular update reports to be presented to Committee. The Director of Development Services advised that the Council’s Executive Manager – ICT is the lead officer on the ICT network systems, and he undertook to relay the request for reporting to this Committee. In response to a further comment, the Director of Development Services advised on the intention to report to Committee in February 2015 on the Council’s integrated work with BT and HIE on Broadband provision, which he confirmed will also provide a clear oversight position on all strands of ICT provision and activities.

A comment was made in regard to the further development required to “Implement new complaints recording/reporting system”, the Executive Manager – Governance and Law advised that the actual reporting system is working well however further

discussion is required to agree the definition of a complaint and to harmonise the system across the Council. He went on to advise on the intention to run training for Members on Data Protection issues where the key officers who handle complaints will also attend.

Mr G Smith made reference to the progress reported on the Ongoing Action “To complete school upgrades, including removing all pre 2009 computers”, where he made a request for a Briefing Paper to Members to inform on the level and type of devices at each school, and on the number of ICT related faults reported that are still outstanding. In response to a comment from Mr Cooper, Mr Stout advised on the need for a properly co-ordinated digital strategy to cover all areas of technology, which he said would include devices and computer requirements at schools.

In response to a question relating to the Directorate Objective to “Develop new mechanisms for internal communication”, the Executive Manager – Governance and Law advised that a system was being developed, to replace the Team Briefs, which would systematically cascade relevant information to staff.

On the motion of Mr Robinson, seconded by Mr Stout, the Committee approved the recommendations in the report.

Decision:

The Committee **RESOLVED** to:

- Review and discuss the contents of the Directorate Plan
- Delegate authority to the Director of Corporate Services to make any necessary adjustments to the plan to ensure it is fully aligned with the final version of the Corporate Plan approved by Council.

41/14 **Management Accounts for Policy and Resources Committee: 2014/15 – Projected Outturn at Quarter 2**

The Committee considered a report by the Executive Manager – Finance [F-048-F], which enabled the monitoring of the financial performance of services within its remit to ensure that Members are aware of the forecast income and expenditure and the impact that this will have with regard to delivering the approved budget.

The Executive Manager – Finance introduced the report. He referred Members to Appendix 1, which set out the Revenue outturn position, where he advised on the main variances, in that the Fund Manager fees is significantly higher than budgeted but a higher return is anticipated in this financial year, and on the Capital Programme Service which is reporting an overspend. He advised that the other Services are well on track to achieve their budgets but work will continue to make sure the budget for the Services in this Committee area is delivered.

In responding to a question relating to the overspend as reported on external consultant fees, the Executive Manager – Finance informed Members that although over budget, the two instances where external consultants have been employed in the Finance Service have resulted in a significant saving to the Council.

On the motion of Mr Robinson, seconded by Mr Cleaver, the Committee approved the recommendations in the report.

Decision:

The Committee **RESOLVED** to:

- Review the Management Accounts showing the projected outturn position at Quarter 2;
- Instruct the Chief Executive, the Director of Corporate Services and the Director of Development Services to ensure that the projected overspend is addressed to ensure that the approved budget is achieved by the end of the year.

42/14

Management Accounts for Pension Fund: 2014/15 – Projected Outturn at Quarter 2

The Committee considered a report by the Executive Manager – Finance [F-054-F], which enabled the monitoring of the financial performance of the Pension Fund to ensure that Members are aware of the forecast income and expenditure and the impact that this will have with regard to delivering the approved budget.

The Executive Manager – Finance summarised the main terms of the report.

In response to a query regarding the disparity between the Benefits Payable and Lump Sums budgets, the Executive Manager – Finance advised that the Lump Sums budget was increased for 2014/15 to deal with the restructuring taking place in the Council.

During the discussion, a Member advised of his concern in regard to the number of employees who are not in the Pension Scheme, and enquired on the efforts being made to encourage employees into the scheme. The Executive Manager – Finance commented that the recent salary freeze then minimum pay rise may have been a factor whereby, for financial reasons, employees had withdrawn from the Scheme. However he said that from 2016/17, all existing employees as at May 2013 will automatically enrol into the Pension Scheme and will then have to apply to be taken out, which he advised will hopefully increase the numbers enrolled. The Executive Manager – Finance undertook to discuss with the Pension Service on an approach to inform employees on the benefits and encourage participation into the Pension Scheme.

In response to a question, the Executive Manager – Finance advised that additional work had been undertaken during preparation of the Pension budget for 2015/16 to ensure a more realistic figure for temporary/relief staff.

In response to a comment, the Executive Manager – Finance advised that currently there is no formal exit interview when employees decide to leave the Pension Scheme, however he undertook to discuss this further with the Pension Service.

On the motion of Mr Robinson, seconded by Mr G Smith, the Committee approved the recommendations in the report.

Decision:

The Committee **RESOLVED** to:

- Review the Management Accounts projected outturn position at Quarter 2; and
- Instruct the Executive Manager – Finance to ensure that the projected overspend is addressed to ensure that the approved budget is achieved by the end of the year.

43/14

SIC Overall Management Accounts: 2014-15 Projected Outturn at Quarter 2

The Committee noted a report by the Director of Corporate Services [F-073-F], which enabled the monitoring of the financial performance of the Pension Fund to ensure that Members are aware of the forecast income and expenditure and the impact that this will have with regard to delivering the approved budget.

In introducing the report, the Executive Manager – Finance referred to the table at 3.3 and reported on the projected outturn draw on Reserves of £13.2m. He informed Members on the projected outturn position on the General Fund, Harbour Account, Housing Revenue Account and Spend to Save budget.

On the motion of Mr Cooper, seconded by Mr Robinson, the Committee approved the recommendations in the report.

Mr Stout commented on improving financial position of the Council and commended all officers concerned. Mr Robinson said that although there was still a draw on reserves, he acknowledged the improvement which he hoped would continue into the future.

Decision:

The Committee **RECOMMENDED** that the Council resolve to review the Management Accounts showing the projected outturn position for Quarter 2.

44/14

Review of Community Grants

The Committee considered a report by the Executive Manager – Community Planning and Development [DV045-F], which presented findings of the recent review of Community Grants and sought approval for the proposals that have emerged from this review.

The Executive Manager – Community Planning and Development summarised the main terms of the report.

In response to a comment from Mr Stout, the Executive Manager – Community Planning and Development advised that the implications around the use of Smartcards is an area still being worked on, and is an area that the Fairer Shetland Partnership is continuing to explore.

In referring to Section 5.4 of the report, Mr G Smith enquired on the timescales for the Short Life Working Groups that were set up to explore and implement local solutions in regard to rural youth centres. The Executive Manager – Community Planning and Development advised on the initial piece of work for the Working Groups to report in December, and that further solutions were being explored. She added that, strategically, the Development Partnership was processing a project on fragile and rural communities and would be taking forward work on Policy development.

In response to questions, the External Funding Officer advised on the support and assistance provided by officers in Community Planning and Development to Community Groups to apply and secure external funding, which it was noted was mainly for one-off projects and equipment, rather than revenue funding. The External Funding Officer provided Members with an indication on the success of applications for funding, being approximately 60-70%, however he added that this figure will vary year on year and will be influenced by the demand for the funding.

In referring to the recommendation in the report, Mr Robinson moved that as part of the budget proposals for 2015/16, that the level of funding for community grants be retained at the 2014/15 level, with the amount to be found from existing contingencies. Mr G Smith seconded.

Decision:

The Committee **RECOMMENDED** that Shetland Islands Council resolve to:

- Extend the current transitional period of the Support Grant Aid Scheme and Grounds Maintenance Scheme for another year;
- Close the Support Grant Aid Scheme and Grounds Maintenance Scheme on 31 March 2016; and
- Agree that as part of the budget proposals for 2015/16, that the level of funding for community grants be retained at the 2014/15 level, with the amount to be found from existing contingencies.

45/14

2015-16 Budget and Charging Proposals

The Committee considered a report by the Executive Manager – Finance [F-056-F], which enabled consideration of the controllable budget proposals for the services within the Committee's remit, which will in turn contribute towards ensuring that the Corporate, Chief Executive and Development Directorates meet their Target Operating Budgets, as set out in the Medium Term Financial Plan.

In introducing the report, the Executive Manager – Finance outlined to Members the main changes that have been made in the budget for 2015/16, as set out in Section 4. He advised that further efficiencies have been made across the Council, other than in Human Resources where there has been a requirement for a slight increase in budget in order to deliver the Directorate Plan.

During the discussion, Ms Wishart made reference to the decision to centralise the budget for training to the Human Resources Service, and enquired on whether the overall training budget had been cut once it had been centralised. The Executive Manager – Finance undertook to seek a response from the Human Resources Service. In response to questions, the Executive Manager – Finance advised that there are still individual training budgets held within each Service area which will be controlled by Human Resources, and that there are no additional recharging costs. In that regard, the Executive Manager – Finance gave assurance to Members on the improvements that have been made to reduce cost charging across the Council.

Mr G Smith enquired on the percentage of training needs identified during the employee review and development interviews that have been accessed and delivered this year, and on the percentage of the value of training accessed through Train Shetland that has reduced as a result of the centralisation of training. The Executive Manager – Finance undertook to provide Mr Smith with the information requested.

During the discussion, the Executive Manager – Governance and Law advised that Human Resources Service has indicated that centralisation of the training budget has been beneficial, however it had been noted that a significant number of the budgets held in the Services had been reduced before being passed on to Human Resources. The Executive Manager – Governance and Law suggested that a Briefing Paper be prepared to Members to inform on the training that has been provided since the centralisation of the training budgets. Mr Robinson made reference to the SUMS available at the Shetland College, and made comment on the need to maximise training provision at the College.

In referring to the Schedule of Charges at Appendix 3, Mr Cooper enquired why the charges for use of the Town Hall had not been increased. The Executive Manager – Finance advised that he would seek clarification on the proposal not to increase Town Hall charges in 2015/16, before the Council meeting on 3 December.

On the motion of Mr Cooper, seconded by Mr Robinson, the Committee approved the recommendation in the report, subject to clarification being given to Members on the proposal not to increase Town Hall charges for 2015/16.

Decision:

The Committee **RECOMMENDED** that the Council resolve to approve the budget proposals and the proposed charging for 2015-16, subject to clarification being given to Members on the proposal not to increase Town Hall charges for 2015/16.

46/14

2015-16 Housing Revenue Account Budget and Charging Proposals

The Committee considered a report by the Executive Manager – Finance [F-068-F], which enabled consideration of the budget proposals for the Housing Revenue Account (HRA).

In introducing the report, the Executive Manager – Finance advised that the proposals presented an affordable budget, being that of a one year holding position on rents, which would be good news for most of the Council tenants.

In response to questions, the Executive Manager – Finance advised that the Council can apply the proceeds from the sale of Council houses through the Right to Buy legislation to reduce the HRA debt.

During the debate, and speaking in support of the proposals in the report, a Member made a comment that although Shetland's economy is buoyant at this time many people in Shetland are still struggling financially. It was also noted that rent increases in previous years have been larger than inflation. On the motion of Mr Robinson, seconded by Mr Cooper, the Committee approved the recommendation in the report.

Decision:

The Committee **RECOMMENDED** that the Council resolve to approve the budget proposals, the rent levels and proposed charging for 2015-16 included within the report.

47/14 **Chair's Report – Education and Families Committee – 24 November 2014 – 2015-16 Budget Proposals**

The Committee considered a report by the Chair of Education and Families Committee [P&R-2611-E&FC-F], which enabled consideration of the controllable budget proposals for the services within the Committees' remits, which will in turn contribute towards ensuring that the Children's Services and Development Directorates meet their Target Operating Budgets, as set out in the Medium Term Financial Plan.

Ms Wishart moved that the Committee approve the recommendation in the report.
Mr G Smith seconded.

Decision:

The Committee **RESOLVED** to approve the recommendations from Education and Families Committee, as part of the overall budget setting exercise.

48/14 **Chair's Report – Development Committee – 24 November 2014 – 2015-16 Budget Proposals**

The Committee considered a report by the Chair of Development Committee [P&R-2611-DC-F], which enabled consideration of the controllable budget proposals for the services within the Committee's remit, which will in turn contribute towards ensuring that the Development Directorate meet the Target Operating Budget, as set out in the Medium Term Financial Plan.

Mr Cooper moved that the Committee approve the recommendation in the report.
Mr T Smith seconded.

Decision:

The Committee **RESOLVED** to approve the recommendations from Development Committee, as part of the overall budget setting exercise.

49/14 **Chair's Report – Social Services Committee – 25 November 2014 – 2015-16 Budget Proposals**

The Committee considered a report by the Chair of Social Services Committee [P&R-2611-SSC-F], which enabled consideration of the controllable budget proposals for the services within the Committees' remits, which will in turn contribute towards ensuring that the Community Care, Children's Services and Development Directorates meet their Target Operating Budgets, as set out in the Medium Term Financial Plan.

Mr Cleaver moved that Committee approve the recommendation in the report. Mr Fox seconded. Mr G Smith made reference to the earlier decision taken in regard to the Review of Community Grants, where it was agreed that that as part of the budget proposals for 2015/16, the level of funding for community grants be retained at the 2014/15 level, with the amount to be found from existing contingencies.

Decision:

The Committee **RESOLVED** to approve the recommendations from Social Services Committee, as part of the overall budget setting exercise; and that the level of funding for community grants be retained at the 2014/15 level, with the amount to be found from existing contingencies.

50/14

Chair's Report – Environment and Transport Committee – 25 November 2014 – 2015-16 Budget Proposals

The Committee considered a report by the Chair of Environment and Transport Committee [P&R-2611-E&TC-F], which enabled consideration of the controllable budget proposals for the services within the Committees' remits, which will in turn contribute towards ensuring that the Infrastructure and Development Directorates meet their Target Operating Budgets, as set out in the Medium Term Financial Plan.

On the motion of Mr Stout, seconded by Mr Cleaver, the Committee approved the recommendation in the report.

In response to questions, Mr Stout advised from discussions at Environment and Transport Committee in regard to fuel consumption on the ferries, where he advised that further reports will be presented in due course

Decision:

The Committee **RESOLVED** to approve the recommendations from Environment and Transport Committee, as part of the overall budget setting exercise.

51/14

Chair's Report – Harbour Board – 26 November 2014 – 2015-16 Budget Proposals

The Committee considered a report by the Chair of Harbour Board [P&R-2611-HB-F], which enable consideration of the budget proposals for services within the Board's remit, which will in turn contribute towards ensuring that the Harbour Board meets the surplus target as set out in the Medium Term Financial Plan.

A paper was tabled at the meeting, informing on the decision taken at Harbour Board earlier today, that the Harbour Board approved the budget proposals on the proviso that Officers reviews the charging of all harbour users in an equal process by the end of September 2015 and that the proposals are presented to the industry on the charging structure that deals equitably with all harbour users with an implementation date being open to debate.

Ms Manson introduced the report. Mr Cooper moved that the Committee approve the recommendation from Harbour Board. Mr Stout seconded.

Decision:

The Committee **RESOLVED** to approve the recommendations from Harbour Board, as part of the overall budget setting exercise, on the proviso that Officers review the charging of all harbour users in an equal process by the end of September 2015 and that the proposals are presented to the industry on the charging structure that deals equitably with all harbour users with an implementation date being open to debate.

Chair's Report – Shetland College Board – 26 November 2014 – 2015-16 Budget Proposals

The Committee considered a report by the Chair of Shetland College Board [P&R-2611-SCB-F], which enabled consideration of the controllable budget proposals for the services within the Committee's remit, which will in turn contribute towards ensuring that the Development Directorate meet the Target Operating Budget, as set out in the Medium Term Financial Plan.

In introducing the report, Mr Campbell advised on the Board's appreciation of the contribution from the Council, and that the deficit position will be funded from contingency.

Mr Cleaver moved that the Committee approve the recommendation in the report. Mr G Smith seconded.

Decision:

The Committee **RESOLVED** to approve the recommendations from Shetland College Board, as part of the overall budget setting exercise.

Asset Investment Plan, Gateway Process – Service Need Case Report

The Committee considered a report by the Executive Manager – Capital Programme [CPS-16-14-F], which presented two reports from within the Infrastructure Directorate which have been considered by the Capital Investment Group based on the submission of Service Need Case (SNC) reports.

After hearing the Executive Manager – Capital Programme introduce the report, the Committee approved the recommendations on the motion of Mr T Smith, seconded by Mr Cooper.

Decision:

The Committee **RECOMMENDED** that the Council resolve to:

- Retrospectively approve for implementation the project described in Appendix A to the report; and
- Approve for implementation the projected described in Appendix B to the report.

Proposed Five Year Asset Investment Plan 2015-20

The Committee considered a report by the Executive Manager – Capital Programme [CPS-17-14-F], which set out proposals for a sustainable 5-year Asset Investment Plan, in line with the framework outlined in paragraph 1.2 of the report.

In introducing the report, the Executive Manager – Capital Programme advised on the full 5 year Asset Investment Plan budget expenditure of £94.6m, and on the £21.6m through external borrowing.

Reference was made to the Schools ICT Equipment project, projecting a year on year spend of approximately £200k, where it was suggested that Members would benefit from more information in regard to how this budget is being spent.

In response to a question, the Executive Manager – Capital Programme undertook to provide clarity to Members on the proposed scheme to renew the streetlights at Voehead, Weisdale.

On the motion of Mr Robinson, seconded by Mr T Smith, the Committee approved the recommendations in the report.

Decision:

The Committee **RECOMMENDED** that the Council resolves to:-

- Approve the capital budget proposals for 2015/16 included in this report, and set out in detail in Appendix A to the report; and
- Adopt this as the Council's 5-year Asset Investment Plan 2015-20, subject to any requirements of the Council's 'gateway' process, the resolution of any issues relating to external funding and any variation in the level of government grants.

55/14

Sellaness Port Operation – Financial Modelling

The Committee considered a report by the Executive Manager – Finance [F-074-F], which presented a specific piece of financial modelling designed to estimate future surpluses from the Sellaness Port (the "Port") operation.

In introducing the report, the Executive Manager – Finance informed Members on the proposals for a strand of work to be undertaken as part of the long-term financial planning for the Council. He outlined the key assumptions in the financial modelling as set out in Section 3.7 of the report, and advised that further work will be carried out into the options for the port and reports will be presented to Members in due course.

During the discussion, Members advised on their support for further work to be undertaken, and for the detailed options to be considered thoroughly. In response to questions, the Executive Manager – Finance advised Members on the volatility of the oil and gas global industry, which has been included as a financial risk element going forward.

Mr Cooper advised on the advancements in exploratory technology which now provides the industry with improved data on extraction rates and capabilities in each of the fields, where he advised that reduced exploration and enhanced recovery will impact on Shetland. Mr Cooper made comment on the need for improved engagement between the Council and the oil industry.

On the motion of Mr Robinson, seconded by Mr Fox, the Committee approved the recommendation in the report.

Decision:

The Committee **RESOLVED** to approve that a further report be presented in 2015 upon completion of the additional work required in order to provide the Council with updated and more robust financial modelling.

56/14

Shetland Islands Council Budget Book 2015-16

The Committee considered a report by the Executive Manager – Finance [F-072-F], which presented the Council Budget Book 2015-16, setting out the spending plans for Shetland Islands Council in the next financial year.

In his introduction, the Executive Manager – Finance advised that the draw on reserves for 2015/16 at £6.9m is sustainable and affordable. He advised on the benefits to get to the position to retain the reserves and encouraged Members to stick to the 5 year plan. He highlighted to Members the progress made in re-allocating resources between Directorates as set out in Section 1.06 of the Budget Book, which he advised matches what is set out in the Medium Term Financial Plan for allocating resources more to Children's Services and Community Care. The Executive Manager – Finance reported on the eighth consecutive year of the Council Tax freeze, and that the 5 year Asset Investment Plan includes borrowing of £21m over the next 5 years.

In response to a question, the Executive Manager – Finance undertook to provide clarity to Mr Cooper in regard to the rental income from the Total Gas Plant.

In response to questions, the Executive Manager outlined to Members on the proposed draw on reserves over the next 5 years. In regard to the requirement for 2% efficiencies to be found from each of the Directorates, he concluded that 2% is manageable but will become harder to identify and lead to the requirement for service redesign.

During the discussion, the Executive Manager – Finance provided explanation to Members on a number of the contingency allocations included in the 2015-16 budget. In regard to the £80,000 allocation for Ferry Fare Income and with ferry fare review to achieve cost neutrality to the Council the additional money is to address any shortfall. A Member made comment that he appreciated the cautionary approach, however he suggested that there could have been a more accurate contingency allocation where he questioned whether discussions had taken place with the Transport Planning Service.

During the discussion and in response to questions from Members, the Executive Manager - Finance advised on the Scottish Government allocation to the Internal Ferry Service, and advised on the possible reduction on the capital grant allocation, where he undertook to provide further clarity to Members. Mr Robinson however advised on the need to first establish whether the Scottish Government will take responsibility for internal ferries.

Mr Stout made comment on the significant improvements that have been made within the Council in order to present a budget for 2015-16 that is financially sustainable. The Leader added however that there was no room for complacency going forward.

On the motion of Mr Robinson, seconded by Mr Cooper, the Committee approved the recommendations in the report.

Decision:

The Committee **RECOMMENDED** that the Council resolve to approve the 2015-16 budget by:-

- Approving the Council Budget Book 2015-16;

- Adopting the Formal Resolutions; and
- Agreeing to freeze the Council Tax at the current level, in line with the Concordat between the Council and the Scottish Government.

57/14 **2015-16 Budget Proposals – Pension Fund**

The Committee considered a report by the Executive Manager – Finance [F-055-F], which enabled the consideration of the budget proposals for the Pension Fund.

The Executive Manager – Finance summarised the main terms of the report.

During the brief discussion, the Executive Manager – Finance undertook to provide Members with detail on the admitted bodies in the Council's Pension Scheme.

On the motion of Mr Robinson, seconded by Mr Stout, the Committee approved the recommendation in the report.

Decision:

The Committee **RECOMMENDED** that the Council resolve to approve the budget proposals for 2015-16.

Mr Robinson moved that in order to avoid the disclosure of exempt information, the Committee resolve to exclude the public in terms of the relevant legislation during consideration of the following items of business. Mr Fox seconded.

58/14 **Subordinated Debt Investment in the New Anderson High School**

The Committee considered a report by the Executive Manager – Finance, which sought a decision whether to exercise the Council's right to invest in the new Anderson High School Project.

In his introduction, the Executive Manager – Finance outlined to Members on the detail of this opportunity to invest in the AHS project, explaining the proposed financing of the project, the associated risks and the return to the Council.

On the motion of Mr T Smith, seconded by Mr Robinson, the Committee approved the recommendation in the report.

Decision:

The Committee **RECOMMENDED** that the Council resolve to:

- Exercise its option to invest in the new Anderson High School project as the holder of subordinated debt, in principle; and
- Grant delegated authority to the Council's Section 95 Officer to make those arrangements once s/he is satisfied that the Anderson High School Financial Model provides reasonable assurance that there are sufficient future cash flows to meet all financial commitments due to the Council in its role as an investor.

The meeting concluded at 5.05pm.

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Chair