Argyll and Bute Council
Comhairle Earra Ghaidheal agus Bhoid

Customer Services
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13 September 2012

NOTICE OF MEETING

A meeting of **ARGYLL AND BUTE COUNCIL** will be held in the **COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD** on **THURSDAY, 20 SEPTEMBER 2012** at **11:00 AM**, which you are requested to attend.

Douglas Hendry
Executive Director - Customer Services

BUSINESS

1. **APOLOGIES FOR ABSENCE**

2. **DECLARATIONS OF INTEREST (IF ANY)**

3. **MINUTES**
    Argyll and Bute Council 23 August 2012 (Pages 1 - 14)

4. **AUTUMN BUDGET STATEMENT**
    Verbal Update

5. **VALIDATED SELF-EVALUATION (VSE) EXERCISE: ARRANGEMENTS TO EVALUATE THE EDUCATION FUNCTIONS OF ARGYLL AND BUTE COUNCIL**
    Report by Executive Director of Community Services (Pages 15 - 20)

6. **RESPONSE TO CHILDREN AND YOUNG PEOPLES BILL**
    Report by Executive Director of Community Services (Pages 21 - 44)

7. **LOCAL HOUSING STRATEGY ANNUAL MONITORING REPORT 2011/12**
    Report by Executive Director of Community Services (Pages 45 - 74)

8. **CAMPBELTOWN SITE SELECTION**
    Joint Report by Executive Directors of Community Services and Customer Services (Pages 75 - 86)

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 paragraphs are:-

E1 Paragraph 1 Information relating to a particular employee, former employee or applicant to become an employee of, or a particular office-holder, former office-holder or applicant to become an office-holder under the authority.

E2 Paragraph 6 Information relating to the financial or business affairs of any particular person (other than the authority).

Paragraph 9 Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

E3 Paragraph 9 Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

COUNCIL

ALL MEMBERS

Contact: Sandra McGlynn Tel: 01546 604401

Agenda Item 3

**MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held in the COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD
on THURSDAY, 23 AUGUST 2012**

Present: Provost Isobel Strong (Chair)

Councillor Blair	Councillor R E Macintyre
Councillor Breslin	Councillor MacMillan
Councillor Corry	Councillor McNaughton
Councillor Currie	Councillor McQueen
Councillor Dance	Councillor Marshall
Councillor Devon	Councillor A Morton
Councillor Freeman	Councillor E Morton
Councillor Glen-Lee	Councillor Mulvaney
Councillor Hall	Councillor Robb
Councillor Horn	Councillor Robertson
Councillor Donald Kelly	Councillor Scoullar
Councillor Kinniburgh	Councillor Semple
Councillor McAlpine	Councillor Taylor
Councillor McCuish	Councillor Trail
Councillor MacDonald	Councillor Walsh
Councillor MacDougall	
Councillor D MacIntyre	

Attending: Sally Loudon, Chief Executive
Douglas Hendry, Executive Director of Customer Services
Cleland Sneddon, Executive Director of Community Services
Sandy Mactaggart, Executive Director of Development and Infrastructure
Charles Reppke, Head of Governance and Law
Bruce West, Head of Strategic Finance
Jim Robb, Head of Adult Care
Donald MacVicar, Head of Community and Culture
Malcolm MacFadyen, Head of Facility Services
Judy Orr, Head of Customer and Support Services
Aileen Goodall, Lead Officer, Opportunities for All
Suzie Vestri, Campaign Director, See Me Scotland

1. **APOLOGIES FOR ABSENCE**

   Apologies for absence were received from Councillor Rory Colville, Councillor Douglas Philand, Councillor Robert G MacIntyre and David McEwan

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

   The Head of Governance and Law advised that in terms of Standing Order 14 the following Urgent Notice of Motion was before the Council for consideration –

   "Argyll & Bute Council notes with delight the major success of Luke Patience from Rhu and his team-mate Stuart Bithell in securing a silver medal in the Men's 470 Class Sailing Event at the 2012 London Olympic Games.

   On behalf of the residents of Argyll and Bute, the Council agrees to pass on their

congratulations to Luke for this significant achievement and wish him further success in future for sailing events that he may participate in.

Given that Argyll and Bute has some of the best sailing waters in Great Britain, the Council hopes that the success of Luke will inspire and encourage many young people across Argyll & Bute, to consider taking up sailing with one of the many superb sailing clubs in the area.

Argyll & Bute also recognises the tremendous achievement of Helensburgh wheelchair tennis player Gordon Reid in being selected for the Paralympic Games and wish him every success."

Proposed Councillor George Freeman. Seconded Councillor James Robb.

The Provost ruled that she considered the item was competent and urgent given the timing of these events and the Council agreed to consider the Motion and this is dealt with at item 26 of this minute.

3.   DECLARATIONS OF INTEREST

There were no declarations of interest.

4.   MINUTES

The Minutes of the Meeting of Argyll and Bute Council held on 28 June 2012 were approved as a correct record subject to the following amendments –

Item 7a (Planning, Protective Services and Licensing Committee and Regulatory Cohort Resignation) - Agreed that the decision be amended to read "The Opposition declined the appointment on the basis they had already made the proportioned commitment and the administration agreed to consider a nomination and report to a future meeting of the Council."

Item 8 (Informal Referendum on Colquhoun Square, Helensburgh) – Agreed paragraphs 11 and 12 be replaced with paragraphs 11, 12 and 13 as follows –

"11. Notes that the original remit for the project was economic regeneration and the consultation was to be aimed at residents, visitors and business. The referendum carried out on Monday 25th June did not attempt to engage either visitors or businesses.

12. Instructs officers to bring forward a detailed paper on the additional costs involved in carrying out the informal referendum and consultation, including the design fees for the new options; the mailshot to all households; the officer time costed in promoting, organising and running the referendum/consultation.

13. Note the risk to the project from the potential loss of the SMT money."

Item 9 (Appointment of Armed Forces Champion) - The decision be amended to read "Councillor Maurice Corry was appointed as Armed Forces Champion and the Council instructed the Executive Director of Customer Services to report to a future meeting on the role and remit."

5.   **SEE ME PLEDGE**

Suzie Vestri, Campaign Director of See Me Scotland was invited by the Provost to give a short presentation to the Council on the work of See Me Scotland. Following the presentation; the Chief Executive and the Leader of the Council signed the See Me Pledge with the Campaign Director.

6.   **PROGRAMME OF MEETINGS**

The Council's Standing Orders for Meetings require that a Programme of Meetings be approved for the Council and its Committees for the forthcoming year. The approved Programme of Meetings had run until the end of April 2012 and the Council considered a report inviting them to approve a Programme of Meetings which would run from August 2012 to April 2013.

Decision

Approved the Programme of Meetings for the year 2012/13.

(Reference: Report by Executive Director – Customer Services dated 14 August 2012, submitted)

7.   **APPOINTMENT OF A SUBSTITUTE MEMBER TO STRATHCLYDE CONCESSIONARY TRAVEL SCHEME JOINT COMMITTEE**

At its meeting on 22 May 2012, the Council made a number of appointments to Outside Bodies, Statutory Joint Boards and Joint Committees. Councillor John Semple had been appointed to sit as a substantive member on Strathclyde Concessionary Travel Scheme Joint Committee and on 1 August 2012, notice was given by SPT that the Council must also appoint a substitute member to the Joint Committee. The Council considered a report which invited them to make an appointment of a substitute member to sit on Strathclyde Concessionary Travel Scheme Joint Committee.

Decision

The Council appointed Councillor Trail to sit as a substitute member on Strathclyde Concessionary Travel Scheme Joint Committee.

(Reference: Report by Executive Director – Customer Services dated 2 August 2012, submitted)

8.   **STRATHCLYDE FIRE AND RESCUE BOARD - SUB-COMMITTEES AND FORUMS**

The Council considered a report inviting them to make nominations from the Council's current Strathclyde Fire and Rescue Board members to their Employee and Equality; and Performance and Audit Forums.

Decision

The Council made the following nominations to the Forums of Strathclyde Fire and Rescue Board –

Employee and Equality Forum – Councillor John MacAlpine
Performance and Audit Forum – Councillor Fred Hall

(Reference: Report by Executive Director – Customer Services dated 24 July 2012, submitted)

9.   **COSLA EXECUTIVE GROUPS**

The Convention of Scottish Local Authorities political structure includes six Executive Groups covering the full range of Local Government issues. The Council considered a report inviting them to make a nomination to each of the six COSLA Executive Groups.

Decision

The Council made nominations to the 6 COSLA Executive Groups as follows –

1.   Health and Wellbeing – Councillor Ann Horn
2.   Education, Children and Young People – Councillor Michael Breslin
3.   Community Well-being & Safety - Councillor George Freeman
4.   Regeneration & Sustainable Development - Councillor John Semple
5.   Resources & Capacity - Councillor James Robb
6.   Strategic Human Resource Management - Councillor Douglas Philand

(Reference: Report by Executive Director – Customer Services dated 30 July 2012, submitted)

10.   **PROPOSED AMENDMENTS TO REMIT OF LEAD COUNCILLORS**

The Council considered a report setting out proposed amendments to the remit of Lead Councillors and Depute Lead Councillors.

Decision

1. The Council approved the following amendments to the remits of Lead Councillors and Depute Lead Councillors –

    Councillor John Semple – Lead Councillor for Environment, Development, Infrastructure [including roads and amenity services]
    (formerly Lead Councillor Energy, Environment, Development, Infrastructure and Tourism)

    Councillor Donald Kelly – Lead Councillor Renewables and Tourism
    (formerly Lead Councillor Roads and Amenity Services)

    Councillor Robert G MacIntyre – Depute Lead Councillor for Environment, Development, Infrastructure [including roads and amenity services] (formerly Depute Lead Councillor Roads and Amenity Services)

    Councillor Louise Glen Lee – Depute Lead Councillor Renewables and Tourism (formerly Depute Lead Councillor Energy, Environment, Development, Infrastructure and Tourism)

2. The Council also agreed the consequent adjustments to the undernoted appointments to outside bodies that arose from the foregoing adjustments to remits as follows –

Substantive Member of ALI-energy – Councillor Donald Kelly (formerly Councillor John Semple)

Substitute Member of Hitrans – Councillor Robert G MacIntyre (formerly Councillor Donald Kelly)

Substantive Member of West of Scotland Road Safety Forum – Councillor Robert G MacIntyre (formerly Councillor Donald Kelly)

(Reference: Report by Executive Director – Customer Services dated 14 August 2012, submitted)

11. REVENUE BUDGET MONITORING AT 30 JUNE 2012

The Council considered a report which summarised the revenue budget position of the Council as at 30 June 2012 with the overall outturn variance forecast to be an overspend of £15K based on the June budget monitoring exercise. The report detailed financial successes, challenges, risks and future actions; efficiency and other budget savings, objective summary, subjective summary and red variances for each department.

Decision

The Council noted the report .

(Reference: Report by Head of Strategic Finance dated August 2012, submitted)

12. CAPITAL PLAN MONITORING AT 30 JUNE 2012

The Council considered a report which summarised the position for all departments on the Capital Plan as at 30 June 2012. The report compared budget and actual expenditure for the period 1 April to 30 June 2012, forecast and budget expenditure for the whole of 2012-13 and total project forecast and budget expenditure.

Decision

The Council noted the Capital Plan monitoring report.

(Reference: Report by Head of Strategic Finance dated 25 July 2012, submitted)

13. TREASURY MANAGEMENT MONITORING AT 30 JUNE 2012

A report summarising the monitoring of the Council's overall borrowing position, borrowing activity, investment activity, economic forecast and prudential indicators as at 30 June 2012.

Decision

The Council noted the Treasury Management monitoring report.

(Reference: Report by Head of Strategic Finance dated 13 July 2012, submitted)

The Provost ruled and the Council agreed to adjourn for lunch during consideration of the following item of business. The meeting adjourned at 1.10pm and reconvened at 1.40pm.

Councillor Vivien Dance and Councillor Robert E MacIntyre left the meeting at 1.10pm.

14. **HEALTH AND SOCIAL CARE INTEGRATION: EXTENSION OF CONSULTATION PERIOD**

The consultation document on the Integration of Adult Care and Social Care sets out proposals being progressed in relation to this by the Scottish Government. The Council considered a report which set out those proposals by the Scottish Government and also a draft response by the Council to the consultation document which was due for submission by 11 September 2012.

Decision

The Council –

1. Noted the consultation proposals.

2. Authorised the Executive Director – Community Services, in consultation with Group Leaders, to submit the draft response to the Scottish Government taking into account the comments made by Members.

(Reference: Report by Executive Director – Community Services dated July 2012, submitted)

The Provost intimated that an urgent report on the investigation into allegations of inappropriate covert surveillance of social media had been received during the Council's adjournment for lunch. The Provost ruled that she considered this item to be urgent due to recent media coverage of disciplinary proceedings involving a Council employee and also the general need to provide public reassurance. The Council agreed to consider the item as a matter of urgency and this is considered at item 15 of this Minute.

15. **INVESTIGATION INTO ALLEGATIONS OF INAPPROPRIATE COVERT SURVEILLANCE OF SOCIAL MEDIA BY A COUNCIL EMPLOYEE**

A report which provided the Council with an executive summary of the key findings and conclusions arising from the investigation into the recent allegation of inappropriate covert surveillance of social media by a Council employee.

Decision

The Council noted –

1. The investigation report concluded that there was no evidence of any form of spying or covert surveillance activities having been carried out by any employee within the Council's Communication Team.

2. The investigation report concluded that there was sufficient cause that a Council employee should be subject to the Council's disciplinary procedures.

3. That there are some links from the investigation to the Council's internal disciplinary process and that the Executive Director – Customer Services is continuing to monitor and consider the legal position as matters proceed.

(Reference: Report by Executive Director – Development and Infrastructure Services and Lead Disciplinary Officer dated 17 August 2012, tabled)

Councillor Mary Jean Devon left the meeting during consideration of the following item of business.

16. **LEISURE SERVICES: SUPPORTED ACCESS TO LEISURE FACILITIES FOR PERSONS IN TREATMENT OR RECOVERY FROM DRUG AND ALCOHOL RELATED ISSUES**

The Council considered a report outlining a proposal for persons who are in formal treatment or recovery programmes for drug and alcohol related problems to have free access to leisure facilities.

Decision

The Council –

1. Agreed that a standard formal partnership arrangement be drawn up with all support services wishing to use council leisure facilities. The arrangement would allow free access to members of the community who are participating in a formal treatment or recovery programme for drug and alcohol misuse.

2. Agreed that the arrangement follows the referral process currently set up for individuals attending the argyllactive programme. The individual, with their consent, would be referred to the Fitness Coordinator who will process their referral and book them in for induction.

3. Agreed that Individuals who require supervised support would access the facility under the same arrangements with their support worker present at all times. This process would be under the agreed terms of the partnership arrangement and associated local leisure facility

4. Agreed that the partnership arrangement would be evaluated and monitored through production of attendance figures by Leisure Services and quarterly meetings of a small multi agency project team. An annual report of overall usage with feedback from the support sector services as well as associated comments from individual attendees will be submitted to the Council after 12 months. The report would highlight successes of the service provided and identify any potential development or improvement opportunities.

(Reference: Report by Executive Director – Community Services dated 2 March 2012, submitted)

Councillor Alistair MacDougall and Councillor John MacAlpine left the meeting during consideration of the following item of business.

17. **STRATEGIC HOUSING FINANCE REVIEW - INCREASING ACCESS TO SUITABLE, AFFORDABLE HOUSING**

The Council approved its Local Housing Strategy 2011-2015 at its meeting in November 2011 with the vision "to realise the potential of our communities by ensuring that people have access to affordable, sufficient and suitable housing in Argyll and Bute". The Council considered a report setting out proposals to ensure that the Council makes a positive contribution towards that vision.

Decision

The Council approved the six options as detailed at paragraph 3.4 of the report by the Executive Director.

(Reference: Report by Executive Director – Community Services dated 23 July 2012, submitted)

18. **OPPORTUNITIES FOR ALL IN YOUTH EMPLOYMENT**

The Council considered a report providing an update on the Scottish Government's policy "Opportunities for All" which focuses on supporting disengaged/disaffected young people to secure sustainable employment, training or education. The report provided information on the approach to be developed within Argyll and Bute to meet the Opportunities for All policy.

Decision

The Council –

1. Noted the information and approach to be taken to develop a strategy to meet the Opportunities for All policy in conjunction with the 16+ Learning Choices Partnership Group.

2. Endorsed the focus on preventative work with young people at risk and on looked after children within the strategy and subsequent initiatives to secure positive destinations for young people.

3. Noted the proposed Rural Action Forum on Youth Employment scheduled for 18 September 2012.

(Reference: Report by Executive Director – Customer Services dated August 2012, submitted)

19. **QUALITY ASSURANCE - CARE AT HOME SERVICES**

At their meeting on 28 June 2012 the Council requested further information on the proposed quality assurance/monitoring/care management arrangements. A report providing details of those proposed arrangements and the implications for the Home Care Organiser role was considered.

Decision

The Council -

1. Noted the content of the report and appendices.

2. Agreed the requirement for the introduction of Home Care Procurement Managers.

3. Agreed that Council in house services be subject to the same level of scrutiny and quality assurance from the Home Care Procurement Manager as externally commissioned services.

(Reference: Report by Executive Director – Community Services dated July 2012, submitted)

20.   ROADS ISSUES

The Council considered a Motion by the Mid Argyll, Kintyre and the Islands Area Committee from their meeting held on 1 August 2012 requesting an explanation of the reasoning behind changes made to the Capital Roads Reconstruction Budget 2012/13 without recourse to the Area Committee.

Decision

The Council noted that the Executive Director – Development and Infrastructure Services had issued an email to Members on 6 August 2012 which had clarified the matters contained within the extract from the Mid Argyll, Kintyre and the Islands Area Committee.

(Reference: Extract from Mid Argyll, Kintyre and the Islands Area Committee held on 1 August 2012 and report by Contracts Manager, Development and Infrastructure Services dated 9 July 2012, submitted)

21.   HELENSBURGH PIERHEAD MASTERPLAN APPROVAL FOR A FURTHER ROUND OF PUBLIC CONSULTATION

On 15 December 2012 the Executive authorised the Executive Director of Development and Infrastructure Services to undertake a public consultation on proposed draft masterplans for two key development sites in Helensburgh. Following the consultation the former Hermitage Masterplan was approved but the scale of changes proposed for the Pierhead Masterplan required that a further period of consultation was necessary. A report containing a summary of changes made to the draft Pierhead Masterplan following the consultation period was considered along with the finalised Helensburgh Pierhead Masterplan.

Decision

The Council –

1.   Approved the finalised Pierhead Masterplan.

2.   Authorised officers to publicise the document for a minimum of 28 days to allow for public comments to be submitted and reported back to the Council.

(Reference: Report by Executive Director – Development and Infrastructure Services dated August 2012, submitted)

22.   SOCIAL MEDIA POLICY

The Executive Director – Customer Services advised that after discussion with the Lead Councillor for Communications; this item would be withdrawn due to the need for further information and would be considered at a future Council meeting.

23.   COMMUNICATIONS STRATEGY

The Executive Director – Customer Services advised that after discussion with the Lead Councillor for Communications; this item would be withdrawn due to the need for further information and would be considered at a future Council meeting.

The Executive Director – Customer Services advised that the Highland Broadband Pathfinder report that was due for consideration at this point on the agenda contained information regarding tenders which had not been apparent at the time the agenda was issued. He advised that this item would be considered after the press and public had been excluded from the meeting. This item is dealt with at item 27 of this minute.

Councillor James McQueen left the meeting during consideration of the following item of business.

24. MAXIMUM RECOMMENDED FARESCALE FOR COUNCIL SUPPORTED BUS SERVICES

The Council sets a maximum fare which applies on local bus services operated on the Council's behalf. The scale had last been revised with effect from July 2010 and the Council considered a report containing a revised maximum permitted farescale for local bus services with a view to keeping pace with inflation and also to permit the Councils contractors to maximise their income in the hope of avoiding large cost increases or reduced services in further tender rounds.

Decision

The Council approved the revised maximum farescale as detailed at Appendix 1 to the report by the Executive Director.

(Reference: Report by Executive Director – Customer Services dated 23 August 2012, submitted)

Councillor MacMillan left the meeting during consideration of the following item of business.

25. NOTICE OF MOTION UNDER STANDING ORDER 13

In terms of Standing Order 13 the following Notice of Motion was before the Council for consideration -

"Following the closure of the A83 at the Rest and Be Thankful on Friday 22 June because of the high risk of a landslip, and following the publication of a letter from Scottish Cabinet Secretary for Infrastructure and Capital Investment Alex Neil MSP to Argyll and Bute MSP Michael Russell regarding slippage to the programme for designing and constructing an emergency diversion Argyll and Bute Council:

1   Acknowledges the concerns expressed by Mid Argyll Chamber of Commerce with regard to Scottish Government delays in designing and constructing an emergency relief road at the Rest and Be Thankful.

2   Notes with concern:

a) The closure yet again of the A83 on Friday 22 June;
b) The slippage in the timetable for designing and constructing an emergency relief road at the Rest and Be Thankful;
c) The failure of the Scottish Government to agree the route of the emergency diversion road a month after they were supposed to have completed the design;
d) The failure of the Scottish Government to implement the solutions and recommendations relating to the A83 contained in the following report.

Scottish Road Network Landslides Study – Implementation Report (2008)

3   As a result the Council

a) Agrees to write to the Scottish Cabinet Secretary for Infrastructure and Capital Investment Alex Neil MSP expressing the Council's great concern at the programme slippage;
b) Calls for an urgent meeting between Mr Neil and a Council delegation;
c) Agrees to set up a short term working group to seek a permanent solution which can be implemented without further delay."

Proposed by Councillor Rory Colville

Seconded by Councillor Alex McNaughton

Decision

The Council noted the advice from Councillor Morton that Councillor Colville wished to withdraw the Motion by reason that a taskforce had now been put in place to monitor and improve the situation. Councillor Morton also asked the Leader of the Council to consider whether Councillor Colville could be kept abreast of the progress of the taskforce and this was noted.

(Reference: Notice of Motion by Councillor Rory Colville and Councillor Alex McNaughton, submitted)

26. URGENT MOTION UNDER STANDING ORDER 14

In terms of Standing Order 14 notice had been given of an urgent Motion and Councillor Freeman with the agreement of his Seconder, and the Council, moved the following Motion for consideration –

"Argyll & Bute Council notes with delight the major success of Luke Patience from Rhu and his team-mate Stuart Bithell in securing a silver medal in the Men's 470 Class Sailing Event at the 2012 London Olympic Games.

On behalf of the residents of Argyll and Bute, the Council agrees to pass on their congratulations to Luke for this significant achievement and wish him further success in future for sailing events that he may participate in.

Given that Argyll and Bute has some of the best sailing waters in Great Britain, the Council hopes that the success of Luke will inspire and encourage many young people across Argyll & Bute, to consider taking up sailing with one of the many superb sailing clubs in the area.

Argyll & Bute also recognises the tremendous achievement of Helensburgh wheelchair tennis player Gordon Reid in being selected for the Paralympic Games and wish him every success.

The Council also requests that the Provost considers holding a Civic Reception in recognition of the remarkable achievements by both athletes"

Proposed Councillor George Freeman. Seconded Councillor James Robb.

Decision

The Council unanimously agreed the Motion.

(Reference: Notice of Motion by Councillor George Freeman, seconded by Councillor James Robb; tabled)

The Committee resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for the following items of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraphs 6 & 9 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

Councillor Ann Horn left the meeting.

27. HIGHLAND BROADBAND PATHFINDER

The Council considered a report which updated them on the progress of the Pathfinder Broadband Re-Procurement Project which aims to provide a continued managed network service after the current contract expires on 20 March 2014.

Decision

The Council agreed the recommendations in the report by the Executive Director.

(Reference: Report by Executive Director – Customer Services dated 21 August 2012, submitted)

Councillor Alex McNaughton, Councillor Bruce Marshall, Councillor Ellen Morton and Councillor Aileen Morton left the meeting during consideration of the following item of business.

28. PROVISION OF SCHOOL AND LOCAL TRANSPORT SERVICES ON MULL

A report updating the Council on issues which had arisen from tender exercises for the provision of school and local transport on the Isle of Mull and the steps being taken to address them was considered.

Motion

To set up a Short Life Working Group to address the issues contained in the report by the Executive Director.

Moved Councillor D MacIntyre, seconded Councillor Semple.

Amendment

To agree the recommendations as contained within the report by the Executive Director.

Moved Councillor Robb, seconded Councillor Mulvaney.

Decision

The amendment was carried by 10 votes to 8 and the Council resolved accordingly.

(Reference: Report by Executive Director – Customer Services dated 23 August 2012,

submitted)

29. **SALE OF LAND AT DUNCLUTHA, DUNOON**

The Council considered an extract from the Bute and Cowal Area Committee held on 7 August 2012 and a report providing an update on the sale of land at Dunclutha, Dunoon.

Decision

Agreed the recommendations as contained within the report by the Executive Director.

(Reference: Extract of Minute of Bute and Cowal Area Committee held on 7 August 2012 and report by Executive Director – Customer Services dated 12 July 2012, submitted)

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ARGYLL AND BUTE COUNCIL   **COUNCIL MEETING**

COMMUNITY SERVICES - EDUCATION   **20 SEPTEMBER 2012**

VALIDATED SELF-EVALUATION (VSE) EXERCISE: ARRANGEMENTS TO EVALUATE THE EDUCATION FUNCTIONS OF ARGYLL AND BUTE COUNCIL

1.   INTRODUCTION

1.1   The purpose of this report is to advise the Council about arrangements for the forthcoming validated self-evaluation (VSE) exercise in relation to the Council's education functions, to be carried out jointly by Education Scotland and Argyll and Bute Council. By education functions, we mean the functions above the level of individual establishment, ie the way in which the council manages these establishments.

1.2   The education functions of Argyll and Bute Council were the subject of very positive reports by HM Inspectorate of Education, published in June 2005, and June 2007. The last published report concluded that the authority had established a "very effective and rigorous approach to monitoring and evaluating performance in all of its educational establishments". A strong culture of continuous improvement was now clearly evident across all sectors of the service."

1.3   In accordance with the terms of Section 9 of the Standards in Scotland's Schools etc Act 2000, HM Inspectorate of Education were charged with providing, when requested by Scottish Ministers, an external evaluation of the effectiveness of a local authority in exercising its functions in relation to the provision of education.

1.4   As members will be aware, HM Inspectorate of Education and Learning and Teaching Scotland merged to form a new national body named Education Scotland. The statutory duties placed on HMIe by the 2000 Act now fall to Education Scotland.

1.5   Over the past three years, HM Inspectorate of Education radically revised approaches to inspection in response to the expectations of the Crerar report about the need to reduce the cost and the burdens associated with the external scrutiny of public services. Related commitments and procedural changes have resulted in a much more streamlined approach to the inspection of schools and in

the decision to end the cycle of inspection of the education functions of local authorities (known as INEA 1 and INEA 2).

1.6 Now, the education functions of Scottish Councils are scrutinised by a process jointly carried out by a Council and Education Scotland. The starting point of this process will be a Council's own self-evaluation findings and outcomes. This process is known as validated self-evaluation (VSE).

2. RECOMMENDATIONS

2.1 It is recommended that the Council:
- i). note the terms of this report
- ii). note the background to the introduction of jointly managed 'validated self-evaluation' exercises as a replacement for external inspection exercises
- iii). note the nature and scope of and the procedural arrangements for the forthcoming exercise in relation to Argyll and Bute Council's education functions.

3. DETAIL
What is validated self-evaluation?

3.1 Validated self-evaluation (VSE) is not an inspection. It is a voluntary process to support and challenge education authorities to improve its provision and outcomes for learners.

3.2 VSE is led by the education authority and involves a partnership in which Education Scotland works alongside the authority and applies its knowledge of educational delivery and expertise in evaluation. The purpose of this is to support and challenge the education authority's own self-evaluation, and so affirm and strengthen outcomes for learners.
.
3.3 VSE acknowledges that the responsibility for improving services and outcomes lies with the education authority. It recognises that self-evaluation is becoming well embedded across the Scottish educational system and that high quality evaluation can lead to continuous improvement for learners and the achievement of excellence in practice and provision.

3.4. The stages and timescales for the VSE exercise in Argyll and Bute Council, are shown in 3.5
.
3.5 **Stage 1: Initial engagement, ongoing to October 2012**

The District Inspector and Education Scotland Lead Facilitator discuss and agree the shape of the VSE for the particular authority. They then work with the authority to brief staff and key stakeholders, and undertake preparatory work for the next phases.

Stage 2: Working together on self-evaluation, w/b 1st October 2012
Education Scotland provides a team to work alongside authority staff with the purpose of improving the quality of the education authority's self-evaluation.

Stage 3: Stocktaking, mid-October 2012
Education Scotland and the authority discuss the self-evaluation process and the self-evaluation outcomes . They then agree what activity requires to happen next.

Stage 4: Working together on matters arising, w/b 26th November 2012
Education Scotland works with the authority to validate the outcomes of self-evaluation undertaking further appropriate evaluative activities as necessary.

Stage 5: Reporting phase, probably into 2013
Education Scotland and the authority will jointly prepare a public report which focuses on improvement.

3.6   There are three mandatory areas that are assessed in every VSE:
- Improvements in performance
- Impact on learners
- Capacity for improvement

The other areas are selected by the authority and these are:

- Positive Starts (Early Years)
  Positive Starts, the vision for the Early Years Service recognises that every child should have access to the best possible learning and healthcare service that meets individual needs and promote resilience and wellbeing.   The Service is committed to creating a system and climate whereby every child can fulfil his or her potential as a successful learner, confident individual, effective contributor and responsible citizen.

- Opportunities for All (16+ Learning Choices)
  Opportunities for All recognises each young person as an individual with an entitlement to access the qualifications, activities and experiences that best equip them to fulfil their full potential. Young people need to be able

to move into positive and sustained destinations. In order for them to do so, they must have the opportunity to develop the skills and capabilities that will enable them to contribute fully to their families, their local communities and to the Scottish economy.

§ Support to Schools (School Review)
School Review has been a central part of the quality assurance process within Argyll and Bute Council's education processes. A review of the process in 2010 acknowledged self-evaluation as a core professional skill. This review also reflected changes in the HMI inspection processes. In addition it was recognised that best practice would involve a wider range of staff to be involved in the review process. The outcome of this review was the development of a school review process based on partnership working and focussed on the schools self-evaluation.

§ Literacy
Literacy has been a prominent theme throughout the Education Services planning documents over the last five years, in line with the implementation of Curriculum of Excellence. Through careful consideration of the underlying capabilities on which the four key literacy skills are based, Argyll and Bute has put in place a range of initiatives, documentation and training to enhance learning and teaching.

3.7 Officers of Education Scotland will work closely with staff to consider and support approaches to self-evaluation and service improvement. Following that initial collaboration, the Council will be asked to submit a self-evaluation document. The nature and extent of engagement activities will be determined with Education Scotland staff following detailed consideration of the completed self-evaluation and agreement about tasks to be undertaken jointly in respect of service improvement priorities.

3.8 It should be noted that there is a strong commitment within Education Scotland to ensure that the nature and extent of VSE activities take proportionate account of the self-evaluation evidence and documentation provided by the Council. VSE, as indicated above, is not an inspection exercise; its purpose is to validate or affirm, or otherwise, the authority's own self-evaluation.

3.9 Arrangements to be made for joint development and improvement tasks will involve meetings with officers, elected members and stakeholders and, as a matter of course, explore current improvement commitments and the outcomes and impacts of these commitments.

4. **CONCLUSION**

4.1 At the conclusion of the VSE process, Education Scotland will work closely with Council officers to prepare and agree a report on the quality of self-evaluation in the authority. The VSE report will not provide ratings or evaluations on the previous HMIe six point scale. The report must be robust, and give an overall view of the quality of the work of the authority, determined through their self-evaluation. The main purpose of a VSE report is to support and challenge the education authority to secure continuous improvement across the range of its functions.

5. **IMPLICATIONS**

5.1 **Policy:** None

5.2 **Financial:** None

5.3 **Personnel:** None

5.4 **Equal Opportunities:** None

5.5 **Legal:** None

5.6 **Risk:** There would be reputational risks to the Council arising from a negative VSE exercise

5.7 **Customer Service** None

Cleland Sneddon
Executive Director of Community Services
Argyll and Bute Council
September 2012

For further information contact: Carol Evans, Head of Education

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Agenda Item 6

ARGYLL AND BUTE COUNCIL   **COUNCIL**

COMMUNITY SERVICES   **20 SEPTEMBER 2012**

CONSULTATION ON THE CHILDREN AND YOUNG PEOPLE BILL

1.0   SUMMARY

1.1   The Scottish Government has launched its consultation on the new Children and Young People Bill, which it refers to as 'legislation to deliver the best package of early learning and childcare in the UK'. It will be introduced in the Scottish Parliament next year

1.2   The Bill will bring together, and enhance, earlier plans for separate legislation on children's services and rights and aims to better support Scotland's children and families.

1.3   The consultation provides an opportunity for stakeholders, practitioners, parents and carers, and children and young people to have their say on the future shape of children's services and our approach to delivering change.

2.0   RECOMMENDATIONS

2.1   Note the context of the report

2.2   Agree the submission of the consultation response to the Scottish Government.

3.0   DETAIL

3.1   **What is proposed?**

The proposals for the new legislation are based on the following key ideas:

- A more rapid shift to the early years and early intervention

- Such a shift must be part of a comprehensive change in how services work together to support all children and young people at all stages of their lives

- Making real the rights of children and young people

To ensure that children and young people can have high expectations about how this will be supported, wherever they are

in Scotland, the following legislative changes are proposed in the Bill.

3.2 United Nations Convention on the Rights of the Child

The rights of the children and young people across the public sector should be embedded in line with the United Nations Convention on the Rights of the Child (UNCRC), with duties placed on Scottish Ministers to take steps to further the rights of children and young people and promote and raise awareness of the UNCRC.

The wider public sector should also be required to report on what they are doing to take forward realisation of the right set out in the UNCRC.

A proposed extension of the powers of Scotland's Commissioner for Children and Young People is also proposed, to allow Investigations to be undertaken on behalf of individual children and young people. The council may wish to consider the appointment of a Children's Rights Officer in the future

3.3 Early Education and Care

The importance of high quality, flexible, integrated early learning and childcare as a major factor in supporting healthy development in the early years of a child's life is acknowledged in the proposals.

Through the Children and Young People Bill, the Government intends to:

- Increase the funded annual provision from 475 hours pre-school education for 3- and 4- years olds to a minimum annual provision of 600 hours early learning and childcare for 3- and 4- years olds (although more hours will be required if Scotland is to meet its commitment under the Barcelona Targets to provide full day places for a minimum of 90% of 3- and 4- year olds, and provide full day places for a minimum of 33% of under threes)

- Make early learning and childcare more flexible and seamless for the child and better suited to the needs of families

It is proposed that this is achieved by placing a duty on local authorities to increase the flexibility and expand the provision of early learning and childcare provision for children and families, including the most vulnerable 2-year olds.

3.4 Getting it right

GIRFEC is rooted in co-operation between services with the child at the centre, encourages streamlining and collaboration, and prevents services working in isolation from each other. The new legislation will ensure that:

- All children and young people from birth up to leaving school have access to a Named Person

- All relevant services co-operate with the Named Person in ensuring that a child's and young person's wellbeing is at the forefront of their actions

- A single planning process should be in place to support those children and young people needing the involvement of a range of services, through a single Child's Plan

3.5 **Care**

The proposed legislation recognises that Scotland needs a care system that provides effective, rapid support for children and young people, centred on their long-term as well as their short-terms needs and focused on securing health, caring permanence.

Through the legislation, it is proposed that:

- The right of young people leaving care to ask for help from a local authority is raised from the age of 21 to 25

- A clear definition of corporate parenting is put on statute

- A new 'order' is put on statute to support the parenting role of kinship carers

- Use of Scotland's Adoption Register by local authorities is made compulsory

4.0 CONCLUSION

4.1 In Argyll and Bute we welcome and support the aims and ambitions in the Scottish Government's consultation on the forthcoming Children and Young People Bill.

4.2 The Bill aims to fully address the challenges faced by children and young people who experience poor outcomes throughout their lives. It will do this through the creation of services that are child-centred, responsive and joined up; that can intervene more effectively and earlier in their lives, and that listen and take full account of their views.

Achieving this will involve a programme of change that is not limited to any one service, but that embraces a change in the culture and practise that affect the lives of children, young people and their families. The aspirations of the legislation on commitment to integrate Early Childhood Education and Care; early intervention; improving the educational attainment of looked after and accommodated young people; improved wellbeing, and ensuring that

local authority plans, agreements and targets are ambitious for children, with better reporting mechanisms put in place to monitor which services are producing positive outcome for children and their families.

Although the bill is at an early stage, Community Services children and families have already shared their views on aspects of the proposals. They would like the Bill to:

- Support sustained long term investment in early intervention, childcare, and early years services

- Ensure that politicians, professionals, voluntary workers and parents can and do work together

- Support joined-up thinking from birth and throughout   education

- Protect services, and ensure that funding is not cut or significantly reduced within the context of the current and future funding settlements

- Go further with incorporating the UNCRC into law, and supporting children's rights

- Establish a reporting and monitoring process to ensure governments and organisations are accountable for what they agree to implement

5.0 IMPLICATIONS

5.1 Policy: Requirement of public bodies to report annually on the promotion of Children's Rights.

Change in policy in regard to delivery of Pre School education currently at 475 hours being increased to 600 hours Early Learning and Childcare.

Change in policy in regard to Kinship Care orders.

Impact of legislation in regard to current disciplinary/complaints procedures and the possible requirement to employ a Children's Rights Officer.

5.2 Financial: Increase to 600 hours of Early Learning and Childcare – initial costing in region of £1.2 million.

Increased costs for Kinship Care, initial costing to be detailed once the breadth of Kinship Orders is known.

Appointment of Children's Rights Officer to take forward the council's compliance with the new Act.

In 2012/13 the Early Years Change fund was identified to invest in in early years and early intervention. A notional sum was identified in COSLA paper however clarity is still required .

5.3   Legal: Requirement of all policy to comply with the new Act

5.4   HR: Requirement to comply with new Act

5.5   Equalities: Requirement to comply with new Act

5.6   Risk: Financial risk associated with implementation of new Act

5.7   Customer Service: Children and their families are required to be consulted with regard to the implementation of the Act

6.0   APPENDICES

6.1   Attached response to Scottish Government on the Children (Scotland) Bill

Executive Director of Community Services
Cleland Sneddon
13th August 2012

For further information contact:
Anne Paterson Quality Improvement Officer Early Years
anne.paterson@argyll-bute.gov.uk
Tel: 07766991641

Liz Strang, Lead Officer for Child Protection & GIRFEC
eizabeth.strang@argyll-bute.gov.uk
Tel: 01546604281

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Consultation on a proposal for a Children and Young People Bill

RESPONDENT INFORMATION FORM

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

Please key F11 to move between fields

1. Name/Organisation

Organisation Name

Argyll & Bute Council

Title Mr ☐ Ms ☐ Mrs ☐ Miss ☐ Dr ☐ *Please tick box as appropriate*

Surname

Strang

Forename

Liz

2. Postal Address

Argyll & Bute Council Community Services

Community Services

Kilmory, Lochgilphead, Argyll

Postcode PA31 8RT	**Phone** 01546 604281	**Email:** elizabeth.strang@argyll-bute.gov.uk

3. Permissions - I am responding as…

Individual	/	**Group/Organisation**
☐	*Please tick as appropriate*	x ☐

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate ☐ Yes ☐ No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick ONE of the following boxes

Yes, make my response, name and address all available ☐

or

Yes, make my response available, but not my name and address ☐

or

Yes, make my response and name available, but not my address ☐

(c) The name and address of your organisation *will be* made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your *response* to be made available?

Please tick as appropriate X ☐ Yes ☐ No

(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please tick as appropriate x ☐ Yes ☐ No

4. Background

In analysing your response, it would be helpful to know your background. Please indicate the area which best describes your involvement with children from the options below.

Please tick box as appropriate: Community Services Children & Families

Early Years	√
Education	☐
Health	☐
Justice	☐
Parent/Carer	☐
Police	☐
Social Work	√
Sport and Leisure	☐
Voluntary Organisation	☐
Other	☐

> **This is an Argyll & Bute Council response.**

CONSULTATION QUESTIONS

1.   A SCOTLAND FOR EVERY CHILD

More effective rights for children and young people

1.   Do you feel that the legislative proposals will provide for improved transparency and scrutiny of the steps being taken by Scottish Ministers and relevant public bodies to ensure the progressive realisation of children's rights?

> **Yes. A specific definition would be helpful on which public bodies are subject to scrutiny, i.e pure public bodies or organisations with a functional role on behalf of a public body.**

2.   On which public bodies should a duty to report on implementing children's rights be applied?

> **All public bodies with a responsibility for the delivery of services to children and families.**

3. Do you agree that the extension of the Children's Commissioner's role will result in more effective support for those children and young people who wish to address violations of their rights?

In principle in relation to promoting children's rights yes, however success would depend upon the capacity of the Children's Commissioner's Office to respond to individual complaints. If his responsibilities are expanded would there be a requirement for an investigative team and what are the practicalities at a local level for public bodies of liaising with the commissioner's office to ensure independence and objectivity? Clarification would be helpful on how the proposals will sit with the statutory social work complaint system and the Section 70 complaints procedure in relation to ASN legislation? If the Children's Commissioner's investigation is proposed as additional to these processes, there would be a concern about the extended timescales for a complaint to be raised, considered and determined. Additional layers of bureaucracy will not be the most effective mechanism for improving children's rights.

A new focus on wellbeing

4. Do you agree with the definition of the wellbeing of a child - or young person - based on the SHANARRI Wellbeing Indicators, as set out in the consultation document?

Yes.

This is a positive move forward, as well-being rather than welfare reflects current GIRFEC principles and provides professionals with a consistent approach to assessment and care planning.

5. Do you agree that a wider understanding of a child or young person's wellbeing should underpin our proposals?

Yes as the 8 well-being indicators are applicable to all children and should fit with current organisational structures, policies and services.

Better service planning and delivery

6. Do you agree that a duty be placed on public bodies to work together to jointly design, plan and deliver their policies and services to ensure that they are focussed on improving children's wellbeing?

Yes

> **Currently the Integrated Children's Services planning and operational structure provides strategic and operational governance. Further consideration needs to be given to how this will fit with the new Health and Social Care Partnerships.**

7.   Which bodies should be covered by the duties on joint design, planning and delivery of services for children and young people?

> **All public bodies with a duty to provide services directly or indirectly to children and their families.**

8.   How might such a duty relate to the broader Community Planning framework within which key service providers are expected to work together?

> **It is difficult to assess given the health and social care integration agenda and development of Health and Social Care Partnerships may change community planning arrangements. However if the structure and accountability is similar, every CPP policy document and service would require a clear policy statement/vision for delivering the best possible level of service to children and their families jointly owned and shared by the partners and with strategic governance and reporting mechanisms in place. This gives the council an opportunity to consider how children's rights should be embedded in Community Planning.**

Improved reporting on outcomes

9.   Do you agree that we should put in place reporting arrangements making a direct link for the public between local services and outcomes for children and young people?

> **Yes - with an analysis provided by each service which illustrates how they are ensuring improved outcomes triangulated by evidence from children and their families which illustrate sustained improvements in well -being.**
>
> **The strategic integrated children's services groups should co-ordinate this report.**

10.   Do you think that these reporting arrangements should be based on the SHANARRI Wellbeing Indicators as set out in this consultation paper?

> **Yes - to ensure consistency across Scotland**

11.   On what public bodies should the duty for reporting on outcomes be placed?

All public bodies providing services to children and their families from early years to through care and aftercare and those with responsibility to promote the role of the corporate parent for Looked After Children.

2.   A SCOTLAND FOR EACH CHILD

Improving access to high quality, flexible and integrated early learning childcare

12.   Do you agree that the Scottish Government should increase the number of hours of funded early learning and childcare?

Yes in principle, empirical research has proven children have improved outcomes if early learning and child care has been accessed. Local authorities will require adequate additional funding on a sustainable basis for the additional 125 hours. At a local level further consideration on how we train our workforce to meet this increase in hours and this also has financial implications. This additional resource should not be regarded as a short term change fund but a long term investment in children and young people future.

13.   Do you agree that the Scottish Government should increase the flexibility of delivery of early learning and childcare?

Yes - based on a needs led assessment of the needs of the individual child. The emphasis in early learning and child care should continue to be   the quality of services and how these improve outcomes for children.

14.   Do you think local authorities should all be required to offer the same range of options? What do you think those options should be?

Not necessarily - options should reflect local needs and context.

The child's well-being should still be at the heart of all service delivery. Increased nursery placement does not facilitate parents to better manage a child in the home. Removing children from the family home for longer periods does not solve the problem of poor parenting. There needs to be therapeutic and skilled input to struggling families. Parenting support is an essential part of early year's strategy.

> **Are we meeting the needs of the child primarily or of the parent/s? Children need to spend time with their parents .Providing wrap around care is not always ideal as a full day in nursery can be distressing for some children leading to behavioural problems. The needs of the child as well as practicalities for the providers should be fully considered in each area e.g. early years child care providers with young children cannot start work at 7.30am.**
>
> **Further consideration should be given to geographical limitations in remote and rural areas.**

15.   How do you think the issue of cross-boundary placements should be managed, including whether this might be through primary or secondary legislation or guidance?

> **Pre-School children should be considered as Scotland's Pre-School Children and therefore services should be made available to all children including children transferring in to and out of other areas in Scotland.**

16.   Do you agree with the additional priority for 2 - year olds who are 'looked after'? What might need to be delivered differently to meet the needs of those children?

> **This depends on the individual child and their needs.**
>
> **Flexibility should be applied as all Looked After Children under 2 will have a Child's Plan which assesses all aspects of their care. Services should not be mandatory as some children eligible for a place will not be ready to enter a group care setting and will require to develop an attachment to their foster carers. Some young children will test new carers and enhanced provision will be required to support the placement, foster placements may well be enhanced by good quality child care and therefore the best interest of the child must always be paramount.**

The Named Person

17.   Do you agree with the proposal to provide a point of contact for children, young people and families through a universal approach to the Named Person role?

> **Yes.**
> **This provides consistency across Scotland.**

18.   Are the responsibilities of the Named Person the right ones? Are there any additional responsibilities that should be placed on the Named Person?

Broadly yes, although details and capacity to appropriately meet the needs of all children within existing work load should be considered.

19.   Do you agree with the proposed allocation of responsibilities for ensuring that there is a Named Person for a child at different stages in their lives set out in the consultation paper?

Yes. This is particularly relevant for children with additional support needs.

20.   Do you think that the arrangements for certain groups of school-aged children as set out in the consultation paper are the right ones? What, if any, other arrangements should be made? Have any groups been missed out?

Yes.

Local arrangements are already in place for Home Educated children. In particular frequency of visits by the "named person" to undertake well-being visits should be explored. Children with disabilities and school phobics/refusers need support from a named person and local authorities need to consider local arrangements to support these groups of school aged children.

The Child's Plan

21.   Do you think a single planning approach as described in the consultation paper will help improve outcomes for children?

Yes - at a universal level.

22.   How do you think that children, young people and their families could be effectively involved in the development of the Child's Plan?

Consulting with children and their families in the construction of the plan is crucial to the success of the plan by ensuring agreed outcomes which are realistic and achievable and understood by everyone named in the plan

Right to support for looked-after children

23.   Do you agree that care-leavers should be able to request assistance from their local authority up to and including the age of 25 (instead of 21 as now)?

Yes - in principle, however this may prove difficult to manage in practice due to capacity of through care and after care services. Further consideration of the impact of this proposal on services should be provided.

Corporate Parenting

24.   Do you agree that it would be helpful to define Corporate Parenting, and to clarify the public bodies to which this definition applies? If not, why not?

Yes - a clear statement on the role of the corporate parent and those responsible for the successful delivery is essential.

25.   We believe that a definition of Corporate Parenting should refer to the collective responsibility of all public bodies to provide the best possible care and protection for looked-after children and to act in the same way as a birth parent would. Do you agree with this definition?

Yes. The definition accurately covers the role anticipated.

Kinship care

26.   Do you agree that a new order for kinship carers is a helpful additional option to provide children with a long-term, stable care environment without having to become looked after?

Yes in broad terms as support to Kinship Carers is a crucial element in securing a child's future within their family if in the child's best interest.

There is however, scope for confusion as a Kinship Order would potentially sit alongside other types of kinship placement where the child is and needs to be Looked After (S25 & 70) Children's Scotland Act.

It would be helpful for the funding of kinship care to be considered in more detail and some uniformity across Scotland instead of allowing each area to operate in silos. A view on whether Kinship payments should be means tested would be helpful.

27.   Can you think of ways to enhance the order, or anything that might prevent it from working effectively?

Ensuring the child is in a settled and secure placement which meets all of their longer term needs is the most important consideration. Consideration of the relationship between foster carers and fostering & adoption panels would be helpful.

Adoption and permanence

28.   Do you agree that local authorities should be required to match adoptive children and families through Scotland's Adoption Register?

Yes, in principle. However, in practice if this is made mandatory it could create a new tranche of bureaucracy which could introduce delays and complexity into the process.

Better foster care

29. Do you agree that fixing maximum limits for fostering placements would result in better care for children in foster care? Why?

> **No. These decisions are best left to the fostering panels and the Agency Decision Makers and based on assessment of carers' abilities and children's needs.**

30. Do you agree foster carers should be required to attain minimum qualifications in care?

> **Yes. The professionalisation of foster care and the accompanying improved standards of care and accountability would be welcome. The implementation of these changes would require careful planning and should not negate the experience that foster carers bring.**

31. Would a foster care register, as described, help improve the matching by a local authority (or foster agency)? Could it be used for other purposes to enhance foster care?

> **Yes. It could be used to reduce the number of placements however foster carers are a local resources recruited by the local authority to meet the needs of local children. The priority should always be to the recruiting local authority.**

32. Do you think minimum fostering allowances should be determined and set by the Scottish Government? What is the best way to determine what rate to pay foster carers for their role – for example, qualifications of the carer, the type of 'service' they provide, the age of child?

> **No**
> **Local arrangements should remain in place for each local authority. Each authority has developed fostering allowance based on their local need for example some local authorities have higher rates for teenager due to high demand while other do not.**

Assessing Impact

33.   In relation to the Equality Impact Assessment, please tell us about any potential impacts, either positive or negative; you feel the legislative proposals in this consultation document may have on any particular groups of people?

The legislative proposals should have a positive impact on the outcomes for pre-school and Looked After Children.

34.   In relation to the Equality Impact Assessment, please tell us what potential there may be within these legislative proposals to advance equality of opportunity between different groups and to foster good relations between different groups?

The legislative proposals with regard to corporate parenting offer the opportunity to combat the social exclusion of Scotland's most vulnerable children through defining corporate parenting and elevating of the professional and political profile of all children.

35.   In relation to the Business and Regulatory Impact Assessment, please tell us about any potential economic or regulatory impacts, either positive or negative; you feel the legislative proposals in this consultation document may have, particularly on businesses?

The legislative proposals will have resource implications that will have to be considered explicitly.

Thank you for responding to this consultation.

Please ensure you return the respondent information form along with your response.

The closing date for this consultation is 25 September 2012. Please return to childrenslegislation@scotland.gsi.gov.uk

or

Paul Ingram
The Scottish Government
Area 2B North
Victoria Quay
Edinburgh
EH6 6QQ

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INDICATIVE COST OF INCREASING PRE-SCHOOL PROVISION

SUMMARY - ASSUMING PROPORTIONAL INCREASE IN ALL COSTS

	Current Cost	2013/14	2014/15 (FROM AUG)	2015/16 (FULL YEAR)	Increase on current
LOCAL AUTHORITY					
Current + inflation	2,275,875	2,275,875	2,344,150	2,414,475	138,600
500 hours			2,421,260	2,541,553	265,678
550 hours			2,575,481	2,795,708	519,833
600 hours			2,729,701	3,049,863	773,988
PARTNER PROVIDERS					
Current + inflation	1,032,146	1,032,146	1,063,441	1,095,421	63,275
500 hours			1,101,429	1,152,317	120,171
550 hours			1,179,024	1,267,722	235,576
600 hours			1,256,091	1,383,127	350,981
FULL YEAR INCREASE WHEN FULLY IMPLEMENTED					
500 hours					385,849
550 hours					755,409
600 hours					1,124,969

Assumptions

All costs will increase in proportion to increased hours
Increases to hours are from the beginning of the new school term (August)
Annual inflationary uplift of 3% applied from 2014/15 onwards
Numbers of children remain the same over the next 3 years

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INDICATIVE COST OF INCREASING PRE-SCHOOL PROVISION

SUMMARY - ASSUMING PROPORTIONAL INCREASE IN ALL COSTS (EXCLUDING PROPERTY CONTRIBUTION TO SCHOO

	Current Cost	2013/14	2014/15	2015/16	Increase on current
LOCAL AUTHORITY					
Current + inflation	2,275,875	2,275,875	2,332,767	2,402,750	126,875
500 hours			2,397,021	2,497,261	221,386
550 hours			2,525,532	2,709,041	433,166
600 hours			2,654,040	2,920,828	644,953
PARTNER PROVIDERS					
Current + inflation	1,032,146	1,032,146	1,063,441	1,095,421	63,275
500 hours			1,101,429	1,152,317	120,171
550 hours			1,179,024	1,267,722	235,576
600 hours			1,256,091	1,343,112	310,966
FULL YEAR INCREASE WHEN FULLY IMPLEMENTED					
500 hours					341,557
550 hours					668,742
600 hours					955,919

Assumptions

Property contribution to schools will remain at current levels
Increases to hours are from the beginning of the new school term (August)
Annual inflationary increases of 3% applied from 2014/15 onwards
Numbers of children remain the same over the next 3 years

LS)

INDICATIVE COST OF INCREASING PRE-SCHOOL PROVISION

SUMMARY - ASSUMING PROPORTIONAL INCREASE IN VARIABLE COSTS ONLY

	Current Cost	2013/14	2014/15	2015/16	Increase on current
LOCAL AUTHORITY					
Current + inflation	2,275,875	2,275,875	2,332,769	2,402,752	126,876
500 hours			2,384,241	2,476,195	200,320
550 hours			2,487,186	2,645,848	369,972
600 hours			2,590,130	2,815,500	539,625
PARTNER PROVIDERS					
Current + inflation	1,032,146	1,032,146	1,063,441	1,095,421	63,275
500 hours			1,101,429	1,152,317	120,171
550 hours			1,179,024	1,267,722	235,576
600 hours			1,256,091	1,343,112	310,966
FULL YEAR INCREASE WHEN FULLY IMPLEMENTED					
500 hours					320,491
550 hours					605,548
600 hours					850,591

Assumptions

Majority of budgets will remain as present with only childcare worker employee costs, utilities, rent and materials budgets increasing
Property contribution to schools will remain at current levels
Increases to hours are from the beginning of the new school term (August)
Annual inflationary increases of 3% applied from 2014/15 onwards
Numbers of children remain the same over the next 3 years

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Agenda Item 7

ARGYLL AND BUTE COUNCIL

COMMUNITY SERVICES

COUNCIL MEETING

20 SEPTEMBER 2012

LOCAL HOUSING STRATEGY ANNUAL MONITORING REPORT 2011/12

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1. SUMMARY

1.1 The first annual monitoring report for the new Local Housing Strategy is annexed to this paper. It details the progress made against each of the four strategic outcomes over 2011/12, year 1 of the five-year planning period, and highlights remaining challenges. It also provides a summary of the actual spend achieved in that year and future resource assumptions for delivering the strategy.

2. RECOMMENDATION

2.1 Members are asked to note the contents of this report.

3 DETAIL

3.1 The Argyll and Bute Local Housing Strategy 2011-2016 sets out a detailed monitoring and evaluation framework for reporting progress. This comprises a set of key indicators, a number of SMART targets, and the specific actions for delivering each of the four main housing outcomes or strategic aims.

3.2 This first annual monitoring report provides details of progress over 2011/12, year 1 of the five year planning period. It also highlights any areas of slippage and the remaining challenges to be addressed in future years.

3.3 The report also highlights amendments or revisions to the LHS action plan and targets, bearing in mind that the LHS is a continuous and iterative process rather than a one-off document produced every five years. Developments in local and national policy, changes in the local housing system and wider environment, and the actual impact of implementing the strategy itself on the ground, will all influence the direction and focus of the LHS in future years. At this stage, however, the proposed revisions are minor: a few actions have been merged or rationalised for the sake of clarity and focus, while a couple of targets have been revised to make them more meaningful and SMART in terms of their measurability against available data sources.

3.4 Some additional, contextual information, updating baseline data and analysis carried out for the original Housing Need and Demand Assessment in 2009/10 is provided. This is set out in the body of the report along with the key achievements and outputs for each outcome.

3.5 Section 2 of the report summarises the achieved spend in Argyll and Bute from public investment over 2011/12 and sets out the current resource planning assumptions for future years.

3.6 The report also records the results of the LHS Peer Review process which involved an appraisal of the original strategy by a panel of Scottish Government and local authority representatives. The peer review feedback was generally positive and noted a number of strengths in our submission and also suggested potential areas for further consideration as the LHS is developed and revised over time.

4. CONCLUSION

4.1 Over 2011/12, solid, positive progress has been achieved against a number of the original LHS objectives and targets. There is evidence that the 4 LHS outcomes have all been addressed albeit to varying degrees:

Strategic Aim	Summary 2011/12
1. Improving Access to & Increasing Supply of Affordable Housing	Despite some initial slippage in the delivery of the SHIP programme, the five year target of 550 new affordable homes across Argyll & Bute remains a realistic and achievable goal.
2. Reducing the Incidence of Homelessness	Excellent progress with a significant reduction in the number of homeless applications and successful achievement of the national 2012 target in respect of 100% priority cases.
3. Supporting Independent Living & Addressing Particular Needs	Mixed progress to date, with limited new development in Special Needs accommodation but increased provision of adaptations across all tenures, a sustained telecare programme, and the implementation of a restructured support service framework.
4. Improving Stock Conditions & Tackling Fuel Poverty	While this is the strategic aim that has seen least positive progress in terms of concrete outputs, Year 1 has seen a significant level of investment, particularly in manpower and time but also in actual financial input, into establishing the basic foundations and structures which will facilitate the delivery of actual outputs in future years. It should also be noted that this is the strategic outcome that is perhaps most at risk due to external factors and influences outwith the control of the LHS.

4.2 However, despite the relatively healthy position at this early stage in the LHS implementation process, significant challenges remain:

- the affordable housing supply has not increased sufficiently to meet demand;
- significant pockets of Below Tolerable Standard housing remain within the private sector and a significant proportion of

the RSL sector still fails to meet the Scottish Housing Quality Standard;

- fuel poverty is increasing due to a number of external factors;
- the welfare reform proposals will have substantial implications for tenants, landlords and homeless households;
- the needs of the ageing population and other households with particular needs have not been fully addressed;
- public sector funding remains severely constrained and new sources of private finance together with innovative business models for the delivery of affordable housing will be required if the LHS outcomes are to be fully achieved.

5. IMPLICATIONS

5.1 **Policy** – None

5.2 **Financial** – The successful delivery of the LHS outcomes will have continuing implications for the administration of the Council's Strategic Housing Fund and other resources.

5.3 **Legal** – The development, implementation, and monitoring and evaluation of the LHS is a statutory duty under the Housing (Scotland) Acts 2001 and 2006.

5.4 **Personnel** – None

5.5 **Equal Opportunities** – The LHS supports and promotes the principles of equality and diversity in line with public sector duties.

5.6 **Customer Services** – The delivery of the LHS has a strong customer focus in line with council policy and national standards.

5.7 **Risk –** There are a number of risks associated with the future delivery of the LHS, primarily resource constraints, but also the impact of welfare reform and external factors driving fuel poverty, among others. Partners on the Strategic Housing Forum will continue to strive to address and mitigate these risks.

Cleland Sneddon,   Executive Director, Community Services
21 August 2012

For further information contact:
Donald MacVicar, Head of Community & Culture. Tel   01546 60 4364

Annex: Local Housing Strategy Annual Monitoring Report 2011/12

Community Services

ARGYLL AND BUTE

LOCAL HOUSING STRATEGY 2011-2016

First Annual Update – August 2012

"Realising the potential of our communities by ensuring that people have access to affordable, sufficient & suitable housing in Argyll & Bute"

Lochgoilhead – local school children celebrate the opening of a joint new build development by Dunbritton Housing Association & ACHA.

Solar Panels – this is one of a range of innovative energy efficiency measures across Argyll & Bute which also contribute towards tackling fuel poverty.

HOME Argyll – effective partnership working between RSLs and the Council delivers personalised Housing Options information & advice

Ardenslate, Dunoon – site of a new development by ACHA due for completion in 2012/13.

INTRODUCTION

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This report provides an update on:

- Progress made with the Local Housing Strategy during 2011/12 (Year 1 of the five year planning period) and any significant achievements or slippage, as well as ongoing challenges for the future;

- Revisions to the Action Plan arising from local or national policy changes introduced during the last year;

- Current resource assumptions affecting the delivery of the Local Housing Strategy; and

- How we propose to address any areas for improvement recommended in the Scottish Government/LHS Peer Review appraisal.

The report is structured as follows:-

If you would like this document in another language or format please contact:
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MONITORING AND REPORTING ARRANGEMENTS

The Local Housing Strategy sets out a framework for monitoring progress and evaluating the impact of the strategic outcomes against a set of key indicators, SMART targets and specific actions. It also details the agreed reporting arrangements for informing partners and stakeholders.

Regular progress reports are to be submitted to Council members, the Strategic Housing & Communities Forum and the wider Community Planning Partnership (in particular the Social Affairs and Economic Development thematic sub groups), in addition to individual partners' own feedback to their respective boards and committees. The Annual Monitoring report will be published online for general stakeholders and local communities to access. It is also our intention to explore the development of local area housing fora to improve opportunities for service users and local community representatives to be involved in the monitoring process.

The Council's Housing Services Management Team continues to collate and analyse statistics and develop relevant performance indicators as set out in the Local Housing Strategy Outcome Templates. This core data is also reported in the council's performance management system, Pyramid.

SUMMARY OF ACHIEVEMENTS AND REMAINING CHALLENGES – 2011/12

1.0 Strategic Aim One – Facilitating access to sufficient and affordable housing

Strategic Outcome 1	People successfully access a choice of suitable and affordable housing options in the areas that they want to live and can participate in the housing market
Objective 1.1	To ensure that a generous supply of land for housing is identified
Objective 1.2:	To promote good design and address infrastructure constraints to maximise delivery of new homes
Objective 1.3	To enable effective forward planning activity to maximise the availability of housing
Objective 1.4:	To meet housing need and demand by making the best use of existing stock.

1.1 Housing System Context: The following matrix of key indicators summarises changes in housing supply and demand over the last three years to provide current context.

Table 1: Key Indicators of Change in Housing Supply & Demand 2010-2012

Indicator	2009-10 (HNDA baseline)	2011-12	Change
Total Dwellings on Council Tax Register	46,595	47,052	+1%
Total Households	41,422	41,775	+0.8%
Ineffective Stock – Total No of Second/holiday homes & Long Term Empty properties (& as % of total stock)	4,172 (9%)	4,692 (10%)	+ 12.5% (+1%)
Total Social Stock (Adjusted as of 2012 & excludes Abbeyfields; Cube; Blue Triangle)	7,954	8,019	+0.8%
Annual RTB Sales (ACHA)	33	24	-27%
Total Social Sector Lets	721	827	+15%
Turnover: lets as % of Stock	9%	10%	+1%
Combined Waiting List Applicants (HOMEArgyll + Bield -25% est. duplication)	3766	3562	-5%
Ratio: Applicants Per Available Let	5:1	4:1	-1
Average House Price	£129,670	£149,282	+15%
Average Household Income	-	£26,126	-
Affordability Ratio (AHP/AHI)	-	5.7	-

1.2 Outcome 1 - Key Achievements in 2011/12

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A total of 80 affordable new build homes were delivered via the SHIP programme[1] in 2011/12:

LORN -
KILMELFORD
1 SOCIAL RENT SPECIAL NEEDS UNIT

MID ARGYLL –
LOCHGILPHEAD
17 NEW SHARED EQUITY UNITS
LUNGA ESTATES
2 RURAL HOMES FOR RENT

COWAL –
LOCHGOILHEAD
18 NEW SOCIAL RENT UNITS
DUNOON
10 OPEN MARKET SHARED EQUITY UNITS
ARDKINGLAS ESTATES
2 RURAL HOMES FOR RENT

BUTE -
ROTHESAY
25 NEW SUPPLY SHARED EQUITY UNITS

VARIOUS
5 SCOTTISH GOVERNMENT RURAL HOME
OWNERSHIP GRANTS ACROSS ARGYLL & BUTE

Housing Market Areas

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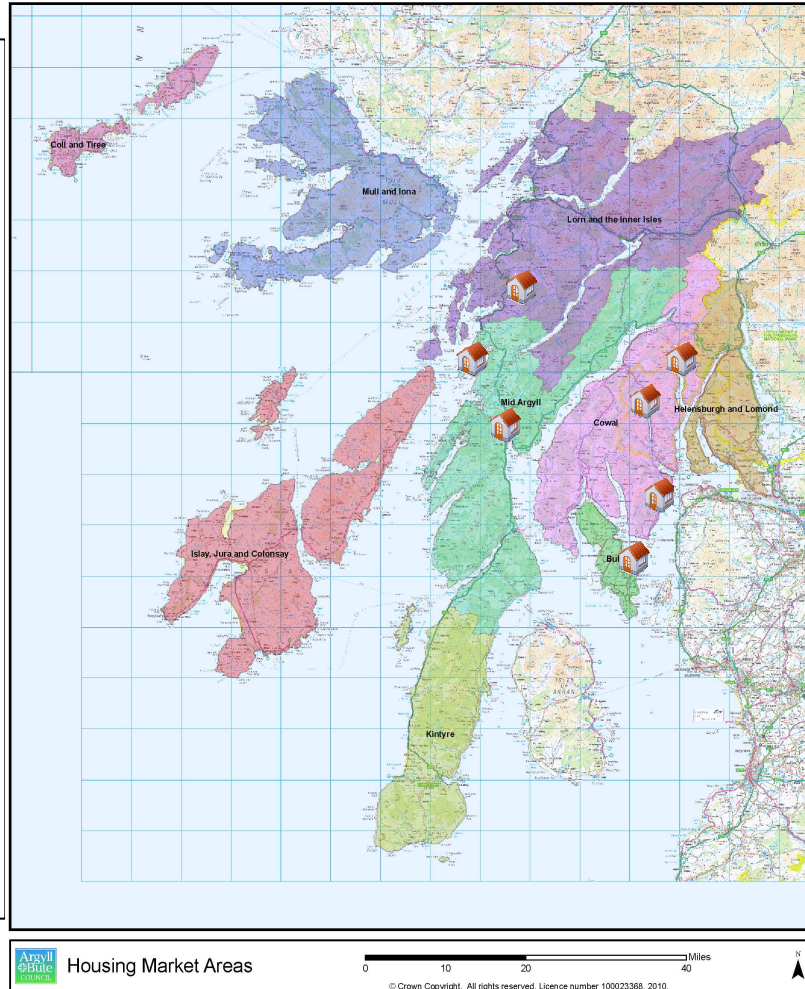
Core public sector investment in new housing development totalled £9.8m

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[1] NB. Investment via the SHIP programme also delivered 16 reconfigured flats at Kerrera Lodge, Oban and 3 refurbished homes on Gigha which are excluded from these figures as they did not produce actual new units.

Funding Source	Actual Spend (2011/12)
Scottish Government Affordable Housing Investment Programme	£9.561m
Argyll & Bute Council Strategic Housing Fund	£0.248m

Argyll & Bute successfully secured an additional £4.988m for 6 new projects under the Scottish Government's Investment & Innovation Fund in 2011.

3 additional new developments on Islay, Iona and Ardfern received approval for funding totalling £953,532 from the Council's Rural Housing Development Fund.

10 Empty Homes in the private sector were brought back into effective use

10 Private Landlords in Argyll & Bute were accredited with Landlord Accreditation Scotland by March 2012.

There were 3,080 approved landlords on the Council's Private Landlord Register

1.3   Remaining Challenges to deliver Outcome 1

Resources/ Funding	The historic allocation of Scottish Government Affordable Housing Investment Programme (AHIP) and, in 2011/12, the successful bids to the one-off Investment & Innovation Fund (IIF) have sustained a healthy development programme to date, however this year the funding regime has been significantly revised and core investment from the newly established Affordable Housing Supply Programme (AHSP) has been substantially reduced – in essence £4.7m for this authority over the next 3 years. At the same time RSL access to private finance/borrowing is very restricted. The Council's Strategic Housing Fund will remain a crucial source of investment to ensure RSL and other local community developments can be delivered, and the council will continue to explore innovative solutions such as the Local Authority Mortgage Scheme and support RSLs and others in exploring alternative sources of finance and new business models for the delivery of affordable housing. See Section 6 for further details on Resourcing the Strategy.
Access to existing stock.	The Common Housing Register partnership, HOMEArgyll, continues to benefit waiting list applicants and promotes further joint improvements in social housing policy and procedure and overall turnover in the social sector stock has increased and a growing number of waiting list applicants (+15%) have been rehoused. However, while the estimated total waiting list has reduced by around 5%, leading to a reduced pressure ratio across the authority as a whole, at local Housing Market Area level, and within many individual settlements, pressure ratios remain significantly higher than the average, indicating lengthy waiting times. There is also a need to review our strategic approach to the private rented sector and to maximise its contribution towards alleviating housing need. The significant and increasing proportion of ineffective stock in Argyll & Bute also continues to be a concern. The launch of the Empty Homes Strategy was positive but more needs to be done to enhance and refocus the impact of this work in the future.
Affordability	In the local housing market, average house prices appear to have increased quite significantly over the last couple of years contrary to the national trend and despite the ongoing impact of the recession and the current economic climate. At the same time, average household incomes would appear to have declined while lenders remain highly risk adverse and mortgages are difficult to access for many households, particularly without substantial deposits and therefore it is likely that the affordability gap in Argyll and Bute is worsening and that a greater number of households cannot afford to resolve their need by themselves in the open market.

1.4   Strategic Aim Two – Reducing the Incidence of Homelessness

Strategic Outcome 2	Fewer people will become homeless each year in Argyll & Bute as a result of our proactive approach to prevention and support
Objective 2.1	To develop a Housing Options approach to preventing homelessness
Objective 2.2	To target support to vulnerable households
Objective 2.3	To deliver quality homelessness services

1.5 **Homelessness context:** The following matrix of key indicators summarises recent trends in the nature and scope of homelessness.

Table 2: Key Indicators of change in the extent and nature of homelessness, Argyll & Bute 2010-2012.

Indicator	2010	2011	2012
Total Number of Homeless Applications	**923**	**810**	**604**
Main Reasons for Homelessness			
Asked to leave	28.4%	23.3%	22.7%
Dispute within household (violent/abusive)	7.5%	7.9%	6.5%
Dispute within household/Relationship breakdown (non violent)	14.7%	17.3%	23.7%
Termination of tenancy (rent arrears/default on payment)	6.6%	4.4%	3.6%
Termination of tenancy (other)	8.5%	11.6%	8.6%
Overcrowding	4.3%	4.2%	5.0%
Main household category /age			
Single person	55.1%	54.3%	55.6%
Couple with children	6.5%	6.8%	6.6%
Couple without children	6.7%	6.0%	5.5%
Single Parent	23.0%	25.1%	25.7%
Aged 16-24	34.5%	33.5%	35.1%
Aged 25-54	57.1%	57.4%	57.1%
Aged 55-64	5.6%	5.8%	5.5%
Aged 65+	2.8%	3.3%	2.8%

1.6 **Key Achievements for Outcome 2 in 2011/12**

25% reduction in total number of homeless applicants on previous year due at least in part to the successful implementation of the Housing Options approach and preventative measures.
90% of homeless households assessed in priority need. On target to achieve 100% in 2012.
60% of RSL lets allocated to homeless households
Significant reduction on proportion of applicants who lose contact with the housing service (down from 16% to 11%).
Significant reduction in number of households in B&B - from 31 per month last year to 2 per month this year
Successful implementation of Housing Options approach and adopted the Housing Hub Implementation Plan
Argyll & Bute Advice Network (*ABAN*) referral system launched successfully April 2012.
Partnership working developed via the NHS Highland Health and Homelessness Strategy
Housing Information & Advice Strategy launched and homeless information materials reviewed and updated.

1.7   Remaining Challenges to deliver Outcome 2

Housing Options	The full implementation of the housing options approach will require a considerable culture shift across partner agencies and adoption of a new IT system which will present some technical and operational challenges.
Temporary Accommodation to meet need	To sustain the reduction in use of unsatisfactory B&B accommodation, need to ensure access to suitable and sufficient supply of good quality temporary accommodation in both the social and private rented sectors.
Reducing case closure times	The average length of time to achieve satisfactory resolution for individual homeless cases has been extended in recent years due to a small number of atypical and problematic cases, particularly in relation to island locations where suitable accommodation is unavailable. The situation will be monitored and appropriate solutions explored.
Welfare Reform	The impact of the Government's proposed changes to the welfare system is likely to be significant and potentially drastic not only for those in receipt of benefits themselves but also for housing & support providers. To monitor this & explore effective strategies for mitigating the impact of the changes, a Welfare Reform Group will be established.

1.8   STRATEGIC AIM THREE – SUPPORTING PEOPLE TO LIVE INDEPENDENTLY IN THEIR OWN HOME

Strategic Outcome 3	More households with particular housing needs living in their own homes as a result of proactive forward planning, investment & support strategies
Objective 3.1	Enable partnership working & early joint action
Objective 3.2	Develop targeted information & advice
Objective 3.3	Make the best use of existing homes
Objective 3.4	Deliver more homes for households with physical & learning disabilities within planned developments

1.9   **Outcome 3:** The following matrix of key indicators summarises changes in particular housing needs over the last 3 years.

Table 3(a): Key Indicators of Change in Particular Housing & Support Needs, 2010-2012.

Indicator	2010	2012	Changes
Total social sector stock specially designed as suitable for particular needs[2] (NB. These figures exclude general needs properties with adaptations & mainstream ground floor units retained for elderly but with no additional, technical attributes. Additional accommodation for particular needs clients is also provided by Key Housing & Cube and was historically -prior to 2012 - available from Abbeyfield schemes.)	998	1,001	Special Needs provision has remained relatively static. The 4 Abbeyfields have all closed or transferred to private sector. Fyne Homes reclassified sheltered units as amenity or medium dependency accommodation in 2009.
Total Telecare/Telehealth Clients	1,385	1,450	Slight (5%) increase in number of clients.
Disabled HOMEArgyll Applicants	n/a	268	8% of CHR applicants have disability. This will now be monitored from 2012 on.
Elderly Waiting List Applicants • **HOMEArgyll** (i.e. Households = Single Pensioners or Couples including 1 Pensioner) • **Bield** (All Applicants)	566 316	577 219	Total number of older persons on CHR is relatively static but Bield's List appears to have reduced significantly (-31%). NB. May be some duplication between these 2 lists- historic assumption that around 25% of applicants apply to both Bield & HOMEArgyll.

Table 3(b): Scottish House Condition Survey Local Authority Reports	2007- 09	2008-10	Change
Dwellings in Argyll & Bute with adaptations	9,000 (22%)	4,000 (10%)	-5,000 (-56%)
Dwellings in Argyll & Bute where adaptations are required by householders	2,000 (5%)	1,000 (3%)	-1,000 (-50%)
Dwellings in Argyll & Bute with aspects that restrict activity of long term ill/disabled household member	3,000 (8%)	1,000 (3%)	-2,000 (-66.6%)

1.10   **Key Achievements for Outcome 3 in 2011/12**
177 households received an allocation to a special needs property over the year (72% higher than previous year)
Waiting Lists for specialist housing have reduced by 6.7% (from 625 to 583 applicants)

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[2] ACHA, DHA, Fyne Homes, WHHA, Bield, Trust, Cairn & Margaret Blackwood. Covers Amenity; Sheltered; Very Sheltered; Wheelchair; units within Extra Care/Progressive Care Centres; Ambulant Disabled; and Medium Dependency but not "specially adapted" properties.

A total of £1.123m public investment in adaptations, plus additional monies from the Change Fund, delivered a record total of 587 adaptations across all tenures (a 72% increase on the previous year's total of 342).
2 Progressive Care/Extra Care projects progressed onsite on Mull and Helensburgh and 1 special needs unit was completed in Lorn.
470 telecare installations – a 19% increase on previous year.
A pro-active approach to forward planning across the housing, health and social care sectors was developed with the establishment of a Local Area officers' group and a central liaison group. In addition, the joint commitment to improve, coordinate and review referral protocols and data management systems was embodied in the Change Fund/Reshaping Care for Older Persons Group as well as via housing's participation in the NHS Highland Health & Homeless Group; and all housing support providers have signed up to the Better Futures monitoring framework.
New contracts were awarded to Housing Support services targeting clients aged 16-24 and 25+.

1.11 Remaining Challenges to deliver Outcome 3

Increase provision of specialist housing.	There is a continuing need for Extra Care/Specialist housing to meet the needs of the ageing population.
Undertake further detailed research to enhance the current understanding of the issues and assessment of needs for persons with particular needs at a local area level	While local assessments continue on an ad hoc basis for specific projects, there is a need to review this issue more strategically at an early date, particularly in respect of the increasing ageing population & the reshaping care for Older Persons agenda. Following the LHS Equalities Impact Assessment, consideration will also be given to any requirement for further proactive assessment of BME & Gypsies/Travellers needs.
Secure adequate funding over next 3 years for adaptations in RSL & Private sectors.	The requirement for funding & delivering adaptations equitably across tenures remains a local priority & will be influenced by the outcome of the national Adaptations Working Group consultation.
Continue to develop links with CHPs, the Joint Futures Agenda; and the Change Fund/RCOP initiative.	It is essential to sustain & improve strategic linkages that have been established between housing, health and social work partners & further work is still required to address specific groups such as the physically disabled, people with autism, and those with learning difficulties.

1.12 STRATEGIC AIM FOUR – IMPROVING QUALITY & CONDITION OF THE HOUSING STOCK & TACKLING FUEL POVERTY

Strategic Outcome 4	More people in Argyll & Bute live in well repaired & maintained homes that are affordable to heat
Objective 4.1	To develop partnerships which enable improvements in energy efficiency of stock

Objective 4.2	To maximise SHQS compliance in social sector stock by 2015
Objective 4.3	To target information & advice and assistance to encourager owners to repair & maintain their homes
Objective 4.4	To tackle sub-standard housing

1.13 Outcome 4 - progress. The following matrix of key indicators summarises changes in house conditions and fuel poverty to date over the last three SHCS reporting periods[3].

Table 4: Key Indicators of Change in Housing Stock Conditions & Fuel Poverty, SHCS 2005/08 – 2008/10.

Indicator	2005/08	2007/09	2008/10	Changes
% of total dwellings with any disrepair	85%	85%	87%	A significant proportion of total stock still requires some form of repair (36,000 properties in total).
% of total dwellings with any *urgent* disrepair	45%	46%	42%	Number of homes requiring urgent repair has decreased by 2,000 (to 17,000 currently)
Fuel Poverty – Number & % of all households	13,000 (31%)	14,000 (34%)	15,000 (37%)	Continuing increase in Fuel Poverty (+2000)
Extreme Fuel Poverty – Number & % of all households	5,000 (11%)	4,000 (11%)	4,000 (10%)	Extreme Fuel Poverty reduced by 20%
% of Private Sector stock failing SHQS	76%	78%	74%	Fluctuations year on year, but overall reduction in private sector homes failing SHQS.

1.14   Key Achievements for Outcome 4 in 2011/12

> *£1.384m invested in private sector housing improvements via PSHG*
> *£9m invested in ACHA's stock to meet Scottish Housing Quality Standard*
> *9 Below Tolerable Standard private sector properties were improved with Council grant.*
> *10 owner associations established in flatted schemes*
> *15 private rented properties improved to meet the Repairing Standard*
> *228 households assisted by Care & Repair Service*
> *£2.16m in unclaimed income/benefits generated by Welfare Rights team for some of the most vulnerable households in Argyll & Bute.*
> *More than £571k secured via Universal Home Insulation Scheme to deliver 217 loft insulations & 100 wall insulations*
> *ALIenergy secured over £56K to combat fuel poverty in Argyll & c. £94K for energy education and awareness projects in schools and also delivered information and advice on energy efficiency and renewable energy to more than 10,000 people – resulting in potential savings on home energy bills of more than £1M.*

1.15   Remaining Challenges to deliver Outcome 4

Private Sector Landlord/ stakeholder engagement &	Good initial progress and strong linkages established between Housing Services & Private Landlord Registration. Bespoke research on this sector to be carried out in Year 2 with a view to improving

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implementation of the national PRS Housing Strategy at local level.	condition & management and maximising access to the sector in future to address local need.
Scottish Housing Quality Standard – 2015 target.	Significant investment has already been targeted via SHQS Delivery Plans and a number of RSLs are at, or near, 100% compliance with 2015 targets. However, a significant challenge remains to ensure the largest RSL, ACHA, with the most problematic and oldest stock profile can deliver on its Business Plan by 2015. A particular problem has been identified in respect of owners in mixed tenure schemes who are unwilling or unable to contribute towards property maintenance and improvements despite available aid. This issue will continue to be targeted in future years.
Fuel Poverty Strategy	External drivers and national factors outwith the control or influence of the local authority and its partners continue to affect and exacerbate levels of fuel poverty however this is an area which will be targeted and where efforts will be refocused from Year 2 on.
Private sector stock condition /BTS.	The national SHCS does not provide detailed analysis of stock condition below the authority level and no longer provides an assessment of BTS at this level, and the previous Local House Condition Survey(s) for Argyll & Bute are now becoming dated. Therefore, a rolling programme of local BTS surveys will be initiated in Year 2 once in-house staff have received appropriate training, to develop a more robust and up-to-date evidence base which will inform future strategic & investment priorities.

SECTION TWO: RESOURCING THE STRATEGY

2.0 As a stock transfer authority, Argyll & Bute Council no longer has a Housing Revenue Account and therefore is unlikely to benefit from prudential borrowing but will continue to explore various alternative and innovative options to assist the delivery of additional affordable housing via Government subsidy or private finance. Set out in the table below are the various resource options that the Council relies on to deliver this strategy. It should be recognised that all the Council's partners are going through considerable change in relation to resources. The RSL sector is particularly important for delivery of this strategy – they are experiencing considerable challenges in relation to Welfare Reform (impacting on tenants and the ability for RSLs to recover rent), reductions in grant funding for supply of new housing, and more difficulty in securing private finance to fund the balance after grant funding.

2.1 Most importantly, the current economic climate and cuts in public sector resources will have a considerable impact on individual residents in Argyll & Bute, some of whom are the most vulnerable in society. Welfare Reform will reduce resources for many households, and the lack of affordable housing to meet increasing demand will mean that many homeless people could stay in temporary accommodation for longer periods of time.

TABLE 5: RESOURCE OPTIONS FOR DELIVERING LHS OUTCOMES

LHS Outcome	Resources (actual & potential)
1. People successfully access a choice of suitable and affordable housing options in the areas that they want to live and can participate in the housing market	Scottish Government Affordable Housing Supply Programme; ABC Strategic Housing Fund; RSL Private Sector Borrowing; Commuted Sums; Local Authority Borrowing; PWLB; RTB Receipts; Income from RSL land disposal; Scottish Water Grant Funding; Private Developers.
2. Fewer people will become homeless each year in Argyll & Bute as a result of our proactive approach to prevention and support and the related objectives:	ABC Core Funded Housing Service; Partnership Working; Private Sector Landlords; Private Developers; Voluntary Organisations/ Third Sector;
3. More households with particular housing needs living in their own homes as a result of proactive forward planning, investment & support strategies.	ABC Support Service Funding; Change Fund/RCOP; NHS Highland; ABC Social Work Core Budgets; Voluntary Organisations
4. More people in Argyll & Bute live in well repaired and maintained homes that are affordable to heat.	Private Sector Housing Grant; Scottish Government & UK Government Initiative Funding (UHIS, Affordable Warmth, ESSAC, Green Deal); Public Utilities; NHS & RSL Funding; Householders; Private sector lenders.

2.2 As indicated above, the LHS is dependent on a range of resources, including national and local funding streams, capital assets, as well as the skills, expertise and input of staff and stakeholders. The following table indicates the main funding source for specific activities with the actual annual expenditure for 2011/12 and revised assumptions for future investment based on currently available intelligence.

Table 6: Annual LHS Resources – baseline projections, actual spend and future assumptions, as of July 2012.

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Source	Activity	Actual spend 2011/12	Future Assumptions
Scottish Government's Affordable Housing Supply Programme (AHSP) plus carry forward from Affordable Housing Investment Programme (AHIP) & the Investment & Innovation Fund	Social sector newbuild, refurbishment and environmental work, and grant/loan assistance for affordable home ownership or mid market rent.	£9.561m	£4.758m over 3 years (2012-2015) plus £6.38m (AHIP) & £2.053m (IIF) = £13.191m
Private Sector Housing Grant (PSHG)	Private Sector repair and improvement works, including adaptations. Allocated by Scottish Government & administered by local authority.	£1,384m	Not Yet Confirmed.
Argyll & Bute Council's Strategic Housing Fund (SHF)	Affordable housing development, empty homes initiative, infrastructure costs, & potentially future mortgage indemnity loans. Primarily Council Tax revenue on long term empty properties	£0.83m	£10m (£4.6m carry over + £1.8m revenue p.a.)
ACHA's Business Plan/ Early Action Fund/Related Assets	RSL SHQS Delivery Plan & wider environmental works	£11m (£9m+ £2m EAF)	£32.118m (£9m pa + £5.118m over 3 years)
RSL Wider Role Fund (From 2012 this will become the People & Communities Fund)	RSL projects to improve life in communities	£0.407m	Not yet confirmed
Change Fund	Underpins services to reshape the care of older people in Argyll and Bute. Housing has a key role to play & functions such as adaptations are eligible for funding. The fund is administered locally by the Argyll & Bute CHP.	£0.681m	£1.019m carry forward + £5.48m over 3 years
Argyll & Bute Council Core Support Budget	Housing support services to enable vulnerable individuals to sustain tenancies.	£1.2m	£1.2m p.a.
Argyll & Bute Council Core Homeless Budget	Homelessness services	£1.35m	£1.5m p.a.
Argyll & Bute Council's Welfare Rights service	Income maximization, household support, advice & advocacy.	£190,421	£191,315 p.a.
Allenergy project funding (e.g. UHIS/ Affordable Warmth etc)	Universal Home Insulation Scheme grant funding for loft/cavity wall insulation & other home energy efficiency improvements; energy education plus information & advice provision; development of local supply chains etc.	£571K UHIS + £178k = £749k	Year 2 = £875,320 + Years 3-4 = £2.2m

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Overall, in 2011/12, both the level of investment available to implement the LHS in Argyll & Bute (particularly from core funding sources such as the Scottish Government's Investment Programme) and the actual achieved spend were reduced from previous years and were significantly lower than original LHS funding levels (prior to 2009). Budget constraints or actual reductions in particular funding streams continue to pose critical risks for the delivery of specific strategic objectives.

SECTION THREE: LHS Peer Review Panel feedback

3.0 In 2012, the Scottish Government reported positively on the findings of the peer review process which appraised the Argyll & Bute LHS against a set of standard review criteria and identified areas of strength and good practice as well as potential areas which might be developed further in taking the strategy forward. This positive feedback was welcomed by the Council and the key points, listed below, will continue to inform our annual updates.

LHS PEER REVIEW 2012
Areas of Strength
1. *The LHS is well presented and easy to understand. A strong outcome focus with clear and relevant data and indicators and the targets have been informed by the HNDA.*
2. *Positive approach to, and coverage of, equalities.*
3. *Comprehensive consultation throughout the strategic development process.*
4. *Good detail on housing supply targets within the context of the HNDA shortfalls.*

Areas for Development	Council Response
The LHS would benefit from some explanation as to why disaggregated model figures for housing need and demand were used rather than the "robust & credible" aggregated model figures.	This is primarily a technical point and following further discussion with the CHMA we remain of the view that the disaggregated model better reflects the complex geographic nature of this authority. The aggregate model would assume that, for instance, a housing surplus in Bute or Kintyre could effectively address shortfalls in Helensburgh or Islay. This is manifestly unrealistic and would not be acceptable to local communities or stakeholders. Therefore, it is our view that the disaggregated model provides a truer reflection of local need and demand which would tend to be masked by the aggregate model for the authority as a whole. Notwithstanding this, we will continue to review disaggregated results for individual HMAs starting with Mull in 2012/13 and liaise with the CHMA on their HNDA refresh toolkit which is to be developed in 2012/13.
While the LHS provides good coverage of fuel poverty, it would benefit from more clarity on improvement targets and further detail on work planned for dealing with this.	While there is a lot of good practice and effective partnership work already in place at the local community level in Argyll & Bute, as indicated in this annual monitoring report, we agree that this is an area which requires further development and we will focus on this issue in the coming year.
The Panel would like to have seen more detail regarding the BTS strategy, the Housing Regeneration Areas policy and the Scheme of Assistance within the LHS.	The Scheme of Assistance was published as a separate annex to the core LHS with a view to minimising duplication as well as to producing reasonably succinct and focused documents. The Scheme will be reviewed & updated in 2012/13.
The Panel sought more detail on the joint work being taken forward through the Tayside, Fife & Central Housing Options Hub (in which Argyll & Bute participates)	At the time of the preparation of the original LHS, the full details and implications of the Housing Hub action plan had not been confirmed and therefore this was not covered in depth. However, we are fully active partners in the work of the Hub and this will feature prominently in future updates.

SECTION FOUR: CONCLUSION

4.0 Currently, at both national and local levels, the housing sector appears to be experiencing unprecedented change with shifts in the strategic investment framework and funding regimes as well as in the wider policy environment. The local housing market has been radically affected by economic factors while the housing system as a whole is subject to significant and continuing pressures. In this context, the implementation of the LHS faces a number of complex challenges and therefore the steady progress recorded to date and outlined in this report is particularly welcome.

4.1 In 2011/12, the first year of the five year planning period, the focus has been mainly on processes rather than products or concrete outputs and in that light progress overall has been positive. In summary:

Strategic Aim	Summary 2011/12
1. *Improving Access to & Increasing Supply of Affordable Housing*	Despite some initial slippage in the delivery of the SHIP programme, the five year target of 550 new affordable homes across Argyll & Bute remains a realistic and achievable goal.
2. *Reducing the Incidence of Homelessness*	Excellent progress with a significant reduction in the number of homeless applications and successful achievement of the national 2012 target in respect of 100% priority cases.
3. *Supporting Independent Living & Addressing Particular Needs*	Mixed progress to date, with limited new development in Special Needs accommodation but increased provision of adaptations across all tenures, a sustained telecare programme, and the implementation of a restructured support service framework.
4. *Improving Stock Conditions & Tackling Fuel Poverty*	While this is the strategic aim that has seen least positive progress in terms of concrete outputs, Year 1 has seen a significant level of investment, particularly in manpower and time but also in actual financial input, into establishing the basic foundations and structures which will facilitate the delivery of actual outputs in future years. It should also be noted that this is the strategic outcome that is perhaps most at risk due to external factors and influences outwith the control of the LHS.

APPENDIX: LHS OUTCOME TABLES

The following tables outline the progress made in 2011/12 against the key indicators and SMART targets for each of the four outcomes. The LHS is essentially an iterative, continuous process rather than a one-off document, and therefore the original action plan will be reviewed and revised annually to take account of changing priorities and to ensure it remains relevant and current. For the sake of transparency, any revisions to the original action plan or changes to targets have also been highlighted in the following tables.

Table 7: Outcome 1 Indicators & Targets – Progress as of March 2012.

Relevant Indicators	Baseline Historic Trend	2011/12 Actual	Annual target (& 5 Year Targets)	Comment
Number of new house building completions	2008/09: 332 2009/10:217 2010/11:348	224	455 per annum (2,275)	Provisional completions dataset for 2011/12 indicates significant reduction in total new builds (-36% on previous year) &, as anticipated, well below the ambitious annual supply target (roughly 50%) due to resource constraints in construction sector.
Number of new market homes completed	2008/09: 203 2009/10:189 2010/11:157	144	345 per annum (1,725)	Data on private sector completions is incomplete, but basic subtraction of RSL new build (as below) from total above gives estimated figure of 144 which is down 8% on previous year and again well below the ambitious annual target.
Number of new affordable homes completed	2008/09: 129 2009/10:28 2010/11:191	80	110 per annum (550)	Failed to meet target due to slippage in the SHIP programme however with carry forward plus additional pipeline approvals/ starts it is anticipated that the deficit will be made up in 2012/13.
Number of households housed through CHR	2008/09: 829 2009/10:721 2010/11:825	827	750 per annum (3,750)	Target exceeded and the high numbers of households securing permanent RSL home has been sustained for a second year.
Number of private landlords accredited	2010/11:8	10	10 per annum	Target achieved.
Number of empty homes brought back into use	n/a	10	10 per annum (50)	Target achieved however this is against a backdrop of an increase in ineffective stock.

Table 8: Outcome 1 Action Plan– Progress as of March 2012.

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Key Actions	Year 1:2011/12
A1. Increase affordable housing supply through partnership working via the annual SHIP Programme. (It was agreed that this essential ongoing work should be explicitly recorded as a new action)	Revised SHIP issued in March 2012. 80 new homes completed in Year 1 (73% of annual target). First Strategic Local Plan will be submitted in Year 2. SHF & RHDF policies to be reviewed in 2012 & additional funding sources/business models will be explored in future years.
A2.Increase access to effective land supply thereby reducing overall development costs	To be progressed via the Local Development Plan process in 2012/13
A3. Review Affordable Housing Policy, including strategy on commuted sums in line with SHIP.	To be progressed via the Local Development Plan process – SPG to be produced by ABC planners in 2012/13 (i.e. in Year 2). LLTNP produced draft protocol & facilitated workshop in 2012.
A4. Develop a clear link between the SHIP process and the delivery of an effective land bank of sites where there is evidence of housing need (including the comprehensive appraisal of the existing land bank)	Retained Council & RSL owned sites identified & provisionally prioritised in 2012 SHIP. Further work on landbank audit ongoing.
A5. Re-examine development standards and policies on density and the review of site and infrastructure to assist developers to assemble more cost effective proposals	To be progressed via the Local Development Plan process in 2012/13 (i.e. in Year 2)
A6. Promote the availability of good quality, affordable private rented accommodation by encouraging/incentivising private landlords to participate in landlord accreditation	Landlord accreditation & registration progressing well. Further research on this sector to be carried out in Year 2 and implications of emerging national PRS strategy will be closely monitored. Communication/publicity to be promoted eg via annual landlords' newsletter.
A7. Work with developers to enable a range of low cost home ownership options such as market shared equity and rent-to-mortgage schemes to assist first time buyers	54 new intermediate tenure units completed in 2011/12. A number of approvals for mid market rent & other LCHO models confirmed in 2011/12 for delivery in later years. LAMS to be developed in 2012/13.
A8. Assess the extent of over-crowding/under-occupation in social housing to develop an innovative and effective voluntary exchange scheme	To be implemented in Year 2.
A9. Assess the feasibility of re-introducing the previously successful "Tenants Incentive Scheme"	To be implemented in Year 2.
A10.Review & continue to implement a targeted Empty Homes Strategy (Updated action)	Strategy successfully launched in 2011/12 & annual target achieved. In Year 2, establish lead role (dedicated post or group) to co-ordinate action on empty homes & seek additional funding via SG's national initiative.

Table 9: Outcome 2 Indicators & Targets – Progress as of March 2012.

Relevant Indicators	Baseline Historic Trend	2011/12 Actual	Annual Target	Comment
Number of homeless applicants	2008/09: 865 2009/10: 923 2010/11:810	604	10% reduction	25% reduction on previous year.
Proportion of homeless households assessed in priority need	2009:77% 2010:84% 2011:89%	90%	100% by 2012/13	On target for 100% in 2012
% of RSL lets allocated to homeless households	2008/09:55% 2009/10:53% 2010/11:60%	60%	50%	Target exceeded (albeit, variations at local area level)
% of homeless applicants housed in the private sector	2008/09:2% 2009/10:6% 2010/11:8%	9%	10% by2012 15% by 2016	Sustained increase in proportion of homeless applicants accessing private sector accommodation.
% of applicants who lose contact with the housing service	2008/09:29% 2009/10:14% 2010/11:16%	11%	10% by 2016	Significant reduction this year. On target.
Repeat homelessness within 12 months	2008/09:4.4% 2009/10:4.1% 2010/11: 3%	5.5%	Maintain at 3% or less. (From 2012 on, the target will be 6% or less)	While previous reductions in repeat homelessness were not sustained this year, (this is a function of the reduction in overall cases rather than actual decline in performance/service) the figure for this authority remains below the national average and this has been approved as the revised benchmark for future years.
% homeless clients who successfully maintained a permanent tenancy in the 6 months following allocation	2009/10: 96% 2010/11: 99%	96%	90%	While the proportion of homeless households successfully maintaining their tenancies has decreased on the previous year's record level, this remains successfully above the target figure.
Number of Households in B&B	2008:59 2009:43 2010: 37 2011: 31	2 per month	<10 per month	Significant reduction in use of B&B, well below target.
Proportion of all households assessed as homeless that are in temporary accommodation	2010/11: 27%	37%	Maintain at baseline level	The actual number of homeless households in temporary accommodation has remained relatively static but due to the successful decrease in total applications, the proportion appears to have increased.

Table 10: Outcome 2 Action Plan– Progress as of March 2012.

Key Actions	Year 1: 2011/12
B1. Updated action for Year 2: Implement joint Housing Options IT system across HOMEArgyll partnership	Service reviewed & options approach successfully implemented in Year1. Partnership buy-in & introduction of dedicated IT system will be a major task in Year 2.
B2.Work with RSLs and private landlords to ensure best practice in housing management to prevent homelessness and minimise the use of bed and breakfast accommodation by continuing to develop an effective temporary accommodation supply particularly in the private rented sector	B&B reduced significantly & PRS temporary accommodation has been sustained in 2011/12
B3. Build on the success of the forward planning processes developed for young adults in the Throughcare system & roll out to other groups of homeless/those with particular needs	To be developed in Year 2
B4. Prioritise and deliver housing support services for households who lack independent living skills and are at risk of homelessness	Support services reviewed & re-tendered in 2011/12, dedicated Council staff with specific support remit & coordinating responsibilities were appointed & improved services delivered with little/no reduction in frontline provision
B5. Evaluate the effectiveness of the HOME Argyll allocation policy to ensure that the needs of vulnerable households have been met	To be implemented in Year 2.
B6. Support the development of Argyll and Bute Advice Network to enable streamlining of inter-agency referrals	ABAN referral system launched successfully April 2012.
B7.Reduce the number of applicants who lose contact with the homelessness service by proactive communication	Lost contacts reduced to 11%

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Table 11: Outcome 3 Indicators & Targets – Progress as of March 2012.

Relevant Indicators	Baseline Historic Trend	2011/12 Actual	Target	Comment
Number of affordable particular needs new build homes completed	2008/09: 13 2009/10: 0 2010/11: 7	1	10% of all affordable new builds	Only 1 SN unit completed (Kilmelford) within the year (against a target of 8 i.e. 10% of 80 total completions). However, 10 new build units for Elderly completed by Bield in May 2012; progress was made with Mull PCC; and Clydeview Extra Care scheme now onsite.
Number of RSL lets to particular needs homes	2008/09:115 2009/10:125 2010/11:103	177	110 per annum	Target exceeded, with 177 households receiving an allocation to a special needs property over the year.
Number of applicants on RSL lists for particular needs properties	2008/09:700 2009/10:555 2010/11:625	583	Reduced by 10% by 2016	Combined waiting list applicants for specialist housing (ie CHR + 75% of Bield's List) have reduced by 6.7% - reflecting increased allocations as noted above.
Number of applicants on HOME Argyll lists receiving particular needs points (eg medical points etc)	2008/09:930 2009/10:1,042 2010/11: 877	965	Reduced by 10% by 2016	Number of CHR applicants with medical points has actually increased by 10% over previous year.
Number of households who received grant-supported housing aids & adaptations • **RSL** • **Private sector**	2008/09: • 110 PS • 189 RSL 2009/10: • 124 PS • 218 RSL 2010/11: • 137 PS • 205 RSL	148 PS 439 RSL	120 PS per annum 205 RSL per annum (Revised target)	Revised annual target (based on average figure for previous 3 years) was exceeded by a significant margin last year. The bulk of the RSL adaptations were to ACHA properties. The Council was asked to estimate public investment requirement for adaptations across all tenures from 2012-2015 in the latest SHIP. Total projection = £1.5m - £1.75m per annum required over the 3 years. Outcome of national review of adaptations funding & delivery expected later in 2012.

Table 12: Outcome 3 Action Plan – Progress as of March 2012.

Key Actions	Year 1: 2011/12
C1. To encourage joint commitment to and improve, coordinate and review referral protocols and data management systems across housing, health and social care services	Initial linkages established via Change Fund/RCOP group in 2011/12. Also participating in the NHS Highland Health & Homeless Group.
C2. To develop a pro-active approach to forward planning across the housing, health and social care sectors, which encourages households to address developing and emerging needs at an appropriate stage	Local Area officers' group & central liaison group established in 2011/12. Local area fora for service users & community groups to be developed from Year 2 based on Disability Co-production model.
C3. To perform a strategic review of the health and housing needs priorities within the HOME Argyll allocations policy & develop a more effective process of matching households with particular needs to specialist homes	To be reviewed & progressed in year 2.
C4. To prioritise the provision of resources to invest in aids and adaptations	Investment prioritised via SHIP & additional funding secured from Change Fund. Record number of adaptations installed in 2011/12.
C5. To promote the benefits of telecare/telehealth in order to support independent living	470 installations in 2011/12 – a 19% increase on previous year.
C6. To develop more extra care & specialist housing across Argyll & Bute	2 PCC/Extra Care projects progressed. 1 SN unit completed in 2011/12 & further 10 units for elderly completed in April 2012. A number of additional approvals/starts in 2010/11 will deliver further special needs units over coming years.

Table 13: Outcome 4 Indicators & Targets – Progress as of March 2012.

Relevant Indicators	Baseline Historic Trend	2011/12 Actual	Annual target	Comment
Number of BTS private homes improved	n/a 2011/12 figure will be baseline for future comparisons.	9	50 BTS properties improved per annum	Failed to achieve target this year, however a number of BTS improvements are recorded under alternative targets such as Empty Homes, Repairing Standard, etc.
Number of sub-standard homes enforcement notices served	2009/10: 21 2010/11: 43	124	100 per annum	Significant increase in public order/enforcement notices served & Council's restructured Housing Improvement Service will facilitate future work in this area.
Number of homes improved following enforcement notices	n/a	1	50%	This target will be reviewed as there is no direct correlation between actual improvement activity and number of notices served
% of public sector homes that meet the SHQS	2008/09: 39% 2009/10: 45% 2010/11: 47%	61.5%	100% by 2015	Based on RSL returns-derived estimate (Official Regulators' figures not available until later in 2012), there has been some progress towards 2015 target but significant challenge remains.
Number of owner associations established in flatted properties	n/a 2011/12 = baseline	10	20 per year (100 by 2016)	50% of target achieved in Year 1.
Number of private rented properties improved to meet the Repairing Standard	n/a 2011/12 = baseline	15	10 per annum (50 by 2016)	Target exceeded by 50%.
Number of private owners provided with information & advice on home improvements	n/a 2012/13 will provide baseline	N/A	Increase by 10% per annum	New IT monitoring system introduced this year which will provide accurate figures for information & advice cases for future years.
Number of households assisted by Care & Repair scheme	2008/09: 227 2009/10: 237 2010/11: 217	228	Increase by 10% per annum	The nature of Care & Repair's core work has changed in recent years and case monitoring will be reviewed this year however it does appear that core outputs saw a 5% increase last year.

NB. Recoding & monitoring systems for a number of these indicators have only been introduced or developed over Year 1 and accurate data will now become available for comparison from Year 2 on.

Table 14: Outcome 4 Action Plan – Progress as of March 2012.

Key Actions:	YEAR 1: 2011/12
D1. To strengthen the link between fuel poverty actions and wider strategies through joint planning with strategic partners e.g. income maximisation and health	Initial linkages have been strengthened e.g. with Welfare Rights achieving record levels of income maximisation for clients in 2011/12. To be developed further in Year 2 with inter-agency conference/planning event.
D2. To promote access to existing services which provide tailored advice on energy efficiency, fuel poverty, renewable energy sources & welfare rights/benefits and disseminate information across front line services	The implementation of the revised Housing Information & Advice Strategy, the integration of Welfare Rights within the wider housing framework, the ongoing promotion of local initiatives via Alienergy, and the continuing linkages with ABAN have all contributed towards this action in 2011/12.
D3. To monitor the role of RSLs as potential property managers/factors particularly in areas of mixed tenure housing	RSLs are currently factoring a number of properties outwith their own stock: e.g. 121 properties by ACHA (Argyll Homes for All); 283 properties by Fyne Homes; & 147 by WHHA in 2011/12.
D4. To raise the awareness of owners on common/mixed tenure repair and maintenance and provide information on eligibility for grants/subsidies etc	Engaging with owners in mixed tenure blocks remains one of the critical requirements for achieving the stock improvement objectives of the LHS & the Council and RSLs will continue to pursue this over the life of the strategy.
D5. To prepare a Council sponsored 'Guide to Property Maintenance' and to focus publicity around a 'Maintenance Week/Event' (Action partially completed in Year 1. Revised for Year 2: Arrange Housing Improvement events & deliver targeted information services to owners & landlords)	Local events held as planned in Year 1. Continuing annual programme in future years. Guide to be published in 2012/13. Restructured Council Services & dedicated Housing Improvement Officers will deliver targeted information & advice services from Year 2.
D6. To review corporate policy and procedures in relation to enforcement activity, tackling BTS, the use of Housing Renewal Areas and other innovative solutions where this could enhance regeneration activity.	Scheme of Assistance published in Year 1. Policy & procedures will be reviewed & updated in 2012/13.

ARGYLL AND BUTE COUNCIL   20 SEPTEMBER 2012
CUSTOMER SERVICES
COMMUNITY SERVICES

NEW CAMPBELTOWN GRAMMAR SCHOOL – SITE SELECTION

1.   SUMMARY

1.1   This report sets out the proposed approach and methodology for identifying the preferred site for the location of the new Campbeltown Grammar School. It identifies a long list of sites and the criteria for shortlisting and identifying the preferred site(s) to be taken forward for Council approval and public consultation. The report also sets out a proposed process for engaging with the public in respect of the preferred site(s).

2.   RECOMMENDATION

2.1   It is recommended the Council agree that:

2.1.1 – The option appraisal methodology set out in paragraphs 3.2 to 3.6 of this report, and the attached Appendix 1, should be applied, by Council staff, to determine which of the long listed sites, identified in Appendix 1, should be taken forward for public consultation as the preferred sites;

2.1.2 – The Council should undertake a public consultation, in respect of the preferred sites identified in 2.1.1, in accordance with the methodology set out in paragraphs 3.7 to 3.14 of this report; the detailed arrangements for the consultation to be delegated to the Executive Director of Community Services in consultation with the Lead Councillor for Education and Lifelong Learning; and

2.1.3 – The processes identified above should be undertaken in accordance with the timescale set out in Appendix 2 of this report.

3.   BACKGROUND

3.1   At the meeting on 28 June 2012, the Council agreed that officers should, in respect of the new Campbeltown Grammar School:

- *Develop the option appraisal process that will produce the preferred site or sites;*
- *Develop a consultation process, in liaison with Campbeltown Grammar School, in respect of the preferred site, or sites; and*
- *Report to the Council on the proposed process in respect of the above.*

Proposed Site Appraisal Methodology

3.2 As part of this process the Council is looking at possible sites in and around Campbeltown for the proposed construction of the School. The intention is to pursue a site options appraisal process that will identify the optimum site having regard to a number of factors which include: Educational benefit; Community access; Affordability relating to the potential costs associated with each site and; Deliverability taking into account the complexity of delivering the project on any given site.

3.3 The site option process has been constructed with the intention of identifying preferred sites which provide the optimum position for the Council having regard to these factors.

3.4 The detail of the option appraisal process is set out in Appendix 1 attached and would encompass two phases. These are broadly described as:

1. Long listing – This is the process of identifying the long list of potential sites that may be considered for the location of the new school. The design team has consulted a number of stakeholders. These stakeholders included Local Members, the Council's Legal and Estates Services and Education colleagues. In addition, feedback was received during a Masterplanning event chaired by Sam Cassels of Architecture and Design Scotland. This event was attended by representatives from ACHA, Strathclyde Fire and Rescue, Argyll and the Isles Enterprise, Argyll College, CHORD, and private sector businesses, in addition to staff from roads, planning, and education. The long listing process identified a list of 11 potential sites as set out in 2.2 of Appendix 1.

2. Appraisal – It is intended that this process would be divided into two parts:

   a) Short listing – This would involve applying simple 'pass/fail' criteria to the sites to determine whether any sites are simply unfeasible for construction (see para 2.4 of Appendix 1)

   b) Detailed Appraisal - the short list of options would be evaluated against criteria which should reflect the broad objectives of the project itself. The proposed approach is set out in para 2.7 of the attached Appendix 1.

3.5 It is intended that the Project Team would undertake the above option appraisal in a workshop format with contributions from the relevant Council stakeholders including Education, Finance, Legal, Planning, Community and

Culture, Leisure and Transport. The results of this process would be to identify the preferred sites that could be taken forward for public consultation.

3.6 Following the public consultation the options appraisal process identifying the preferred site for the new school would be expected to be completed and the results reported to the Council on 24 January 2013 as set out in the proposed timescale in Appendix 2 of this report.

Proposed Public Consultation Methodology

3.7 It is expected that the Council will wish to seek as broad and deep a view on any preferred sites as possible. Campbeltown Grammar School management have expressed a clear wish for the school to lead the process of public consultation with assistance from other Council staff. In this way the School would be, and be seen to be, the owners of and drivers of the process.

3.8 The principal objectives in consulting on the preferred sites would be to:

1. Provide contextual information in relation to the sites and the considerations the Council has had in identifying these as preferred sites;
2. Obtain the view of the public, against the contextual information provided, regarding which site is considered the most appropriate.

Contextual Information

3.9 To achieve the objectives above, the Council would intend to provide contextual information in relation to the long list of options, how this was reduced to the preferred sites, the considerations in relation to each in respect of such matters as educational benefit, community access together with the likely affordability and deliverability position.

3.10 The Council would require to ensure that the public are aware that the outcome of the consultation would be **a** determining factor but not **the** determining factor in its consideration of which site would be chosen. The clear message would be a positive one that the Council is proposing to provide a new Campbeltown Grammar. The choice of the site is one where the Council wants to obtain the optimal site that will bring the most benefit to Campbeltown, having regard to a range of determining factors. While the Council requires to balance considerations such as cost and affordability it wishes the public to contribute their view to help inform the Council's thinking. This would allow the public to form a reasoned opinion in relation to the preference for any site.

Proposed Process

3.11 Information required to support the consultation:

Identification of initial long list of potential sites, including location maps to be utilised from the site selection process.

Description and explanation of site options appraisal undertaken to move from long list to short list of sites based on:
- Educational Benefit
- Deliverability of each site – size, ground and other specific site conditions including any data/commentary from SEPA, HSE, Scottish Water
- Accessibility,
- Affordability.

Information to be provided on each site for the public to understand the process used to arrive at short list of sites.

3.12 Short listed sites:
Public asked for their views based on the information above for the optimum site. The public view would, as with the other factors listed, be one of the factors taken into account when considering the optimum site.

Public Consultation Period

3.13 A number of factors will determine the timing of the consultation period.
- Overall project timescale
- Approval gained to consult (Council)
- Time to produce information required for displays, website creation, response forms
- Availability of facilities for open events
- School October week holiday. Consultation should not fall during the holiday period and/or not to start or end within the holiday period. The October holiday for CGS and associated primary schools is from Friday 5 – Monday 15 October 2012 inclusive.
- Time to collate and analyse responses
- Date to report back to Project Board, and Council.

Key features:

3.14 Campbeltown Grammar School to host initial meeting. An evening event is proposed.

This meeting to focus on:
- The good news story for Campbeltown
- Background to funding, timescale of new school development
- Site selection process
- Consultation process

3.15   This meeting would provide also the first opportunity for the public to view the detailed site information as listed above. Thereafter, during a 4 week consultation period, the same site information is available in the following ways:

- School and Council websites
- In addition, Public viewing of the site information would be available over two and a half open days hosted by the school (Champions Group) but not held within the school in order to avoid disruption to school activities. The detailed site information would be available for viewing within a convenient Town Centre location such as the Burnett building, Town Hall, or Aqualibrium. The Open days are proposed as a Thursday all day from 10am – 8pm, Friday 10am – 4pm and Saturday morning 10am -12 noon. The use of a current empty shop premises to be investigated as a permanent window display during the consultation period, and beyond.
- At the same time continued publication of the consultation process would take place through websites, school newsletters (secondary and primary), text reminders, local press and radio, displays in CGS, primary schools and the Community Centre, Aqualibrium, and Burnett building.
- During the suggested 4 week period opportunity will also be taken to meet with focus groups to discuss the site selection. The focus groups would encompass the participants in the previous masterplanning exercise as set out in paragraph 3.4 above.

Consultation Responses

3.16   Consultation responses to be made through links on school/council websites, using some form of electronic survey tool such as Survey Monkey, a dedicated e-mail to Campbeltown Grammar, hard copies received by post to Campbeltown Grammar or handed into local schools (primary and secondary).

3.17   It is proposed that the consultation process may be assisted by an independent third party, such as Architecture and Design Scotland, who could assist in mediating focus groups and the open days.

3.18   It is considered that the consultation process could run for a period of three to four weeks, in accordance with the dates set out in Appendix 2, and with the results of the consultation process being collated and reported as soon as possible thereafter. A proposed timescale for the entire process is set out in Appendix 2 to this report.

3.19   At the end of the consultation period the School, assisted by the Project Team, would collate the results of the consultation responses in relation to the

preferred options. This would then be reported in the first instance to the Project Management Board and then to the Council in the context of the considerations in relation to impact, affordability, deliverability and risk. This would allow the Council to determine which would be the preferred site for the new school.

Relationship to other projects

3.20 It was previously reported to members that the Scottish Futures Trust (SFT), on behalf of the Scottish Government, had expressed a preference for the new Campbeltown Grammar School to be delivered in conjunction with the improved Dunoon, Kirn and St Muns Primaries in Dunoon as a single project. The possibilities for the future improvement of the Dunoon schools are currently being reviewed, as reported to the Council on 28 June 2012, and this process is anticipated to be completed and reported to the Council by the end of the year.

3.21 It is intended that the conclusions of the site selection and subsequent public consultation process for the new Campbeltown Grammar School site will be reported to the Council around the same time as the completion of the review of the Dunoon schools.

4. CONCLUSION

4.1 The Council made a decision on 28 June 2012 that officers should develop a methodology for the identification of preferred sites for the new Campbeltown Grammar School and for public consultation on these sites. The Council also requested that this methodology be submitted to them for approval. The proposed processes set out above, and in the attached Appendices, will provide a robust, transparent methodology for arriving at a site that can provide clear educational and other benefits, is likely to be affordable and where the local community has had an opportunity to contribute to the process.

5. IMPLICATIONS

5.1	Policy:	Agreement of this report would be in line with the Council's requirements as set out in the decision of the meeting on 28 June 2012.
5.2	Financial:	It is anticipated these measures can be implemented within existing departmental budgets.
5.3	Legal:	None
5.4	HR:	None
5.5	Equalities:	None

| 5.6 | Risk: | If the Council do not have a clear and transparent process for site selection and consultation it is less likely that effective engagement will happen. |
| 5.7 | Customer Service: | Implementation of these measures will enable the community engagement in the selection of the site of the new Campbeltown Grammar School. |

Douglas Hendry
Executive Director of Customer Services

Cleland Sneddon
Executive Director of Community Services

20 September 2012

APPENDIX 1

Option Appraisal Brief
Campbeltown Grammar Development Site Selection

1. Introduction

1.1 As part of the development of the new Campbeltown Grammar School the selection of the site will be of considerable importance in delivering the project objectives. The practice followed in other Council reviews has been to undertake an appraisal of the various options available in order to determine the optimum 'preferred' option.

1.2 The option appraisal process would be carried out in two phases, firstly to identify a list of potential sites for the construction of the new school and, secondly, to assess each of the potential sites against agreed criteria.

2. Appraisal Process

Stage 1 Long listing

2.1 The design team has consulted with stakeholders including Local Members, Legal, Estates, and Education colleagues. In addition feedback was received during a Masterplanning event chaired by Sam Cassels of Architecture and Design Scotland. This event was attended by representatives from ACHA, Strathclyde Fire and Rescue, Argyll and the Isle Enterprise, Argyll College, CHORD, and private sector Businesses, in addition to staff from roads, planning, and education.

2.2 As a result of these discussions the following eleven potential locations were identified for further, detailed consideration:

1. Existing Campbeltown Grammar School site and associated playing fields
2. Dalintober Primary School and land adjacent
3. Site of current superstore and adjacent car park
3a. Combined site of superstore / car park and Kinloch Park
4. The Meadows playing fields
4a. Combined site of Meadows playing fields and ground adjacent to Campbeltown Hospital
5. Kinloch Park
6. Recreation ground adjacent to Campbeltown Hospital
7. St Kieran's and Castlehill Primary Schools (including nursery and Community Centre)
8. Witchburn Road Council Offices
9. The Roadings

2.3 This list was then issued to internal Council stakeholders for initial comment and consideration prior to commencement of the formal appraisal process. The comments received will be incorporated into the overall appraisal report.

Stage 2a - Shortlisting

2.4 Before undertaking a detailed appraisal of the options a sifting process will be undertaken to determine the sites where it is considered that it would be impossible or unfeasible to construct the new Grammar school within the existing scope of the project.

2.5 The criteria below will be assessed by the design team on a site by site basis:

- Is there any site specific factor that would make it impossible or unfeasible for development?
- Is the site of a sufficient size to accommodate the required facilities?
- Would existing, operational Council buildings, which are currently located on the site, require to be replaced elsewhere if the Grammar school is located at the site?

2.6 By applying the above provisions a short list of sites will be identified and these will be taken to detailed appraisal as described below.

Stage 2b - Detailed Option Appraisal

2.7 In order to generate the preferred options the short list of options requires to be assessed or evaluated against criteria which should reflect the broad objectives of the project itself. The criteria selected may also not be of equal importance to the Council in its determination.   As such, suggested 'weightings' have been assigned to the criteria in order to reflect their relative importance to the Council.

2.8 The proposed assessment criteria are:

- **Impact** – The capacity of the site to maximise the potential educational and community benefit of the development. This would be considered the most significant criterion for determining the appropriate site for construction. Factors to consider may include:

  1. *Educational Benefit* – This will be a narrative consideration by the Education Service of the potential for the site to contribute to Educational aims and objectives and would consider;
     a. Flexibility / size of the usable space on the site
     b. proximity to other local educational resources (eg.   Libraries, sports facilities, Further Education),
     c. scope for accommodating changing educational needs in future (eg. Inclusion of primary school)
     d. Safer routes to school
  2. *Community Access* –
     a. Accessibility of site to the community,
     b. Distance from population centres.
  3. *Planning Policy* – This would determine how consistent the site is with current planning / development policy in the area.

- **Affordability** – This would assess the scale of the potential costs associated with each site beyond those of the basic construction. Factors to consider may include:

1. Land remediation – particularly dealing with possible contamination;
2. Land acquisition costs
3. Demolition of existing buildings;
4. Flood risk alleviation;
5. Utility diversions;
6. School transport costs; and
7. Potential reduction in costs from proximity to existing facilities

- **Deliverability** – This takes account of the complexity of delivering the project on a given site and the likelihood that the building project can be successfully implemented in a timely manner on the site. Considerations may include:
  1. Ground contamination;
  2. Flood risk;
  3. Utilities;
  4. Planning considerations;
  5. Health and safety considerations (eg. Gas safety zone);
  6. Site ownership and other legal considerations;
  7. Public acceptance – to be assessed through a focus group with general community comment in writing / email; and
  8. Roads / transport / safer routes to school implications.

- **Risk** – An assessment of the factors that might affect risk to deliverability of the project and also to impact and affordability. Assessment to be undertaken when Impact, Affordability and Deliverability have been reviewed.

2.9 A suggested scoring system, outlined below, would score the options out of 20 for each criterion with a score of 20 being the highest. The agreed weighting, shown below, would then be applied to arrive at the final score for the option.

Option X				
Criteria	Max Score	Score	Weighting	Weighted Score
Impact: 1. Education Benefit 2. Community Access 3. Planning Policy Impact Total	 9 6 5 20		45%	
Affordability: 1. Land Remediation 2. Site acquisition costs 3. Demolition of existing buildings 4. Flood risk alleviation 5. Utility diversion / connection 6. School transport costs 7. Savings from proximity to existing facilities Affordability Total	 4 3 4 4 2 2 1 20		25%	
Deliverability: 1. Ground contamination 2. Flood Risk 3. Utilities 4. Planning considerations	 3 2 2 3		15%	

Option X				
Criteria	Max Score	Score	Weighting	Weighted Score
5. HSE Considerations 6. Site ownership 7. Roads / Transport considerations 8. Public acceptance Deliverability Total	2 3 2 3 20			
Risk: 1. Impact 2. Affordability 3. Deliverability Risk Total	7 7 6 20		15%	
Total	80		100%	

2.10 It is intended that the Project Team would undertake the above option appraisal in a workshop format with contributions from the relevant Council stakeholders including Education, Finance, Legal, Planning, Community and Culture, Leisure and Transport.

2.11 It is expected that this option appraisal process will produce the short list of sites that will form the basis on which the public will be asked to submit their views on which site is the optimum site for the new school.

APPENDIX 2

Proposed Timescale

Action	Responsibility	Timescale
Agreement by Council		20 September 2012
Shortlisting Workshop	Education / Facility Services / SPT	Last week September 2012
Public Consultation – web based questionnaire & newspaper advertising	Education / Facility Services / SPT	16 October 2012 (to avoid October break) to 16 November 2012
Open Days x 2.5	Education / Facility Services	During above period
Focus group meetings	Education / Facility Services	During above period
Collation of consultation results	Education / Facility Services	November 2012
Report to Council with recommended preferred site	Education / Facility Services / SPT	24 January 2013

Agenda Item 9

ARGYLL AND BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **20 SEPTEMBER 2012**

ARMED FORCES COMMUNITY COVENANT AND COMMUNITY COVENANT GRANT SCHEME

1.0   SUMMARY

1.1   The Council have in the past appointed Champions for various client groups. Their role has been to advocate on behalf of those client groups and contribute to policy development on a strategic basis.

1.2   At the Council meeting held on 28 June 2012 members gave further consideration of a proposal to appoint an Armed Forces Champion (AFC) to take on the task of ensuring that local service provision is mindful of the needs of Service Veterans. Following discussion the Council agreed that Councillor Maurice Corrie be appointed as the AFC and it was also agreed that the Executive Director of Customer Services report to a future meeting of the Council on the role and remit.

1.3   This paper sets out the proposed generic remit for Champions, and the relevant Senior Officers who currently have responsibilities in regard to the Armed Forces, and seeks approval for the appointment of the Argyll and Bute Community Covenant Partnership.

2.0   RECOMMENDATIONS

Members are asked to;

2.1   Note the current activity undertaken by the Council and that further discussions involving the Armed Forces Champion have been arranged to progress the agreement of a remit.

2.2   Appoint the Argyll and Bute Community Covenant Partnership to consider local applications for funding to the Community Covenant Grant Scheme. The Council are asked to;

   a) Appoint the Leader of the Council and Provost
   b) Invite a nomination from the Opposition
   c) Seek nominations from the signatories of the Community Covenant through the CPP (in respect of NHS Highland and Argyll Voluntary Action) and invite Commodore Wareham to be a member of the Community Covenant Partnership

2.3   Agree the proposed remit of the Head of Governance and Law, and Head of Adult Care, who have specific roles in terms of the Armed Forces

2.4   To note that a paper on any specific duties in respect of the AFC will come to a future Council meeting.

3.0   DETAIL

3.1   Background/Current Position

AFC and Community Covenant Pledge

3.1.1   At the Council meeting held on 28 June 2012 members appointed Councillor Maurice Corry as AFC for Argyll and Bute. In addition, the Council considered a report which set out the aim of the Community Covenant Pledge and recommended that Argyll and Bute Council, along with NHS Highland and Argyll Voluntary Action agree to support the Armed Forces Community within Argyll and Bute by signing the Argyll and Bute Armed Forces Community Covenant.

3.1.2   The Council noted the contents of the report tabled, recognised the sacrifice made by members of the Armed Forces, particulary those who have given the most, and made a commitment to supporting current and former Armed Forces personnel and their families working and residing in Argyll and Bute. The Covenant was duly signed by Commodore Mike P Wareham, Derek Leslie (NHS), Gillian Barclay (Argyll Voluntary Action), and the Leader of the Council.

3.1.3   The Community Covenant is intended to complement, at a local level, the Armed Forces Covenant and outlines the moral obligation between the Nation, the Government and the Armed Forces. The signing of the Community Covenant will help to build upon the existing relationship Argyll and Bute Community Planning Partnership has developed with the Armed Forces at Her Majesty's Naval Base (HMNB) Clyde, which has over 6,500 civilians and service personnel employed on site. We are committed to ensuring the health, education, housing, transport and social needs of current and ex personnel and their families are met.

3.1.4   The signing of the Community Covenant for Argyll and Bute presents an opportunity for the Council and partner organisations to bring their knowledge, experience and expertise to consider positive measures to provide active support to the Armed Forces Community.

Community Covenant Grant Scheme

3.1.5   A Community Covenant Grant Scheme with funding of £30M over 4 years has been launched by the Ministry of Defence (16 August 2011). The aim of the scheme is to put the Community Covenant into action and strengthen the ties and mutual understanding between the Armed Forces and the communities in which they work, are based, or live.

3.1.6   An application for funding of between £100 and £250,000 can be submitted by any part of the community and might include volunteer groups, charities, and public bodies such as schools. Applications should meet at least one of the aims of the Community Covenant and the following are provided as examples of possible projects;

- Projects that bring together Armed Forces dependents with others in the local community through community activities in rural, isolated areas
- One-off activities, such as an activity camp involving the Armed Forces and local young people
- An exhibition at a local library/town hall etc, explaining what a local Armed Forces unit has recently been doing

- An "oral history" project, where the local branch of a regimental association, locally based Armed Forces personnel or a specific group of Armed Forces personnel recorded their experiences or discussed them with local school children
- Enhancement of existing community facilities used by both local and Armed Forces communities to enable new activities that will lead to greater integration

3.1.7 Bids should be considered in the first instance by the Community Covenant Partnership (those parties who signed the covenant as detailed at 3.1.2) at a local level. Bids that the Partnership are happy to endorse will be submitted to the MOD to be considered by the Community Covenant Grant Panel. The panel meet on a quarterly basis in March, June, September and December and consider each bid against a set of criteria.

3.1.8 Once funds are agreed, funding for the project will be released from MOD to the Local Authority who will manage the finances. Where sums are large or the project is dependent on particular milestones being met, there may be a phased release of funds.

Ministry of Defence Firm Base

3.1.9 Argyll and Bute Council also currently supports the implementation of the Ministry of Defence Firm Base Initiative, which was established to forge stronger partnerships between local government and the military. The Armed Forces Covenant published in May 2011 and the Concordat between the Scottish Ministers and the Secretary of State for Defence underpin the delivery of Firm Base in Scotland. In order to aid coordination and enhance the delivery of aspects of Firm Base activity Scotland has been divided into 9 Firm Base Group Areas following Local Authority boundaries each commanded by a unit Commanding Officer or Garrison Commander.

3.1.10 Argyll and Bute Council is part of the Strathclyde Firm Base Working Group, which has representation from Glasgow City Council, Renfrewshire and East Renfrewshire Councils, West and East Dunbartonshire Councils, Inverclyde Council, NHS, and a variety of voluntary organisations. The Group is currently chaired by Lieutenant Colonel Simon Higgens. Jim Robb, Head of Adult Care is the Council's representative on this group, which considers and deals with matters from emergency response coordination and action, to future planning of Council services for current/former service personnel and their families, including; housing, education, state benefits, etc… The composition of the group varies depending upon the topics to be discussed and individuals who are experts in specific areas are invited to attend as and when required.

Firm Base governance framework shown below:

Governance
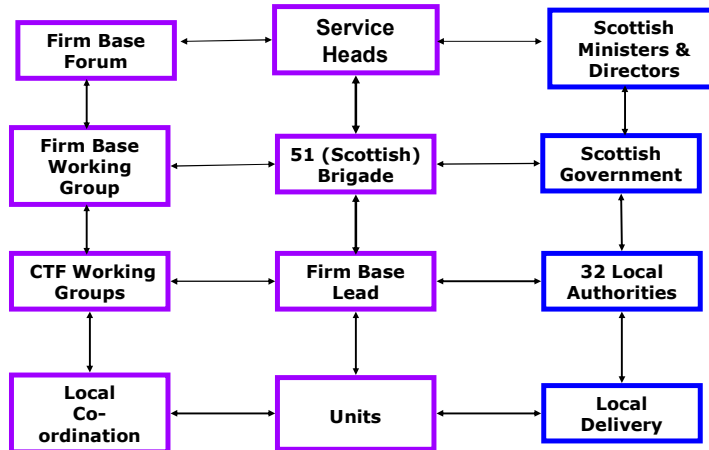
HMNB Clyde/Faslane Naval Base

3.1.11 Charles Reppke, Head of Governance and Law, is the Council's main point of contact in terms of liaising with the military. Meetings have been held on an ad hoc basis with Captain Jack Tarr and/or Commodore Mike P Wareham to discuss common areas of interest.

3.1.12 It is suggested that in order to formalise these arrangements, a programme of regular meetings (3 or 4 per annum) should be put in place with the military to ensure continuous engagement on important issues such as the Maritime Change Programme, RNAD Coulport and Faslane.

3.3 Roles and Remits

3.3.1 Considering the current activity undertaken across Argyll and Bute in respect of our Armed Forces Community and the work being done by other local authorities the following sections provide an overview of the potential role and remit of the Provost, AFC, and the senior officers who currently act as key contacts on behalf of the Council.

3.3.2 Provost

The Provost represents the Council for civic duties. In certain cases it may be appropriate for the Provost to request a Champion to assist in these duties.

3.3.3 Responsibilities of Champions for their client groups

    i.   To highlight where a potential council decision may impact positively or adversely on relevant client group
    ii.   To keep abreast of legislation and initiatives
    iii.   To liaise with recognised organisations and representatives
    iv.   To respond to invitations to attend relevant meetings in respect of their portfolio
    v.   To provide an additional point of contact for the public/client group
    vi.   To provide necessary input to the Policy Review and Scrutiny Committee
    vii.   To provide an annual report to the Council in respect of their activities

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3.3.4   Senior Council Officers

As detailed at sections 3.1.6 and 3.1.7 above Jim Robb - Head of Adult Care, and Charles Reppke - Head of Governance and Law, are currently the main points of contact for the Council in regard to particular matters relating to the Armed Forces. These roles are summarised below;

Charles Reppke

   i.   Council's main point of contact/liaison for issues relating to the military
   ii.   Arrange and attend regular meetings (3 or 4 per annum) with Captain Jack Tarr and/or Commodore Mike P Wareham to ensure continuous engagement and awareness of key issues for Argyll and Bute, including;
         • Maritime Change Programme
         • RNAD Coulport
         • Faslane Naval Base
   iii. Preparation of reports/briefings, as appropriate, for the SMT and members on key issues within remit
   iv.   Liaison with Head of Adult Care in regard to Firm Base issues
   v.   Regular liaison with AFC in regard to Armed Forces matters as a whole

Jim Robb

   i.   Represent the Council on the Strathclyde Firm Base Working Group as a senior Officer
   ii.   Ensure that the needs of current/former service personnel and their families within Argyll and Bute are met across a range of areas, including;
         • emergency response coordination and action
         • future planning of Council services such as housing, education, state benefits, health care etc…
   iii. Preparation of reports/briefings, as appropriate, for the SMT and members on key issues within remit
   iv.   Liaison with Provost/AFC in regard to Firm Base matters and to keep the Head of Governance and Law advised on a regular basis

4.0   SUMMARY

4.1   This paper sets out the proposed generic remit for Champions, and the relevant Senior Officers who currently have responsibilities in regard to the Armed Forces. A further paper will be brought to the Council on any specific duties in regard to the AFC.

5.0   IMPLICATIONS

5.1   Policy – in accordance with Council Policy and Community Covenant

5.2   Financial - none

5.3   Legal - none

5.4   HR – none

5.5   Equalities – in compliance with Equal Opportunities Policy

5.6   Risk - none

5.7 Customer Service – potential positive impact on customers, particularly those within our Armed Forces community

Douglas Hendry
Executive Director of Customer Services

For further information contact:

Laura Cameron
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Customer Services
Kilmory
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ARGYLL AND BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **20 SEPTEMBER 2012**

MEDIA PLATFORMS – WEBCASTING, LOOKING LOCAL AND URTV

1.0 SUMMARY

1.1 Following the decision of the Council on 18 August 2011 that the Chief Executive investigate the provision of webcasting equipment to provide a fixed solution for the Council Chamber, an exercise was undertaken to ascertain the options which could be available. An update was submitted to the Council on 19 January 2012, which advised that this exercise had established that there were a number of digital communications possibilities that required further investigation.

1.2 A paper setting out these options and seeking views on how they should be progressed was tabled at the SMT on 5 March 2012, and the Chief Officers Group (COG) on 19 March 2012. The report was also on the agenda for the Budget Working Group scheduled for 27 March 2012 but no decision was taken on the paper.

1.3 This further report has been updated to reflect the discussions at SMT and COG, and also incorporates new, revised proposals from Brian Keating of URTV, following a meeting the Chief Executive and Executive Director of Customer Services held with him on 31 July 2012.

1.4 This report also incorporates feedback from the Lead Councillor, Louise Glen-Lee following a meeting with Executive Director of Customer Services on 5 September 2012.

2.0 RECOMMENDATIONS

Members are asked to;

2.1 Agree that the Looking Local service is procured within the 2012/13 financial year, on the basis that the resources are available to do this

2.2 Agree that a Short Life Working Group (SLWG) is convened to consider the variety of proposals from URTV, webcasting proposals from Public-I, and video conferencing

2.3 Agree that the SLWG is made up of 4 representatives from the Administration (proposed - Councillors Louise Glen-Lee (Chair), John Semple, Michael Breslin, and Gordon Blair) and 2 from the Opposition (to be determined)

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3.0   DETAIL

3.1   Following the decision by the full Council on 18 August 2011, which requested that the Chief Executive investigates the provision of webcasting equipment to provide a fixed solution for the Council Chamber, and presentations from Looking Local (at the Joint Process for Change/HR Board on 18 November 2011) and URTV (at the Transformation Board and SMOG on 21 November 2011 and 13 December 2011 respectively), Officers have undertaken research into each of these areas and a summary of each facility, including indicative costs is provided below.

3.2   **Looking Local**

3.2.1   On 18 November 2011, Shirley Cairns from Kirklees Council attended the Joint Process for Change/HR Board to deliver a presentation on *Looking Local* (formerly DigiTV) digital media services.   As part of the Customer Management Project Detailed Design, approved by full Council in 2009, it was stated that *"over time, we will need to extend website access to digital television to extend self service access to more of the population",* particularly for those who do not have or use the internet.   *Looking Local* is considered a market leader in this field, and was set up by Kirklees Council 7 years ago to meet the needs of local authorities and public sector organisations.

3.2.2   *Looking Local* is focused on the both ends of the technical capability spectrum; the high end mobile device and internet users and delivering transactional Digital Television services to people who have access to broadband but who are often digitally excluded.   Essentially *Looking Local* takes cut down versions of an organisation's existing web content and represents the material through an array of different digital mediums like;

- Digital Television (Sky, Virgin Media, Youview)
- Web enabled games consoles such as Nintendo Wii
- Smartphones and web enabled mobile phones and apps
- Social media such as Twitter and Facebook

3.2.3   Viewers are offered a menu of information and interactive services based on the "report it, find it, request it" format currently used on the Council website, plus news, service disruption updates, links to partner services and information on the range of Council services.

3.2.4   Current subscribers to *Looking Local* within Scotland include Fife and East Ayrshire Councils, NHS Scotland, and Glasgow Housing Association.   An example of what the menu's can look like for TV and smartphones is illustrated below;

East Ayrshire TV main menu:

List of Request It Services

3.2.5   The Smartphone element also has an App that runs on iphone or android which allows customers to log service requests on the move and which are transmitted to the Council in the form of an email. The smartphone app looks like this;

3.2.6 The service is quick to set up with a 6 to 8 week lead time and is easy to maintain as much of the content is extracted from existing web content using similar technology to that which allows our display screen network to broadcast topical web content. A bureau service is available that assists both with the initial set up and regular updates to the site.

3.2.7 In taking advice from the Council's Officers who specialise in this area it is apparent that the Council should aspire to offer the type of services being provided by *Looking Local; to provide an additional medium for communicating with the council and as business continuity resilience for the web site*. If this option were to be pursued, the Council's Web Team would take a lead on this piece of work, and would be in a position to begin delivering a project of this nature early in the autumn as part of their new Work Programme. The aim would be to have the service in place to assist with winter service disruption information effort. The Project would be delivered in conjunction with and funded from the MGF3 funds already allocated in 2012/13 for the Customer Management Programme for year 3.

3.2.8 A summary of the costs which would be involved in taking forward this option are provided below;

Licence (per annum)	£16,000
Bureau Service (per annum)	£ 3,500
Plug In Link Testing (one off)	£ 1,500
	£21,000

The service can be procured on an annual basis, with the effectiveness of the service being evaluated towards the end of the first year to determine whether it is value for money before renewing the contract.

3.2.9 It is recommended that this option is pursued within the 2012/13 financial year.

3.3 **URTV**

3.3.1 URTV is a network of social TV news channels which provide a mix of informative and entertaining content to, and about, communities throughout the west coast of Scotland. The platform integrates with social networks such as Twitter and Facebook and an iphone app is available for users to capture and publish news, events and videos. URTV, in simple terms, can be described as a localised version of YouTube, which would allow the Council to have more editorial control over the content which is put into the public domain. Current subscribers to URTV within Scotland include Dumfries and Galloway Council for their new Annandale.tv service.

3.3.2 The Transformation Board at their meeting held on 21 November 2011 received a presentation from Brian Keating of URTV in regard to the recent developments that have taken place around Local TV, and how the Council could potentially benefit from using this service to promote positive news. He also presented to SMOG on 13 December 2011, where it was agreed that he would "*return in the New Year with a presentation and proposal to the full Council focussed on more formalised communication arrangement, to include Council news and the broadcast of key Council meetings*".

3.3.2 Further to this, a teleconference between the Chief Executive, Executive Director of Customer Services and Brian Keating took place on 18 January 2012 to clarify the range of options that the Council are currently investigating in terms

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of media platforms, and to establish what could be offered by URTV. Arising from this, it was noted that the Council are interested in developing a single strategy that will meet its internal and external digital media requirements, and specifically, which would include the following 4 key areas;

    i.   Delivering on Efficiencies
    ii.   Communications
    iii.   Transparency/Democratic
    iv.   Access to Services for Customers

3.3.3   A summary of the proposals, including indicative costs, received from Brian Keating following that teleconference are outlined below;

- URTV can establish a dedicated local TV station for Argyll and Bute Council that can be used to communicate Council developments/achievements and services, and which is owned by the Council and operated as a not-for-profit social enterprise. URTV would license the new channel to use their delivery platform, provide upgrades to the system and software, provide start up and ongoing training/support, assist with the creation of content, and help with network sales.
- URTV staff would assist to recruit, train, and hire a suitable video-journalist/manager for the station, and support the Council to implement the channel.
- URTV platform/software also allows for the streaming of events and meetings taking feed from web cams and allows for moderation and syndication of all content.
- URTV app – the app, which can be used on smartphones, allows customers to send video direct to Council for reporting potholes, litter problems, storm damage etc...
- The cost of setting up a station, which can be fit to broadcast within 60 days is £9,000. This fee is based upon the initial setting up of the station, customisation of software (including i-phone app at £1,200), site design, and one month's full time training for the core employee (£4000). There is also an annual technology fee of £8,000, which includes all data storage, and all upgrade requirements.

Summary of costs;

One off set up costs	£ 9,000
Annual Technology Fee	£ 8,000
	£17,000

3.3.4   The Chief Executive and Executive Director of Customer Services had a further meeting with Brian Keating on 31 July 2012, where 3 revised proposals were submitted in regard to; Council News TV, School News TV and Argyll TV.

3.3.5   It is proposed that a SLWG is convened to look at these new proposals in detail, prior to making a formal decision on whether to proceed.

3.4   **Webcasting**

3.4.1   The Council decision of 18 August 2011 requested that the Chief Executive investigates the provision of webcasting equipment to provide a fixed solution for the Council Chamber.

3.4.2   Public-I is considered as a market leader in the provision of these facilities, which are currently used by Moray and Highland Councils in Scotland, as well as Belfast City Council and Buckingham County Council.

3.4.3   Indicative costs have been provided by Public-I of £14,000 to £17,000 per annum, depending on a number of factors such as number of hours of material, camera follow and hardware provided. This includes:

- Leased hardware (including maintenance and upgrades);
- Software licence;
- Full project and account management;
- Helpdesk support (including live monitoring of every Council meeting);
- Full hosting of all content.

3.4.4   Supplemental contextual information can be added to provide details of all speakers including biographies. In addition, a range of other functions are provided:

- Index and agenda points can be inserted and Powerpoint attachments to allow slides to be synchronised with a webcast presentation;
- Viewers can provide feedback via a simple "mailto" form that will send an email to a specified email address for feedback. This can be used to encourage the viewer to comment on the service or on any specific aspect of the meetings they are viewing;
- A "polling" facility where single questions with a multiple choice answer can be asked;
- Connect webcasting platform allows for Twitter feeds, live blogs and news feeds to be shown next to Council content and has a chat facility to allow citizens to interact with the proceedings of a meeting.

3.4.5   Public-I have indicated that these facilities can be provided within 4 to 6 weeks of placing an order. Definitive pricing would follow a site survey, which will cost £1,200 plus VAT including travel and accommodation expenses – this would be refunded from the first annual cost assuming that the Council place an order. Costs include training of our staff and connection of an audio feed from our sound system.

3.4.6   If agreed to roll ahead, the webcasting solution from Public-I, can be implemented without impacting on the investigation/roll out of any of the other options available from Looking Local or URTV. It is also important to note that the roll out of this option would involve some physical changes to the Council Chamber, including the installation of hardware, such as cameras and a possible upgrade of the current microphone/sound system. The site survey carried out by Public-I would include a review of the current equipment/set up and identify any requirements.

3.4.7   In addition to the fixed webcasting solution that can be provided by Public-I for the Council Chamber there is also the option of a mobile solution, which, if Members are minded, could be utilised for other meetings such as Area Committees.

3.4.8   Public-I have indicated that the costs associated with providing a mobile solution are similar to those quoted for the fixed solution and would be between £14,000 and £17,000 per annum depending on the amount of portable cameras required, but again this would be determined at the site survey. A portable audio solution would also be required for the mobile webcasting solution and

Public-I would normally recommend the purchase of a daisy chain microphone system which consists of around 16 microphones and costs in the region of £8,000 (one off cost).

3.4.9   If the Council were minded to roll ahead with the fixed or mobile solution for webcasting, a one year contract initially is proposed which would allow the Council to gain confidence in the system and ensure that it meets all aspirations.

3.4.10 There are also a number of other issues which require consideration, should the Council wish to proceed with the webcasting solution from Public-I;

    i.   **Type of meetings suitable for webcasting** – where webcasting is in operation within other Councils the meeting style tends to be very tightly managed, formal in nature, and there is limited discussion time for speakers. The Council will need to consider the type of meetings it deems appropriate for webcasting and whether the governance arrangements require to be revised;

    ii.   **Formal Record of Meetings** – the use of webcasting to record proceedings at council meetings will result in a formal record being created, much in the same way as an email, and can be referred to in order to check decisions or information that has been supplied.

    iii.   **Budget** – there is no allocated budget for the provision of webcasting or any of the other media platforms discussed in this paper, and will need to be identified if it is agreed that one or more of the options are rolled out.

3.4.11 It is proposed that a SLWG is convened to consider these proposals further, prior to making a formal decision on whether to proceed.

3.5   Video Conferencing

3.5.1   As part of the School Estate Review, suggestions were made about making use of video conferencing facilities for local meetings. If the Council were to agree to implement a webcasting solution there would appear to be no further benefit in pursing this option.

3.5.2   If extending the use of VC is an option Members wish to explore there are a number of factors which must be taken into consideration;

    i.   **Connection/Technology** – VC facilities can be set up within the Council Chamber using the connection which is currently based within the Housing Meeting Room, Kilmory. This, however, is the only connection that is available and ongoing support from IT is required to re-locate and set up. A number of developments in regard to VC connectivity and equipment are currently being taken forward by IT. For example, work is underway to move away from using ISDN (Integrated Services Digital Network) telephone lines, supplied to date by BT, as a communication platform for delivering VC, to IP (Internet Protocal) based systems.

Since the introduction of the Pathfinder network, the network is now capable of supporting IP based VC calls, which allows VC sessions to be made without incurring any call charges, offers more functionality such as simultaneous presentation or live screen interaction, and greater reliability over ISDN technology. IP based systems, such as Microsoft Lync, will be utilised for both internal communication between appropriately equipped meeting rooms and staff, and bridge internal IP based VC sessions with all

sites through an external bridge service. Work is still ongoing to develop this area, and will be kept under review by IT.

ii. **Equipment** - A 360° camera would be required for the Council Chamber, at a cost of £2899 (to be budgeted for), as the current VC camera equipment would not be suitable for large meetings being held within the Chamber.

iii. **Process/Governance Issues** – Schedule 7 of the Local Government (Scotland) Act 1973, and the Council's Standing Orders, provides that the Council must issue a summons to each Member asking that Member to attend the meeting. There must be a minimum number of Members present at the meeting to form a quorum which ensures that the relevant Council business can be undertaken, including any votes that must be taken. However, Section 43 of the Local Government in Scotland Act 2003 (*remote participation in and calling of local authority meetings*) provides that any Member may participate in a meeting remotely with the Chairperson's permission. VC has been utilised in the past for some Council meetings such as PPG's and LACPG's which tend to be discursive in nature and are procedurally straightforward, however when considering the use of VC for formal Committee meetings there are issues that require more attention and consideration;

- Remote chairing of meetings – the skills of the Chair are important in terms of ensuring that those participating remotely are fully included in contentious debate, discussion and voting.
- Loss of connection - this would make it difficult for the Member(s) attending the meeting remotely to place a vote or participate in discussion. It also raises the question as to whether meetings should be adjourned until such time as the connection is restored or postponed to another day.

- Issuing of paperwork - there are also issues around the distribution of paperwork which can often be circulated on the day of a meeting, for example, late reports or amendments to complex motions which are often photocopied and circulated at the meeting.

3.5.3 VC is the only option which offers multisite participation, however the range of issues outlined above must be taken into consideration when looking at whether the use of VC should be extended for formal meetings of the Council.

3.5.4 It is proposed that further consideration of VC facilities will form part of the remit of the proposed SLWG.

3.6 Arrangements for monitoring the use of technology

3.6.1 The Council decision of 18 August requested that the Chief Executive puts in place arrangements for monitoring the use of video, webcasting and web conference technology facilities in order to advise the Council on its utilisation by both Officers and Members.

3.6.2 Details can be readily provided, for example on a quarterly basis, of all use of the formal room based video conferencing system and also of the numbers of meetings broadcast via webcasting facilities.

3.6.3 Reports can also be run from the Lync system to identify for any period, the number of audiovisual conference calls and the number of participants. However, at present we are unable to distinguish between audio only calls and full video based web conferencing calls (we are working with our Microsoft partners to try to develop the data capture system). Also we are unable to identify the level of sophistication of sharing within these calls, for example whether there is any sharing of desktops for shared presentations or training etc...

3.6.4 We can also identify the number of instant messaging conferences. Whilst these are unlikely to replace any travel to face-to-face meetings they do indicate increasing levels of familiarity with Lync and should lead to improved efficiency, and are indicative of general trends for internal communication.

4.0 CONCLUSION

4.1 Following the decision taken at the Council on 18 August 2011 to investigate the provision of webcasting equipment within the Council Chamber, a number of digital communication platforms have been explored, including solutions from Looking Local, URTV and Public-I. These options are not mutually exclusive, but rather offer a range of possibilities whereby the Council could increase the number of communication channels that we use to interact with our customers and the general public.

4.2 It is recommended that steps are taken to procure the services offered by Looking Local, on the basis that there are resources to take this forward in the current financial year. In respect of URTV, Public-I and VC in general, it is recommended that a SLWG is convened to look at these proposals in further detail.

5.0 IMPLICATIONS

5.1 Policy - none

5.2 Financial – if agreed to pursue Looking Local proposal approx. £21k will be utilised from MGF3 funds allocated for Year 3 of Customer Management Programme

5.3 Legal – none

5.4 HR - none

5.5 Equalities - none

5.6 Risk - none

5.7 Customer – will allow us to communicate with wider range of Customers and contributes to Customer Management agenda

Douglas Hendry
Executive Director – Customer Services
February 2012

For more information please contact:
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ARGYLL AND BUTE COUNCIL   **COUNCIL**

IMPROVEMENT AND HR/   **20 SEPTEMBER 2012**
CUSTOMER SERVICES

COMMUNICATIONS STRATEGY AND SOCIAL MEDIA POLICY

1.0   SUMMARY

1.1   The attached Communications Strategy sets out how Argyll and Bute Council will keep people and organisations with an interest in what we do informed about the services we deliver, our progress and performance.

1.2   The requirement to have a Social Media Policy has been recognised by the Communications Team and Web Steering Group and on this basis a draft Social Media Policy was developed and presented to the SMT on 14 May 2012. Following discussion at this meeting and subsequent discussions with the Lead Councillor for Communications, the Social Media Policy has been revised and is attached for approval.

2.0   RECOMMENDATIONS

Members are asked to

2.1   Agree the Communications Strategy (appendix 1) and Social Media Policy (Appendix 2)

2.2   To note that the Communications Strategy and Social Media Policy are underpinned by a series of operational documents, which will allow implementation of the strategy and policy, and the monitoring of performance

3.0   DETAIL

3.1   Communications Strategy
The Communications Strategy sets the future direction of the council's communications service in light of the changing face of local government, the on-going developing communications channels and the current challenges faced by Argyll and Bute Council. It is supported by the Social Media Policy and a range of operational documents required to put the strategy into action.

3.2   Social Media Policy

3.2.1   Social media is a widely used communication tool that presents opportunities for the council to promote services, engage with customers and improve communication with the public.

1

3.2.2   The Social Media policy has been prepared by members of the Web Steering Group. Representatives of the Joint Trades Unions have been consulted and have contributed actively to the policy.

3.2.3   The Social Media policy has been developed using guidance from ACAS, SSSC, Brodie's and is informed by a number of other Councils' Social Media policies.

3.2.4   Existing relevant Council policies, procedures and guidance are referred to specifically in the policy. These include:
- The Employee Code of Conduct
- The Acceptable Use Policy
- Corporate Communications Strategy
- ICT Acceptable Use Policy
- Social Media Presence application form
- Information Security Guidance

3.2.5   The policy sets out clear guidance for employees on the use of social media in relation to their employment. This includes reference to personal use of social media. The Council respects the rights of employees to privacy, however social media can result in information being published in the public domain and employees should be aware of their responsibilities as set out in the Employee Code of Conduct.

3.2.6   The Communications Team will keep and monitor a list of those people who are have been given access to social media sites and will ensure they are directed to the guidance as well as to the policy. This information will be forwarded to the Communications Team by ICT following receipt of an approved AUP.

3.2.7   The Communications Team will collate and maintain a directory of all Council social media 'presences' to ensure that there is a corporate overview of the Council's social media activity. This information will be forwarded to the Communications Team by ICT following receipt of an approved Social Media Presence application form.

3.3   Out of hours media cover

3.3.1   The council needs to ensure that media cover is provided consistently and continuously in case of emergency incidents in order to ensure that suitably trained employees are available to deal with the media. The out of hours media cover rota provides a four weekly programme of cover to be shared between the communications manager and the three communications officers. In order for the system to function effectively, the team requires a laptop with VPN access and access to a SMART phone so that tasks can be completed on the move. It is recommended that the out of hours rota is discussed with HR and an

appropriate allowance agreed for participating employees in line with arrangements currently in place for other Council Services.

3.3.2 The objective in the medium to long term is to move towards establishing a Communications Team that provides a 7 day service.

4.0   CONCLUSION

4.1   The Communications Strategy sets out the future direction and design of the Council's communications Team. The Social Media Policy presents clear guidance to employees about the use of social media, and ensures that the organisation and our employees are protected and that the Council makes best use of social media as an engagement, communications and business tool. The strategy and policy are underpinned by a series of operational documents that will allow them to be implemented effectively and to monitor performance against them.

5.0   IMPLICATIONS

5.1   Policy – links to Employee Code of Conduct and ICT/Acceptable Use Policy
5.2   Financial – introduction of out of hours allowance which will be contained within existing budgets
5.3   Legal – Social Media Policy complies with legal guidance provided by Brodies through their training material on managing the risks of social media.
5.4   HR – terms and conditions of out of hours media cover participants to be considered
5.5   Equalities – EQIA has been prepared for the Social Media Policy
5.6   Risk – Compliance with the Social Media Policy will reduce the risk of Council being brought into disrepute
5.7   Customer – the Communications Strategy and Social Media Policy are intended to allow us to engage better and be more responsive to the needs of our customers

6.0   APPENDICES

- Appendix one – Communications Strategy
- Appendix two – Social Media Policy

Douglas Hendry
Executive Director of Customer Services

September 2012

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Argyll and Bute Council

Communications Strategy

Author	Communications Team
Department	Chief Executive's
Date	July 2012
Version	1.0

CONTENTS

1. ....Introduction

This strategy sets out how Argyll and Bute Council will keep people and organisations with an interest in what we do informed about the services we deliver, our progress and performance.

We explain how we will communicate with our many stakeholders and what methods people can use to access information and advice about council services. Overall, we make clear our commitment to:

- be open, transparent, accessible, accountable and responsive in any engagement with customer and others when using social media
- use plain, clear and straightforward language
- adjust our communication methods to meet the needs of many different individuals and groups; and
- treat everyone fairly

What we mean by the terms we use:

Communication – providing relevant and useful information in the right place, at the right time and in various formats according to the needs of those using the information.

Consultation – sharing our options and/or intentions with those likely to be affected and using feedback from them to make our plans fit the needs of the people affected by our work.

Involvement – our employees working actively with others to design, develop, test, deliver and monitor what we do.

Stakeholders – people and organisations who are involved in, or take a close interest in the work of the council, for example - residents, parents, businesses, other public sector organisations and agencies, government, elected representatives, interest groups, voluntary organisations, visitors etc.

2. Where we are now

In establishing the most effective way to communicate with our stakeholders, it is important to consider the current environmental context in which we communicate.

2.1 Who we are and what we do

Argyll and Bute is an area of outstanding natural beauty with mountains, lochs, islands. The population of around 89,590 is scattered across an area of 2700 square miles and is made up of 6 main towns and many smaller communities, some of which are very remote. 17% of Argyll and Bute's population live on islands, with the majority (55%) living in settlements smaller than 3000 people or outside settlements altogether.

There are just over 41,600 households. People of working age account for 62% of the population and of these, 78% are economically active. Children under the age of 16 years account for 16% of the population. The 75+ population is set to increase more rapidly than the national average – by 28% by 2020.

Argyll and Bute – Vision and Values

Our Vision

Argyll and Bute - Realising our Potential Together

Our Values

We involve and listen to our customers and communities

We take pride in delivering best value services

We are open, honest, fair and inclusive

Argyll and Bute Council delivers a wide range of public services throughout Argyll and its 25 inhabited islands including education, roads and transport, planning and development, recreation and sport, libraries, culture and heritage, children and families' care, adult and older people care, waste management, environmental services and housing support services.

Our annual operating budget is around £260 million and we employ around 5000 people. The scale and range of services delivered by Argyll and Bute council is large and complex. For example, we organise and look after:

- 73 primary schools, five secondary schools, three 3-18 schools, two joint campuses and one learning centre
- Three children's homes and seven care homes for older people
- 62 parks and play areas
- Four swimming pools, seven public halls, 10 libraries and museums
- 1406 miles of roads, 954 bridges and 138 car parks

- 176 cemeteries and 74 public toilets
- Refuse collection from more than 50,000 homes and businesses

In addition, the council is hugely involved in coordinating community planning and economic development for the area and works extensively with other national and local organisations to actively promote the benefits of living and working in Argyll and Bute.

2.2 Where we are now and the challenges ahead

We face some significant challenges that affect our capacity to do everything we would like to do. They are:

The cost of delivering services in this area

Argyll and Bute's unique geography and widely spread communities means that it costs more to deliver many services here than in many parts of Scotland. We've already taken steps to become as efficient as possible and will keep improving how we do things in order to achieve the best value for money, but will continue to argue for recognition of Argyll and Bute's unique requirements.

The economic downturn and reduction in public spending

Efforts by the UK and Scottish Government to reduce public spending mean we will have much less money to spend on delivering local services. Council tax funds only 17% of our spending, with 83% of our income coming from Scottish Government grants. Grants for all councils are being cut and this means we have to find ways to deliver quality services by spending less.

We know we won't be able to continue providing all of the services we do now and that we'll have to find different ways of doing some things. Over the next few years, we will continue to have to make some very difficult decisions. We are committed to consulting with and involving the people and communities likely to be affected by changes to services and to feeding their views into service design and clearly communicating our decisions and the reasons for them.

Economic analysts predict that the financial pressures on public spending will be with us for several years to come.

Managing expectations

Although our customers know that public spending is reducing and the pace of change is quickening, there is little evidence of change in the expectations of individual users of services and some interest groups. This, coupled with meeting demanding statutory requirements in many areas of our work and demographic changes, means that expectations are increasingly exceeding what we as a council can reasonably deliver with the resources available.

At the very heart of our organisational values is the commitment to be open, honest,

fair and inclusive, so we will be candid and clear about explaining things when we cannot meet expectations and seek dialogue with those involved or affected.

<u>Unlocking the potential of Argyll and Bute</u>

At this time of profound change in the economy, we must remain ambitious about doing the best for this part of Scotland and its economic development. Argyll and Bute has abundant natural resources and potential, especially in renewable energy, quality food and drink and leisure and tourism, placing it at the heart of Scotland's economic future.

We have a strong Economic Development Action Plan in place to help us deliver future jobs and prosperity. We also have a Renewable Energy Action Plan, developed by the Argyll and Bute Community Planning Partnership (CPP), aimed at helping Argyll and Bute realise its vision for the development of the renewable energy sector.

We will continue to pursue private and public investment opportunities, working with our many partners and to support local businesses through the Business Gateway.

2.3 Where we are now – customer feedback

The Argyll and Bute Community Planning Partnership (CPP) was set up in 1999 and includes most of the public agencies and third sector partners who deliver services in the area. It has a duty to consult the public in order to inform local decision making. To this end a Citizens' Panel was set up in 2001 to research the views of local people on a range of issues. The panel currently has 1,253 resident members. Overall, the characteristics of the panel closely reflect those of the Argyll and Bute population as a whole. We can therefore be confident that feedback from panel members is both reliable and representative.

The last independent Citizen Panel Survey was done late in 2011 when 72% of panel members responded. The most recent findings relevant for this communications strategy are set out below. The findings are disappointing because we are strongly committed to keeping our stakeholders well informed and involved. We will therefore set stretching targets for improvement across all these indicators and make sure that our external communications help improve awareness and accessibility of council services and the decision making process.

	2009	2010	2011
Treated with respect by the council all or most of the time	69%	65%	71%
Feel well informed about local public services	34%	32%	34%
Feel well informed about how local public services are performing	25%	28%	29%
Satisfied with information about council meetings	19%	22%	24%
Informed about how to get involved in local decision making	36%	30%	40%
The council provides value for money	18%	24%	25%

Quote from 2011 report: "There was a generally negative response from respondents in relation to perception of the council providing value for money and how well informed they felt about services. A more even view was recorded on how well the council was running things, with similar proportions satisfied and dissatisfied. However, the most positive view was found in terms of the council treating the public with respect and consideration." *Hexagon Research and Consulting*

For the first time in such as survey, the 2011 survey included questions about communications, particularly in relation to:

- The type of media which members of the panel used
- The channels through which they get information about the council and its activities
- How much the panellists trust the various information sources
- Panellists' preferred methods of getting information about the council.

The medium most commonly used and preferred by respondents is local papers, with 90% of panellists saying that they used local newspapers

89% of respondents said that local newspapers were their preferred method of getting information about council decisions.

42% of respondents said that they always trust information from local papers, and an additional 47% said that they sometimes trusted such information.

By contrast, 47% of respondents said that they used the council's website

55% of respondents said that the council's website would be their preferred source of information about the council's decisions

34% of respondents said that they 'always trusted' information from the website.

So although a lower proportion of panellists use the council website than use local papers, those respondents who do use the website attach a higher level of trust to the information it provides.

Only a small proportion of panellists expressed an interest in getting information about the council from social media (Twitter; Facebook).

We also have some information from monitoring local media coverage. This shows continuing press interest in the services and projects the council delivers. In 2011, there were 1987 articles mentioning Argyll and Bute Council in the local newspapers. Some 45% of this coverage was neutral, with 31% positive or very positive and 23% negative or very negative. 1% of the coverage was not rated.

Just over 92% of this coverage was in local newspapers, with a further 6% in regional or national publications. Just under 1.5% was on the internet.

3. ....Where do we want to be?

Our Corporate Plan is published on our website and sets out our vision, values and corporate objectives as follows:

Our vision - Realising our potential together

Our values
We involve and listen to our customers and communities
We take pride in delivering best value services
We are open, honest, fair and inclusive
We respect and value everyone

Our corporate objectives
1. Working together to improve the potential of our **people**
2. Working together to improve the potential of our **communities**
3. Working together to improve the potential of our **area**
4. Working together to improve the potential of our **organisation**

Everything in this communications strategy upholds our vision, values and objectives and each of the four objectives is further linked to an ambitious list of results (or outcomes) we are hard working to deliver.

3.1 External communications objectives

Our communications objectives need to help us achieve our overall community and corporate vision, objectives, and our values will underpin the ways in which we do achieve all that we aim to achieve.

We will:

3.1.1 improve awareness and understanding of Argyll and Bute Council and the services it delivers
3.1.2 place customer focus at the heart of everything we do
3.1.3 inform our customers of decisions which are likely to affect them in advance
3.1.4 make our communications accessible to all, including minority and traditionally hard-to-reach groups
3.1.5 use different ways to actively inform, consult with and involve people – according to their needs
3.1.6 be clear with everyone about what we can and cannot do
3.1.7 work with our community planning partners to improve awareness of public services and understanding of decision making processes
3.1.8 inform people how to make a complaint if they have a concern
3.1.9 promote Argyll and Bute as an attractive destination for residents, visitors, businesses and investors
3.1.10 invest in improving our employees' communication skills

3.2 Internal communications objectives

We will:

3.2.1 keep employees informed about council decisions, news, events and plans, and particularly about major announcements

3.2.2 support line managers and their teams to become good ambassadors for council services and initiatives

3.2.3 improve communications awareness and skills among elected members, line managers and their teams

3.2.4 encourage two-way communication, feedback and suggestions

3.2.5 be a responsible and communicative employer

3.3 Communications principles

In line with our values, our communications will be:

- **Honest, open and transparent** - in any engagement with customers and others when using social media
- **Accessible** – we will use a variety of communications methods to make sure as many people as possible have access to the information they need.
- **Simple** – we will use plain English and clear design to make sure people understand the information we give them. We will endeavour to provide information in a language and format suitable for the needs of our customers.
- **Timely** – we'll make sure people receive the information they need in good time, to enable them to take action if necessary.
- **Easily recognisable as coming from Argyll and Bute Council** – we'll use a consistent design so our customers can easily recognise genuine council publications, staff and information.
- **Value for money** – we will make sure we explore all possible methods of communications to find the most cost-effective way of sharing information with our customers.

4. ....How do we get there?

The communications action plan can be found at the end of the strategy and it outlines how we achieve our objectives. This section provides some contextual information about how we get there. In order to achieve our objectives, we need to know our audiences and target them effectively. We need to establish what our key messages are and what do we need to communicate to people. We need to outline what channels of communication are most effective, who is responsible for communicating what and with what resources.

4.1 Target Audiences

Our target audiences can be grouped as follows:

Customers - Council tax payers, voters, service users and potential service users, special interest groups, hard to engage groups, council employees

Businesses - Businesses already in the area, potential investors, networking and professional associations representing business.

Partners - Community Planning Partnership partners, other councils, third sector organisations, regional and national government.

Opinion formers and influencers - Scottish Government, elected representatives, and the media.

Visitors/potential visitors – Target groups who may have an interest in visiting Argyll and Bute.

Funders - Scottish Government, UK Government, European Commission and other relevant funders.

This list is not exhaustive and there will be many others who need information from the council.

4.2 Key Messages

About our key messages
The tables that follow set out the key messages we will convey to our target audiences under each of the corporate plan objectives. However this is not a rigid process: we hope it's helpful to see the messages as they apply to the main areas of our work but, in practice, they will be woven through all of our communications as appropriate.

SIX CORE MESSAGES

There are six core messages we would like everyone to know and understand about Argyll and Bute Council:

1. We are ambitious for the people and communities of Argyll and Bute and work hard to help ensure that people have a good standard of living and business can thrive.

2. We want to deliver the best services for our many customers and to do this we will continuously develop our systems, processes and skills to focus on customer needs.

3. We are an improving and increasingly efficient organisation. Achieving good value for money is a high priority and we will be creative and resourceful about working with others who can help us to deliver good quality services cost effectively.

4. We will continue to use technology innovatively, particularly in our customer contact centre, via our website, and by an increasing use of social media and other platforms

5. The financial resources available for public services are under increasing pressure. If we can't provide a service in the way that customers would like it to be delivered, we will always explain clearly why not and be fully accountable to the communities we serve for our decisions.

6. We aim to be one of the top performing councils in Scotland by listening closely to our customers and communities and being open and accountable.

Objective 1 - working together to improve the potential of our people

Key Messages

Argyll and Bute is an excellent location for new businesses and creating jobs. The infrastructure is in place to ensure people have the right skills and attitudes to seize opportunities.

We strive continuously to improve the quality of education for all in Argyll and Bute and to equip our children and young people with the skills and knowledge they need.

We support older people to live more active, healthier and independent lives.

We support and protect vulnerable children and families in sustainable ways within their communities.

We target our support to the most vulnerable people in our communities.

Objective 2 - working together to improve the potential of our communities

Key Messages

There are long distances between the places where we live, work and visit. We need

to find innovative ways of delivering services to make sure our communities are strong, resilient and open to opportunities.

We have a skilled and capable workforce capable of attracting employment to Argyll and Bute.

We actively encourage local communities to get involved in the way our services are delivered.

We are working with our community planning partners to reduce the impact of alcohol and drugs on our communities.

Objective 3 – working together to improve the potential of our area
Key Messages

Argyll and Bute is an area of great natural beauty and diversity. We have huge natural potential for renewable energy generation, food and drink, leisure and tourism.

Existing and new businesses can thrive here and there are strong business networks in the area. Business support is available from the Business Gateway with input from Argyll and Bute Council and other enterprise organisations.

Our planning teams work closely with householders and businesses to ensure the places where we live, work and visit are well planned and developed.

Daily life here is heavily dependent on good roads and transport. Argyll and Bute Council is not responsible for the trunk roads, but invests heavily to ensure that all other main routes are kept clear and well maintained.

Argyll and Bute Council has reduced its carbon footprint and encourages all communities to reduce, reuse and recycle more.

Objective 4 – working together to improve the potential of our organisation
Key Messages

We actively listen to and engage with our customers, communities and partners to deliver best value services.

We invest in personal development and training to ensure our employees have the right skills, tools and attitudes to deliver efficient and effective services.

We will always try to provide our customers with the right information at the right time in the format that best meets their needs.

We need to make the most of our resources by working with partners to deliver services in different ways.

4.3 Communication Methods and Channels

This communications strategy applies to the work of all Argyll and Bute Council employees and relies upon everyone's commitment to make it happen.

The chief executive, directors, members, heads of service, managers and team leaders - working with the small communications team - all have an important role to play in supporting and interpreting the strategy for staff, partners and customers.

Working together, they will apply the principles of this framework and develop effective communication action plans for each service, initiative and project as required, using a mix of the following approved communication methods and channels.

The communications team will provide advice and support and should be involved as early as possible in the planning of communications and consultation activities. The team has expert knowledge on how to make the most of these methods and can advise on what is likely to work best for specific projects.

Face to face communication (employees, members and partners)

Our 5000 employees deliver important public services all across Argyll and Bute and represent the council to customers and stakeholders as they go about their work, so we must make sure they are well informed. Our senior managers, organisational development and communication teams will help make this happen, but all employees must appreciate that they are ambassadors for the work of the council and be prepared to speak about what we do and why. We are committed to continuously improve internal communications through the use of a number of mechanisms including regular cascade briefings, the Hub intranet, staff emails, the Chief Executive's blog and internal newsletters.

We also have important working relationships with many partner organisations, associations, elected representatives and others with an interest in Argyll and Bute. We ask our senior managers and members to help us manage our relationships with these people and organisations and be a point of contact if they need information. This is an important part of our work because we want people to value what we do and to help improve the quality of local services. To do this we must be known as a reliable and efficient council with a skilled workforce and a strong reputation for delivery and expertise.

Internally, the chief officer and senior officer (COSO) event for managers will be developed further incorporating feedback from participants and a programme of Strategic Management Team road shows will be established for employees at all levels to attend and feed into. Team briefings will be arranged to take place on a regular basis (no less than once per month) either in person or by VC with an opportunity to cascade corporate and council-wide information provided by the communications team to managers and to feedback to management to facilitate a two way process.

Media relations

Argyll and Bute has several weekly local newspapers with regular readers amongst our many customers and stakeholders. We know the media plays an important role in reporting the news and keeping the public well informed, so we offer them a fast, responsive service to deal with their enquiries.

We will continue to actively generate informative news stories and features about the work of the council. We will also offer press, radio and television interviews with members and senior personnel on issues of public interest wherever possible and provide media training and support to those involved. We will also hold Press Conferences as and when required. We want the local and national media to know that Argyll and Bute Council is always accessible on issues of public interest and we will strive to meet their on-going need for information on council services.

The media protocol requires that all calls from the media are directed to the communications team so that a rapid, consistent and appropriate response can be ensured. All of our media releases and proactive media statements will be published on our website in the news section.

Website

Our website at www.argyll-bute.gov.uk has become one of our main communication channels and has the potential to reach increasing numbers of our customers as more and more people in Argyll and Bute go online. It:

- is an important source of information for people who are interested in council services
- gets over 30,000 visitors every month, a figure which is steadily increasing
- lists all the services the council provides, helpful contact details and links for extra information
- offers self-serve transactions for several council services including the payment of council tax, school meals cashless catering and invoices

We will continue to develop and improve the website as a source of information to make sure that it:

- continues to be seen as the most reliable source of accurate and timely information available about council services and the work that we do
- becomes the first information channel of choice about council services for the majority of our customers
- is accessible and appealing
- easy to navigate, clear, friendly, fresh and up-to-date
- interactive and innovative
- quickly increases the number and range of financial transactions that can be done online
- captures (via online registration) customer email contact details, so that we can in future offer more electronic information updates to residents

- takes full advantage of internet-based applications such as Twitter, Facebook and You Tube to provide real time information updates and low cost opportunities to interact with our customers.
- Ensure that the website is promoted on all of our communications and literature in order to further encourage channel shift.

Customer Service Centre and telephone help lines

Our customer service centre is the first point of contact for many of our customers. We work hard to promote the six easy access telephone numbers people can use to call. Experienced colleagues answer the calls and will resolve the enquiry or refer it to another colleague or organisation if they need to. Our current opening hours are 9am – 5pm from Monday to Friday.

Publications, newsletters and direct mail

In common with many other organisations and businesses we find that the demand for hard copy publications is decreasing as more customers look first to our website when they need information. Most households (more than 70%) in Scotland now have access to the internet. But we know that large numbers of people, particularly older people, do not have access to a computer. For this reason we will not rely too heavily on the internet as a way to communicate with all our target audiences, but we will continue to offer some leaflets and brochures as necessary.

We will continuously review how we design and produce our publications and the type of paper we use for them. Our aim is to reduce the impact we have on the environment (our carbon footprint) when we produce printed materials, ensure that all publications are properly distributed and quickly reach the people who need them. We actively avoid holding any large and expensive stocks of printed material.

All Argyll and Bute publications will uphold the corporate identity by meeting the branding protocol and style guide formats, which are designed to ensure consistency, avoid customer confusion and keep costs down.

– Newsletters

Some of our services produce short newsletters to keep specific interest groups and contacts well informed. The authors will review their effectiveness regularly and only continue with those we know are well received and read with interest. Working with the web team, as far as possible, we will try to convert most of these to electronic mail versions because the costs are much lower

– Regular council newsletter for all households

Because none of our other communication channels can reach everyone in Argyll and Bute, and the Citizens Panel survey strongly suggests the majority of residents don't currently feel sufficiently well informed about public services, we will explore the possibility of introducing a regular hard copy council newsletter for delivery to all households. This would provide a much needed reliable, regular and accurate source of information on council services and plans for Argyll and Bute's residents. It would also be the appropriate vehicle for communicating our annual report. Over time, we anticipate that the majority of council news and information will be published either on our website, via press

releases or in the council newsletter, therefore reducing the amount of other publications we have to issue.

– **Direct mail**

Some of the customers and organisations we work with say they would like us to keep them informed by email if possible. Over the period of this strategy we will try to build up our database of customer email addresses and issue more news and information in this way. We will continue to send letters to those people and organisations that don't have access to a computer.

– **Notice Boards**

Notice Boards can be used to provide high priority corporate information, as well as service specific communication. Notice Boards can be divided into sections (consistent across all offices) so that people get used to where on the board they can find a particular type of information. Sections should incorporate areas for: promotional/bigger picture information (like the corporate vision/topical key messages depending on the building, resource information (functional or service specific) and involvement opportunities.

– **Imagery**

Images can be used to help employees and customers visualise the corporate vision and goals and the relevant topical key message should accompany the appropriate image. These can be displayed consistently online and on canvas around office areas to promote the council's messages amongst employees and customers.

Events

We will continue to organise and host council events across Argyll and Bute. We hold these events to encourage people to access services or get involved in our work, consult on issues on which we are seeking people's views, and to launch new initiatives and projects.

We also attend some conferences, exhibitions and events that are relevant to our work so we can continue to make people aware of what we do. To help us decide which events to attend, we consider whether they will help us meet one of our corporate objectives or if large numbers of our target audiences will be going along.

Public speaking opportunities

We encourage and will authorise our senior employees and members to speak at relevant conferences and events throughout Scotland as appropriate to their work and our corporate plan objectives. All public speaking will be carried out in accordance with the Employee Code of Conduct.

Advertising

We limit the number of adverts we buy due to budget constraints. We use them mainly to tell people about specific events, public meetings and statutory information and for recruitment. We need to maximise our use of the public information portal to

secure best value in advertising in the longer term whilst being sensitive to local media and the revenue it gains through advertising expenditure.

Campaigns

We are not funded to run major public campaigns. We actively support campaigns run by national organisations and other agencies when appropriate. Campaigns will be managed by the communications team in conjunction with the relevant council service/s for major council priority areas. The requirement for campaign management should be outlined in the ICE plans within the service planning process.

Social media and web-based networking tools

We will continue and expand our use of web-based networking tools to provide a low cost way of contacting our customers, to take advantage of the opportunities these methods give us for communicating with customers who are out and about in Argyll. We will set out our expectations on the use of web based networking/social media in the social media policy and in the updated Acceptable Use Agreement and specific guidance will be developed for use in schools. We will also investigate the provision of webcasting equipment and a number of other digital communication solutions which will allow us to improve and expand engagement opportunities with our communities.

The hub, link, sharepoint and newsflash

The hub is our intranet which is the primary form of communication and information provision for employees. We also use facilities such as Link for day to day team communication and this is a helpful way keeping in touch with our employees in remote locations. Sharepoint is used primarily for project teams to keep in touch and share project information. We will continue to use newsflash to issue important information to all employees with access to emails. All of these tools are particularly useful in assisting the rollout of our workforce deployment project.

Reward and recognition mechanisms

Our culture should encourage everyone in the organisation to appreciate the help and support they receive from colleagues. In addition, we should not be reluctant to say well done where appropriate.

Awards

The Council's Excellence Awards and Education Awards provide an opportunity for the sharing of best practice internally and a high profile channel for recognition and reward for exceptional work. In addition, staff who have performed well or offered a great deal to the organisation and our customers, should be put forward for external awards. External awards schemes such as the COSLA awards and other service specific awards are an excellent way to develop our reputation in a positive way.

4.4 Communication Responsibilities

Responsibility for the successful implementation of this strategy rests with the leader of the council, the chief executive, elected members and all staff.

The communications team will carry out the day-to-day management of the strategy but communications must be a priority for members, the strategic management team, heads of service and key communicators, based in all service areas.

The strategy is backed by an action plan for the communications team, which incorporates tactics for delivering specific objectives and timescales for their delivery.

The strategy recognises that all staff have a vital role to play in effectively communicating the council's vision. It recognises that all services have their own areas of expertise, and are ultimately responsible for driving their own service plans. All service plans have associated ICE plans that set out clearly the service's intentions to for Inform, Consult and Engage throughout the year. This is the basis for all service communications.

One of the communication team's key roles is to provide valuable support to these services, working with them on their promotional activity to ensure their messages are effectively communicated to external audiences.

It is suggested that the earlier communications liaison group should be re-established in a format that functions in a similar way to the web steering group – using best practice to engage council services. There should be clear linkages with the newly established Customer Management Board when this is operational. The community planning partnership communications group provides a way for us to share best practice and resources for generic campaigns with our communications colleagues within partner organisations across Strathclyde and Highland areas.

- **Elected Members** Are the main representatives of the council in our communities and in the media for proactive messages.

- **Strategic Management Team** is responsible for overseeing the strategy and applying its principles.

- **Heads of Service** play a key role in implementing the strategy and ensuring it's embedded in the day-to -day activity of their teams. They also play a key role as spokespersons for reactive media responses on operational issues.

-
  All employees recognise that good communication is key to their every-day work and that they play important roles as ambassadors for the council.

All these groups require effective training at the appropriate level to enable them to fulfil their obligations to the council in carrying out their specific communications role. We will carry out appropriate training for all groups to ensure that the service we provide meets the expectations of this strategy.

5. .... How are we doing and how did we do?

5.1 Monitoring and evaluation

We monitor and report our progress in different ways, including:

- analysing our coverage in newspapers, on radio and television
- participating in the annual Citizens Panel survey
- considering feedback from the website, questionnaires, surveys on specific issues, key contacts and opinion formers regularly reporting the impact of consulting with and involving customers
- evaluating events we run and producing summary reports
- carrying out internal audits and service reviews
  Improvements required as a result of this monitoring will be identified and implemented as appropriate.
- In light of the rise of social media channels, it would be helpful for us to embrace the informal feedback received via social media as this is the tool that our many of our customers like to use on an increasing basis and social media is a specific two-way communications vehicle that helps us to engage with customers. When used proactively, it can help to develop trust between an organisation and its stakeholders.

It is essential that an outcomes based approach is taken to performance managing our communications so that we improve based on outcomes rather than inputs and therefore we need to ensure that we set appropriate performance indicators that help us establish whether or not we are meeting our communications objectives.

Progress implementing this strategy will also be regularly reported to the council's Strategic Management Team and to Council Members through the Chief Executive's scorecard and the Improvement and HR scorecard.

5.2 Review

The communications strategy should be continually monitored and evaluated on an annual basis and be flexible enough to adapt to internal and external environmental factors. If there is a problem or a gap identified in the way we communicate or in the processes we use, we must be open and flexible enough to change them in order to improve. Such experience will help us to better develop our communications in the future.

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Social Media Policy

Author	Improvement and HR
Department	Chief Executive's
Date	July 2012
Version	2.0

Argyll
Bute
COUNCIL

Argyll and Bute Council

Social Media Policy

1. Introduction

Argyll and Bute Council is committed to making the best use of all available technology and innovation to improve the way we do business. This includes using all reasonable and cost-effective means to improve the way we communicate, reach out and interact with the different communities we serve. This policy sets out clear guidelines for Argyll and Bute Council employees to follow when using social media.

'Social media' is the term commonly given to web-based tools which allow users to interact with each other in some way – by sharing information, opinions, knowledge and interests online. As the name implies, social media involves the building of online communities or networks to encourage participation and engagement. This includes blogs, message boards, social networking websites, content sharing websites and many other similar online channels.

2. Aims of the policy

- To ensure the use of social media is aligned to the council's corporate communications strategy

- To ensure that any communication through social media is consistent with the employee code of conduct and other relevant Council policies and procedures.

- To support employees in the effective use of social media

Argyll and Bute Council may allow employees to access to social media sites subject to authorisation through the ICT Acceptable use policy. Access will be approved following consideration of the business benefit expected from such access. The same process requires to be followed by elected members who wish to access such sites for business purposes. Such business benefit may include increased marketing of services; access to research, information and other resources; community and customer engagement and consultation; professional development.

3. Personal and professional responsibilities

This section details personal and professional responsibilities for the participation in or use of social media as part of your job or whenever you identify yourself in a professional capacity as an Argyll and Bute Council employee.

There are 4 typical levels of use as follows:

- Personal use of social media (e.g. a personal profile on Facebook or use of Twitter in a personal capacity by Council Officers and includes personal use at home)

- Individual contribution to an external social media site as an employee

- Representing the council on an external social media site e.g. a Scottish Government debate or consultation site, communities of practice.

- Creation of a council presence on social media e.g. a library or leisure centre creating a page or site on a social media platform

Guidance is given below for these different types of use. This is set out on a cumulative basis i.e. all the guidance given under level 1 personal use of social media also applies at the next level up.

3.1. Personal use of social media

Whether or not an individual chooses to create or participate in an online social network or any other form of online publishing or discussion is a matter of personal choice. The views and opinions you express are your own and not those of the Council. The Council will respect your right to a private and family life, home and correspondence (Article 8 of the European Convention on Human Rights (ECHR)). This Policy is not meant to deter you from using these communication methods, but are necessary to help protect employees and prevent them from bringing the Council into disrepute.

As a council employee it is important to be aware that posting information or views about the council in a personal capacity cannot be isolated from your working life. Any information published online can, if unprotected, be accessed around the world within seconds and will be available for all to see. This activity contributes to your online digital footprint – a traceable and searchable history of your on-line activity. It can potentially been seen by anyone, anywhere in the world.

- Remember you are **personally responsible** for any content you publish. Employees **must not** disclose any confidential information relating to the business of the Council, for example, if it would compromise a right of personal or commercial confidentiality. Such action would be in breach of the Employee Code of Conduct and may lead to disciplinary action.

- When using social media for personal purposes you **must not** state or imply that you are speaking on behalf of the Council. If an employee wishes to set up his/her own personal blog, website or web presence, they must use a disclaimer that protects the Council e.g. *'these are my personal views and not those of my employer'*

- Employees **must** consider carefully whether it would be appropriate to befriend someone when using social media for personal purposes, for example where there is a professional/client/pupil relationship, and/or where this could create a potential conflict of interest.

- **Do not** use your Council email address to sign up to social media sites for personal use

- Ensure you familiarise yourself with the site policies, instructions for use, security and profile settings before using a social media service

- Check your online **privacy** settings and understand who can see the information you publish and your personal information. Regardless of your privacy settings always be aware that any content you put online may become publicly available.

- All Argyll and Bute Council employees should be aware of and follow the council's **Employee Code of Conduct,** the **ICT Acceptable Use Policy** and **appropriate professional standards.**

- Remember that participation online results in your comments being permanently available and open to being republished in other media. Your online comments may attract media interest.

3.2. Individual contribution to an external social media site as an employee

Your relationship with social media changes as soon as you identify yourself as a council employee, speak in any kind of professional capacity or seek to deploy social media on council business. When you represent the council there are certain responsibilities, standards of behaviour and other organisational considerations which apply. Remember, you are the public face of the council. You should participate in the same way as you would if you were dealing with customers face to face, on the phone, by letter or email. If you have any doubts, take advice from your line manager and/or the communications team.

As an employee, you <u>must</u> take the following into consideration when using social media:

- If you wish to participate as a council employee **you should clearly identify yourself and your role.** Make it clear whether you are acting in your professional capacity – and remember, even if you do not intend to, your professional role or status as a council employee will affect the way you and the organisation are perceived and therefore brings certain responsibilities.

- **Be aware of your association with Argyll and Bute Council** on social media. If you identify yourself as a council employee, ensure your profile and related content is consistent with how you wish to present yourself with colleagues and customers.

- **Be professional.** Make sure you are always seen to act in an honest, accurate, fair and responsible way at all times.

- Sites must not be used to abuse other employees, service users or elected members. Privacy and feelings of others must be respected at all times. You should not post messages that are abusive, defamatory, or do not comply with equalities legislation. The use of such

language could bring the Council into disrepute and may impact on your conduct as an employee and become subject to investigation under disciplinary procedures.

- **Never share confidential or sensitive information.** You should know and follow the Council's Information Security Policy and related guidance.

3.3.   Representing the council on an external social media site

As part of your job you may be required to represent the Council online. In such cases you should follow the guidance below:

- Ensure you have the appropriate **approval and support** of your line manager before any official use of social media. Take advice from the communications team before you start.

- **You are an ambassador** for the organisation. Always disclose your position as a representative of the council, your department or team. Anything you publish will reflect directly on the council as a whole.

- **Respect your target audience**. Think about their specific needs and be aware of any language, cultural or other sensitivities you may need to take account of.

- **Do not share sensitive information**. Always ensure compliance with the Council's Information Security guidance

- **Respect copyright** regulations.

The communications team will advise you on all aspects of using social media as a communications channel. If in doubt, consult your line manager.

3.4. Creation of a council presence on social media

Social media can be used as a positive tool to promote services and to improve engagement, consultation and communication. It can be used to share learning or practice or to promote council services. In some cases the most appropriate use of social media will be to create a specific site, page or other platform to communicate your service or professional activities. If this is the case, you should follow the guidance below:

- All Council presence on social media must be aligned with the Council's Corporate Communications Strategy and authorised using the Social Media Presence Application Form

- Make sure that you have the resources available to maintain and update the information you are presenting

- Be clear about your objectives from your presence on social media, and carry out regular evaluation to ensure you are meeting your objectives

- Ensure that participants' contributions are responded to appropriately

- Identify a moderator/facilitator with the appropriate skills if required

4. Elected members using social media

Many councillors choose to use social media as a way of interacting with their constituents. While the advice in this policy will be helpful to elected members they are bound by their own Code of Conduct. The Improvement Service provides advice for elected members who are considering blogging, however Councillors, like employees, **must not** disclose any confidential information relating to the business of the Council, for example, if it would compromise a right of personal or commercial confidentiality. It is the responsibility of Councillors to ensure that they are familiar with, and that their actions comply with its provisions. Any breach of the Code of Conduct for Councillors is referred to and dealt with by the Standards Commission.

5. Key things to consider before getting involved in social media activity

Checklist of key things to consider:

- Have you completed your ICT Acceptable Use Policy form for the use of social media?
- Have you completed your social media presence application form, if required?
- Are you aware of the Employee Code of Conduct, Corporate Communications Strategy, ICT Acceptable Use Policy, Social Media Presence application form, Information Security Guidance and relevant professional codes?
- Have you considered risks associated with this activity and taken steps to manage those risks?
- Have you taken into account equality and accessibility issues when undertaking this activity?

For more information please contact:

Communications Team   press@argyll-bute.gov.uk

Social media presence application form

Please ensure the form is signed, dated and returned to the address given at the bottom.

I.   Primary content controller

Name:

Department:

Secondary content controller: *who will take control when primary controller is*

Name:	Department:

Moderator: *who will monitor site for offensive or negative posts?*

Name:	Department:

II.   Project details

Platform:

Proposed URL or page name:

Purpose/Objective:

Target audience:

III. *Usina social media*

This section will determine how you plan to use your chosen social media platform.

Approximate Frequency of use: *How often will you update your chosen platform?*							
3 times daily:		Once a day:		Once a week:		Once a month:	
Moderation: *How often will you moderate the site for offensive or negative posts?*							
3 times daily:		Once a day:		Once a week:		Once a month:	

Moderation process: *How will you respond to offensive or negative posts?*

IV. *Evaluation*

Measures: *(How will you know if your social media presence is successful? Consider number of followers, level of activity, increased sales, channel shift etc)*

V. *Approval by Director/Head of Service*

Signed: Date:

Full name: (BLOCK CAPITALS)

Return completed form to: Jane Fowler Head of Improvement and HR

Agenda Item 12a

ARGYLL AND BUTE COUNCIL	COUNCIL
CUSTOMER SERVICES	20 SEPTEMBER 2012

COUNCIL CONSTITUTION

1. SUMMARY

1.1 This report advises the Council on the work undertaken by Customer Services in relation to the revisal of the Council's Constitution to contain all revised Governance Documentation.

2. RECOMMENDATIONS

2.1 To approve the alterations to the Council's Constitution and Appendices and approve and adopt the Council Constitution as detailed herein.

3. DETAIL

3.1 The Council, at its meeting on 28 June 2012, authorised the Executive Director of Customer Services to make any changes required to the Constitution to reflect the decisions made at that meeting in respect of the Political Management Arrangements of the Council and to report to the Council with a revised Scheme of Administration and Delegations as necessary.

3.2 Revisals have been made to the Constitution, Standing Orders for Meetings, Scheme of Administration & Delegations and Financial & Security Regulations to reflect evolving governance issues, changes in the internal organisation of the Council. These documents have been incorporated into the proposed Council Constitution with the following comment;

(a) **Argyll & Bute Council Constitution – Part A**

The deletion of all references to the Executive and insert Council.

The deletion of all references to Policy and Performance Groups and insert Short Life Working Groups.

The addition of the new Performance Review and Scrutiny Committee to focus on performance monitoring and scrutiny.

The deletion of the references to Spokesperson and amend to Lead Councillors.

(b)   Standing Orders For Meetings – Part B

Deletion of all references to the Executive, Policy and Performance Groups and Spokespersons as above.

Standing Order 13.1 amended to now read:

"If a Member wishes a motion to be considered at a meeting (other than one on a matter of urgency under Standing Order 14) it must be written down, signed by the Member and countersigned by another Member, and given or sent to the Executive Director - Customer Services to be received by her/him at least 10 clear days [clear days excludes the day of submission of the Motion and the day of the Meeting but includes Saturdays, Sundays or Public Holidays] before the next ordinary meeting of the Council. This is called giving notice of a motion."

Standing Order 21.3 now makes reference to the Performance Review and Scrutiny Committee.

(c)   Scheme of Administration and Delegations – Part C

There are alterations to the Scheme of Administration and Delegations made to reflect previous decisions of the Council, current best practice and alterations in the organisation of the Council.   In particular;

(a)   The deletion of all references to the Executive, Policy and Performance Groups and Spokespersons as above.

(b)   At Section 2.5 delete reference to Policy and Performance Groups and insert the remit of the Short Life Working Groups as agreed at the Council Meeting on 28 June 2012.

(c)   At Section 2.6 insert the remit of the new Performance Review and Scrutiny Committee as agreed at the Council Meeting on 28 June 2012 and renumber 2.6 (Audit Committee) and 2.7 (Appeals Committees).

(d)   Financial And Security Regulations – Part D

The deletion of all references to the Executive, Policy and Performance Groups and Spokespersons as above.

(e)   Contract Standing Orders – Part E

The deletion of all references to the Executive and minor amendments.

(f) Ethical Framework – Part F

The insertion of the revised note on the individual Codes of Conduct that regulate the activities and behaviour of both Councillors and Officers and the full set of regulations and guidance around conduct and behaviour as agreed at the Council Meeting on 22 May 2012.

4. IMPLICATIONS

Policy	None
Financial	None
Legal	Approval of the documentation herein contained will form a Council Constitution which properly reflects the up to date organisation of the Council.
HR	None
Equalities	None
Risk	None
Customer Service	None

Executive Director of Customer Services

For further information contact Charles Reppke on 4192

14 August 2012

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ARGYLL AND BUTE COUNCIL

Customer Services   **September 2012**

PROCUREMENT MANUAL 2012

1.0   SUMMARY

1.1   The Procurement and Commissioning Team developed the first comprehensive Procurement Manual for the Council in 2010. It was endorsed by the Council as the definitive guide to carrying out procurement activities within the Council.

1.2   It was updated in 2011 to ensure the Manual was taking into account of the Scottish Procurement Directorate's Procurement Journey that was published in 2011.

1.3   The Manual now requires to be further updated for 2012, to ensure we adhere to the recommendations from our Procurement Capability Assessment of 2011 and the updates highlighted in blue from our external Legal Advisors, Brodies, who have revised the document. Although the distinctive Argyll and Bute flavour of the processes, tailored to our own internal structures and ways of working as well as the wider commercial environment in the local area has been retained.

2.0   RECOMMENDATIONS

2.1   That the Council note and endorse the new Manual to ensure that the Council meets its requirements under the Procurement Capability Assessment which is due to be carried out in October 2012.

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3.0   DETAIL

3.1   The Procurement Manual is a useful additional to the procurement tools within the Council. It formed the basis of our Procurement Capability Assessment in 2010 and was subsequently used by the Assessors as a means to demonstrate how smaller Councils should approach procurement. Several other Scottish Councils have used the Argyll and Bute manual to base their own procedures on.

3.2   In updating the Manual the opportunity has been taken to clarify individual clauses within the document. The Manual has also been increased in scope to cover additional aspects of procurement and one section has been completely re-written. This report is concerned with the subsequent changes to the 2011 Manual as they appear in the revised version for 2012.

4.0   SECTION 6.0 – SUSTAINABILITY

4.1 This new section in the Manual is designed to implement Council's Sustainable Procurement Policy which forms part of the Procurement and Commissioning Strategy and is in alignment with the Scottish Government's Procurement Journey.

4.2 The wider issue of sustainability in procurement is addressed through the requirement to consider this, and its constituent Environmental, Social and Economic elements within the balance scorecard for objective setting in the Sourcing Strategy.

5.0 SECTION 7.0B DETAILED SOURCING STRATEGIES

5.1 The introduction of sourcing strategies has been a success over the past year and has gone some way to encouraging consideration of procurement objectives, market factors and procurement routes prior to tendering.

5.2 The Procurement Capability Assessment of 2011 found that the coverage of sourcing strategies was reasonably successful but recommended that a more comprehensive strategy is introduced for strategic contracts.

5.3 Taking this into account the Manual now includes a chapter on detailed sourcing strategies which will help purchasing officers develop strategies for "high risk" commodities/contracts.

5.4 A strategy is always required for all commodities/contracts. The strategy however should be proportionate to risk, value and strategic importance of the commodity/contracts to the Council.

6.0 SECTION 9.0 SUPPLIER SELECTION/SELECTION ROUTE

6.1 The thresholds have been updated to take into account the increase in the EU thresholds.

6.2 The timeframes section closed tender and quick quote timescale section has been amended to allow for flexibility of time limits for submission of tender based on the complexity of the contract.

7.0 SECTION 17.0 CONTRACT AWARD RECOMMENDATION REPORT (CARR)

7.1 The update clarifies which Officers can sign the appropriate Contract Award Recommendation Report.

8.0 CONCLUSION

The Procurement Manual is essentially an operational guide on how to procure legally and in a manner that achieves best value in line with the Council's overall policies and strategic objectives and the requirements of Standing Orders.

8.0   IMPLICATIONS

8.1   Policy – The update of the Manual describes existing and developing procurement policy in lines with the Scottish Government Procurement Journey

8.2   Financial – The Procurement Manual is a guide to achieving better value in Council external spend.

8.3   Legal –The Procurement Manual is a guide to procuring within the Public Procurement Rules

8.4   HR - None

8.5   Equalities - None

8.6   Risk – assists the Council in managing procurement risk

8.7   Customer Service - None

9.0   APPENDICES

The Procurement Manual

Executive Director of Customer Services
September 2012

For Further information please contact:

Anne MacColl-Smith
Procurement and Commissioning Manager

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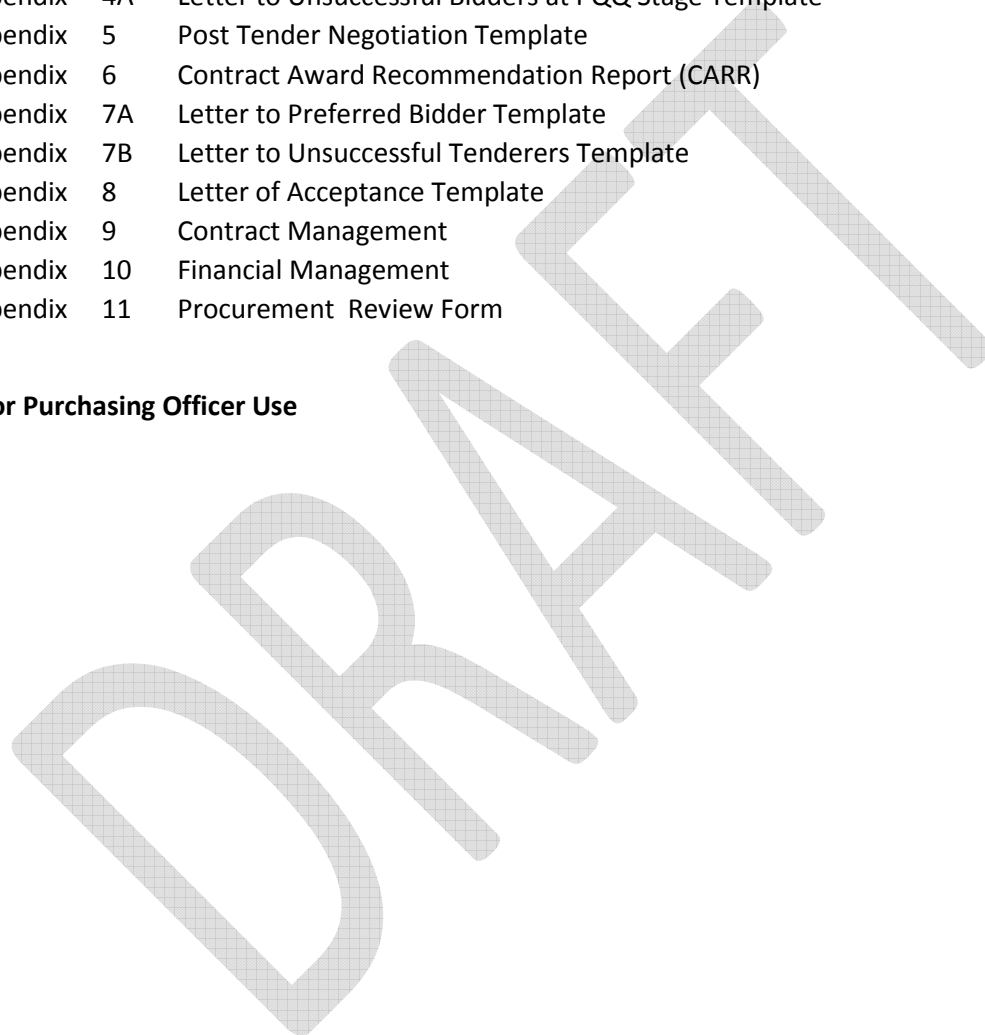# PROCUREMENT MANUAL

2012

Version 6.0

Table of Contents

Procurement Process

The following flowchart clarifies the procurement process:

- Grey coloured box = a requirement
- White coloured box = optional (dependant on value, see your Purchasing Officer)

You should ensure that corporate procurement personnel are involved in all purchases.

STEP 1: IDENTIFY A NEED (Section 1.0)
Have you identified a need, for example a good, service or works requirement?
Have you contacted your department's purchasing officer to discuss your requirement?
This person will be involved throughout the process. If unsure who's responsible for your department, see page 7.

STEP 2: SOURCING STRATEGY (Section 6.0)
Has a sourcing strategy been put in place for this commodity?
Your purchasing officer can check this.

STEP 3: SOURCING PLAN (Section 7.0)
Complete the sourcing plan; pay particular attention to the work plan.

STEP 4: SUPPLIER SELECTION / SELECTION ROUTES (Section 8.0)
Liaise with the procurement team to choose the most appropriate procurement route.
See Section 5 for details of different routes available (page 24).

STEP 5: ADVERTISING (Section 9.0)
Regardless of the route selected (restricted, open, closed or quick-quote) Public Contracts Scotland must be used to advertise

STEP 6: QUICK QUOTE – FOR CONTRACTS UNDER £20,000 (Section 10.0)

STEP 7: PRE-QUALIFICATION QUESTIONNAIRE – IF RESTRICTED PROCEDURE SELECTED (Section 11.0)

STEP 8: TENDER DOCUMENTATION (Section 12.0)
Follow the format; this is to ensure that the Council use a consistent approach to the compilation of documents.

STEP 9: DURING THE TENDER PROCESS (Section 13.0)
Dealing with questions, additional documents and submissions.

STEP 10: TENDER EVALUATION (Section 14.0)

STEP 11: OPTIONAL - POST TENDER NEGOTIATION (Section 12.0)
Negotiation after the receipt of formal tenders, and before the letting of a contract, with the preferred bidder only, with a view to obtaining an improvement in price, delivery or content.

STEP 12: CONTRACT AWARD RECOMMENDATION REPORT (CARR) (Section 16.0)
Prepare a report detailing the procurement process carried out to provide the authorised signatory all the required information for them to sign-off the award recommendation.

STEP 13: NOTIFICATION OF PREFERRED/UNSUCCESSFUL TENDERERS (Section 13.0)
Issued letters to include: Scoring, Debrief, Standstill Period.

STEP 14: CONTRACT AWARD (Section 14.0)
Appointing the Successful Contractor & placing the contract award notice.

STEP 15: CONTRACT MANAGEMENT (Section 19.0)
How to successfully manage a contract.

STEP 16: PROCUREMENT & FINANCIAL MANAGEMENT (Section 20.0)
How to report contractual savings?

STEP 17: PROCUREMENT REVIEW (Appendix 11)

1.0   About the Manual

Why involve the Procurement Team

Purchasing is one of the most basic human activities. It has gone on for thousands of years and everyone purchases as part of their lives. Purchasing for an organisation is very different from purchasing for oneself and requires different skills. Personal purchasing can be based on intuition, on individual likes and dislikes, on what makes a person feel good, on what is stylish and what is fashionable. None of those very human preferences has any place in organisational purchasing, which is about utility, fitness for purpose and value for money.

In Public Sector procurement there is the added complication of the public procurement rules, which are governed to a large extent by the implementation of European Union directives and case law from courts, both in the UK and in Europe. The rules governing public procurement are complex and continually developing. Breaching the rules can have far reaching consequences, ranging from large fines to cancelled contracts and compensation claims.

Yet many employees within the Council have a requirement to make large value purchases as part of their job. That is why the Council has a dedicated team of Purchasing Officers in place to handle the purchasing process, from placing the initial notices and contract adverts, through the competition, negotiation and award process to managing the delivery of the contract itself.

The Procurement Manual has been designed as a "how to" guide to effective procurement across the Council. While use of the manual is mandatory under the Council's standing orders, much of the content is simply good purchasing practice and will already be familiar to those who are required to either procure or manage contracts.

The Council, by necessity, relies on the contribution of outside agencies to deliver core services to customers and clients. Effective procurement and contract management ensures that best value is obtained from those outside agencies and that they contribute to the greatest extent to the goals and objectives of the Council.

Following the processes and procedures contained in the manual will give a high level of assurance that contracts are let and managed in a manner that is both effective and legal. No manual of this kind can be completely exhaustive and neither can it replace knowledge and experience applied to particular or peculiar circumstances.

You should ensure that corporate procurement personnel are involved in all purchases.

The first table provides contact details of the Procurement Team and the second details each Purchasing Officer's area of responsibility.

1.1 Contact Details

Anne MacColl-Smith Procurement & Commissioning Manager Telelphone: 01546 60 4194 Email: Anne.MacColl-Smith@argyll-bute.gov.uk	**Jennifer King** Purchasing Officer Telephone: 01546 60 **4881** Email: jennifer.king@argyll-bute.gov.uk
Emma Graham Purchasing Officer Telephone: 01586 55 **5205** Email: emma.graham@argyll-bute.gov.uk	**Elaine Appleby (on Mat Leave)** Purchasing Officer Telephone: 01369 60 **8594** Email: elaine.appleby@argyll-bute.gov.uk
Christine McKenzie Purchasing Officer Telephone: 01546 60 **4239** Email: Christine.mckenzie@argyll-bute.gov.uk	**Boguslawa Symonowicz** Purchasing Officer Telephone: 01546 60 4159 Email: Boguslawa.Symonowicz@argyll-bute.gov.uk
Samantha Torrie Procurement Analyst Telephone: 01546 60 4145 Email: Samantha.Torrie@argyll-bute.gov.uk	**Julie Galbraith** Procurement Training Administrator Telephone: 01586 55 **5206** Email: julie.galbraith@argyll-bute.gov.uk

1.2   Purchasing Officers Responsibilities:

CHIEF EXECUTIVE'S	
Strategic Finance	Emma Graham
Improvement and Strategic HR	Emma Graham
Temporary Agency Staff	Emma Graham
COMMUNITY SERVICES	
Learning Disability	Christine McKenzie
Mental Health	Christine McKenzie
Addiction	Christine McKenzie
Aids and Adaptations - Equipment	Boguslawa Symonowicz
Arts & Culture	Boguslawa Symonowicz
Leisure and sport	Elaine Appleby
Older People	Christine McKenzie
Homelessness	Christine McKenzie
Children & Families	Boguslawa Symonowicz
Adult Education	Emma Graham
Education	Emma Graham
DEVELOPMENT & INFRASTRUCTURE SERVICES	
Roads & Amenity Services	Jennifer King
Economic Development	Jennifer King
Planning & Regulatory Services	Boguslawa Symonowicz
CHORD	Jennifer King
CUSTOMER SERVICES	
Governance & Law	Emma Graham
Support & Customer Services	Emma Graham
Facility Services	Elaine Appleby
Transport	Christine McKenzie
Corporate Contracts (Mail, Stationery, Office Equipment, Printing, Advertising, etc.)	Emma Graham
Transport – Vehicle Purchase	Jennifer King

Procurement Staff by Specific Projects:

PROJECTS	
Spikes Cavell – Scottish Procurement Hub	Samantha Torrie
Sustainability	Jennifer King
Procurement Manual	Anne MacColl-Smith/ Emma Graham
Procurement Training	Julie Galbraith
Procurement Capability Assessment	Emma Graham / Samantha Torrie / Elaine Appleby
PECOS	Mary McKerral / Lynsey MacLennan
Purchasing Cards	Boguslawa Symonowicz / Christine McKenzie
Public Contracts Scotland	Emma Graham

Car Leasing	Boguslawa Symonowicz
Bravo / PCS Tender	Emma Graham / Boguslawa Symonowicz
Alternative Delivery Mechanisms	Christine McKenzie
Supplier Development	Boguslawa Symonowicz

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2.0   Introduction

The procurement process begins with the identification of a need. This may not become a need to purchase; the specific need may be able to be met without a new purchase at all. Not purchasing can be the correct answer and is the ultimate savings option. This may come about through a "make or buy" decision where the most effective option is to deliver the solution internally. It may also come about from a "repair or replace" decision where the most effective option is to repair or otherwise extend the life of an existing asset.

If a requirement is essential, it must be described in output terms, i.e. by defining what is to be achieved and **not** by requesting a particular or potential solution or product to address a need. The procurement process will identify the most appropriate method of fulfilling a defined need.

Effective procurement will help to ensure the optimum outcome of a competitive process by helping to ensure that each project:

- adopts the most appropriate procurement route to deliver best value for money in terms of whole life costs, optimising efficiency and effectiveness;
- integrates all relevant environmental, social and ethical factors throughout the procurement process;
- has clear governance arrangements;
- complies with legal obligations.

Good procurement means getting value for money, that is buying a product that is fit for purpose, taking account of the whole-life cost.   A good procurement process is delivered efficiently to limit the time and expense for the parties involved. Successful procurement is good for the public, good for the taxpayer, and good for businesses supplying Argyll and Bute Council.

While there is no single method that will guarantee the delivery of those objectives for all procurements, the following general principles set out key steps to successful procurement in most cases. Procurers should:

- be clear on the objectives of the procurement from the outset;
- be aware of external factors that will impact on the procurement such as the policy environment or planning issues;
- communicate those objectives to potential suppliers at an early stage, to gauge the market's ability to deliver and explore a range of possible solutions;
- consider using an output based specification, to give suppliers who naturally know more about their business than potential buyers more scope to provide innovative solutions to solve the underlying problem the procurement is designed to deal with, rather than deciding what the precise solution should be at the outset;
- follow a competitive, efficient, fair and transparent procurement process and communicate to potential suppliers at the outset what the process will be. This will give suppliers greater certainty about the costs and benefits to them of submitting a bid, which should encourage effective competition. As all suppliers have the same knowledge going into the process and will be assessed in the same way, the successful bidder can be chosen purely on their ability to provide the best solution;
- be clear about affordability and the resources available to spend on the particular good or service. The procurer has to select on the basis of whole-life value for money, but in setting budgets for individual projects' departments also need to make the decisions about relative policy priorities and needs. If more is spent on one project than originally allocated, that will

mean less is available for other priorities. Conversely, if savings are achieved, then these can be redeployed into frontline services;

- establish effective contract management processes and resources in good time to drive excellent supplier performance throughout the contract.

A fundamental aspect of purchasing is ensuring that every purchase is made so as to achieve:

- the right quality;
- the right quantity;
- at the right price;
- to be delivered at the right time;
- delivered to the right place;

The method of sourcing is a procurement process that continuously improves and re-evaluates the purchasing activities of a company or organisation.

The steps in a strategic sourcing process are:

1. assessment of Council's current spend (what is bought where);
2. assessment of the supply market (who offers what);
3. total cost analyses (how much does it cost to provide these goods or services?);
4. identification of suitable suppliers;
5. development of a sourcing strategy (where to buy what considering demand and supply situation, while maximizing risk and costs);
6. negotiation with supplier (products, service levels, prices, geographical coverage, etc.);
7. implementation of new supply structure;
8. track results and restart assessment (continuous cycle).

The procurement of any goods, services or works should always be carried out with suppliers who are reputable, financially stable, technically or professionally competent.

The procurement of care and support services shall in addition be carried out in accordance with the Scottish Government's Guidance on Procurement of Care and Support Services (SPPN8 – 2010) http://www.scotland.gov.uk/Resource/Doc/116601/0104725.pdf.

3.0   People and Skills

3.1 Introduction

Argyll and Bute Council spends around £120 million in bought-in goods, services and works each year. When you consider the effect the quality of those goods, services and works have on the Council's internal working and on the ultimate quality of the service delivered to the public then the extent of the influence that procurement, good or bad, can have on the Council's overall performance is hugely significant.

It follows then that procurement has to be carried out by Council staff with a combination of knowledge of the requirements of the service and skills in procurement itself. In some instances that knowledge will be shared among a group of people working as a user intelligence group to deliver a particular contract. In other cases the combination of procurement skills and specialist service knowledge will be provided by an individual.

3.2 The structure of procurement within the Council

The Council operates with a small corporate procurement team, with a combination of Purchasing Officers working on corporate contracts (those that are for the purchase of goods, services and works that are common across the Council) and Purchasing Officers embedded within service departments, working on contracts that are largely specific to the activities of those services. A major part of the role of corporate Purchasing Officers will be to provide advice and assistance to anyone in the Council who needs to make purchases in order to deliver the services for which they are responsible.

Much of the procurement within the Council remains devolved and will be carried out by members of staff whose main function is not procurement but for whom the placing and managing of procurement contracts forms a large part of their routine.

3.3   Skills of the Corporate Procurement Team

All of the Purchasing Officers within the corporate procurement team require a large degree of expertise in procurement. Purchasing Officers will either be professionally qualified through Membership of the Chartered Institute of Purchasing and Supply or will be working towards that level of qualification.   This will be supported through Continuing Professional Development.

3.4   Skills of Service Based staff carrying out procurement

Staff members taking responsibility for procurement exercises require to have a level of skill and knowledge so as to ensure that the purchasing they carry out on behalf of the Council is conducted in accordance with the public procurement rules and represents the all round best value that can reasonably be secured by the Council.

Many of those staff within service departments who conduct procurement have an irreplaceable fund of knowledge and experience regarding the practices within their own profession and in the industry with whom they transact. It is important that this knowledge and experience is recognised by the Council. It is equally important that this knowledge is not taken for granted but is measured and documented.

This will be carried out in procurement terms through a process of assisted self-assessment against a competence framework shared by a number of Councils in Scotland. The framework takes into account skill levels in the process, legal, finance, systems, supplier management and market aspects of procurement, providing ratings ranging from Awareness (Level 1) to Expert (Level 4)

Authorised Procurers will have demonstrated through the assessment or subsequently through training that they have achieved "Understanding" (Level 3) in each of the competencies.

By the end of the process only authorised procurers will be able to let contracts or otherwise procure goods, services or works on behalf of the Council.

4.0 Benchmarking

4.1 Introduction and Definition

The term benchmarking can be used to describe any form of measurement against performance in another organisation or another function within the same organisation, or even against a measurement from another time. Benchmarking is not an end in itself, it is merely a tool and the purpose of undertaking a benchmarking exercise should be clearly understood before the exercise is designed.

The various ways in which benchmarking is used are reflected in the definitions that are attached to the term. It is described as "a means to achieve superior performance by comparison with best practice", which suggests a process that has a definite beginning and an end. An alternative definition of "a continuous process of measuring performance against those identified as industry leaders" suggests a process that is embedded in the organisation.

The very competitive nature of private industry is of course a barrier in itself to benchmarking as industry leaders will jealously guard their core competencies against imitation. Although benchmarking is not strictly speaking about copying another organisation's practices, the restriction does not apply in the public sector in any case, where organisations are invariably willing to share best practice as well as lessons learned.

Benchmarking should be used in the development of the sourcing strategy, where appropriate (*see your Purchasing Officer*), to develop knowledge of what can be achieved elsewhere and to establish the essential elements of best practice.

4.2 The Purpose of Benchmarking

The primary concern of benchmarking is measuring and assessing performance against identified best practice, with the aim of developing ways of matching or bettering that performance.

4.3 Benchmarking of supplier performance

Almost any aspect of supplier performance that can be measured by purchasing can be benchmarked. The more specific and innovative a measure is to a particular contract then the more difficult it will be to find a direct comparative measure. While the most obvious benchmark would fall on unit price, other key aspects of contract performance such as delivery time, rejections, completion to programme, price stability over time might equally be subjected to comparison.

Benchmarking is often neglected as a supplier performance measure in the public sector simply because there is a legal imperative to subject the supplier to open competition on a regular basis and market forces are seen as the ultimate performance measure for a supplier. It has to be recognised that competition is not always a perfect measure and the lack of a ready market for some services combined with barriers to entry in some industries, means that competition does not always ensure value for money. It is not possible to use benchmarking as a prelude to the development of every sourcing strategy but where there is any doubt over the effectiveness of market forces then benchmarking should be considered as part of the development of an effective strategy. Key indicators that competition is not perfect may include;

- Few available bidders
- One or two dominant suppliers

- Lack of new entrants to bidding lists
- Demarcation between suppliers

4.4 Benchmarking Partners

Having decided to undertake a benchmarking exercise and settled on the key performance aspects to be measured (link to objectives within the Sourcing Strategy), the next task is to select the benchmarking partners. There are thirty two readymade Council partners in Scotland, as well as Health Boards, Universities and Government agencies who already share information. Some initial investigation will be required to find out which organisations have similar responsibilities. Not all local authorities carry out the same functions; there is no point, for example, in trying to benchmark bus contracts with any of the local authorities lying wholly within the Strathclyde Passenger Transport Area for instance as they won't be involved in this.

The procurement team should be contacted to provide advice on suitable supplier benchmarking partners. Through the Public Contracts Scotland portal, recent contract awards can be identified which might suggest a similar way of working. The Scottish Procurement Information Hub holds the procurement spend by supplier for every Scottish public sector body and those spends, either collectively or individually for named organisations, by commodity category can be compared to our own. The Hub is an extremely powerful database of procurement expenditure allied to supplier information that should be the first port of call in any supplier benchmarking exercise.

Benchmarking information has to be analysed and hard information, such as prices, statistics and ratios are much easier to analyse than subjective information, such as anecdotes, opinions etc. Ensure that the background to statistics and ratios is known and can be checked for consistency.

The collection of benchmarking information is not an end to itself; there has to be a further purpose, which should be to identify what individual factors make the best in class the best and then to build those factors into our own processes.

4.5 Purchasing Performance

There is a school of thought that the best measure of the procurement function is the performance of an organisation's suppliers and there is merit in this approach. There is no point in a procurement function that does not deliver good supplier performance.

There are specific areas of purchasing performance that should be measured however and those again are common across the Scottish Public Sector and information on those is routinely collected, making benchmarking relatively straightforward.

Those generic performance measures such as contract coverage or cashable savings made each year are important but only capture a very small part of the service a procurement team should deliver to an organisation and it is important to carry out more focused benchmarking exercises to ensure that the function is affecting ultimate service delivery as effectively as possible.

5.0   Demand Management

5.1   Introduction

While procurement activity and strategic sourcing in particular focus on the price and quality of purchases that are made, demand management concentrates largely on the quantity that is purchased. The focus of demand management is on consumption.

For the purposes of this manual, three distinct threads of demand management are covered in this section. The first is the purest form and relates to the basic buying decision; whether or not to make a particular purchase.   This first form also covers the timing of purchases by the Council. The second form covered is the "make or buy" decision. In some particular cases, where the initial decision to obtain a particular good, service or work, there may be a further decision to be taken on whether this does in fact need to be purchased from an outside agency or whether the Council has the resources available to produce this item internally in a manner that will prove to be more efficient overall.

The third form considers the adoption of "Alternative Delivery Mechanisms" and will cover some of the most fundamental make or buy decisions that the Council will be faced with. This is the process that the Council will follow when taking the decision on whether to outsource (or potentially in-source) current services.

5.2   Managing Consumption

The greatest single cost saving that can be made from any procurement exercise is the single, simple decision made at the beginning of the process, not to make the purchase. This obviously is not a decision that is available on many purchases, otherwise saving money through procurement would be an extremely simple business.

While the Council will be initiating individual demand management programmes for areas of indirect expenditure the following principals should be applied generally to purchasing decisions. Some examples are provided below:

TRAVEL

1. Check that travel to a meeting, conference or seminar not involving clients, is essential.
2. Ensure that travel is by the most cost-effective (not necessarily the cheapest) method.
3. Ensure that travel and accommodation is booked by the most cost effective method. Most PAs have access to corporate purchasing cards and can obtain discounted prices on-line.

PAPER AND STATIONERY

1. The Council purchases paper and stationery from national contracts. Ensure that you are using the contracted supplier for all purchases.
2. Ensure that the purchase is necessary and that no better alternatives are available from the large catalogue of stock that the contracted supplier has made available through the national contract.

OFFICE EQUIPMENT

1. Printing, scanning and photocopying devices (Multi-functional devices) are the largest items of office equipment used by the Council. The Council leases this equipment through a national contract. Please ensure that all purchases are made from the contracted supplier.
2. The national contract is designed so that the supplier benefits from the number of prints, scans or copies produced rather than the number of multi-functional devices deployed across the Council. Reducing the number of devices benefits the Council through reduced leasing charges and benefits the supplier through reduced capital and maintenance costs. Ask for assistance from the contracted supplier in deploying the machines as effectively as possible within individual offices.
3. Direct as much print as possible away from desktop printers to the contracted multi-functional devices and save money on print costs.

IT HARDWARE AND SOFTWARE

1. Ensure that purchases of IT hardware and software are only made to meet a defined business demand and that specifications are tailored to the most cost effective means of meeting that demand.
2. Always use the IT Service desk when purchasing IT hardware, software or peripherals to ensure that the specified equipment will be compatible with present and planned applications.

CONSULTANTS

1. Always have a clear specification of the work to be carried out and be aware of the clear advantages that the specialist skills of a consultant will bring to the task.
2. Ensure that the contract has clear and specified deliverables and that it is clear that those have to be met in order for payment to be released.
3. Never employ a consultant in order to deliver more bodies on the ground, whatever the task. The Council has a large workforce with diverse skills and has access to temporary recruitment agencies who can supply staff to work under Council management at competitive rates.

5.2.1 Timing of Purchases

Where possible, consideration should be given to the timing of purchases that are made, particularly where there are likely to be constraints in the capacity of suppliers to deliver, on a seasonal or overall basis. The concept of "peak pricing" is well understood on transport systems but applies equally on all types of purchase where there are constraints on the supply base to deliver goods, services or works. The concept of "peak supply" in fact does not relate to price alone but can impact on other aspects of the purchase, including quality and time.

It is important to look at this from the suppliers' point of view. If a company is already working to capacity and is faced with further demand, this is likely to impact on their business depending on where the constraint occurs. If it is on direct labour to supply the service, then this has to be met either through overtime or contract labour, either of which are likely to be more expensive than standard hours working and in some cases may also result in less qualified or experienced staff being deployed. Constraints in plant and equipment may mean that additional units have to be hired in, again increasing cost and perhaps with decreased suitability. A restricted supply of materials can again lead to a supplier having to pay a premium.

While it will not always be possible to avoid purchases at peak times, particularly when those are being made as a result of unexpected operational conditions, it is possible to restrict those instances to the absolutely necessary by the following means;

Communication

Where you are forecasting a significant purchase, make sure you alert the procurement team as soon as possible who can liaise with the incumbent supplier, if any. The more notice a supplier has of demand the more preparations they can make to respond to the Council's needs. Where there is no contracted supplier for the goods, services or works, let the Corporate Procurement Team know as far in advance as possible. The Procurement team will alert the market to the prospective purchase and put the arrangement for any necessary competition in place.

There is benefit to be gained from frequent communication with key suppliers to ensure that they are kept up to date with future requirements and also to give the suppliers an opportunity to provide information on any market trends which might impact on the delivery against those requirements.

Co-ordinating Demand

Where there are known constraints in supply, there is merit in co-ordinating demand across the Council and with partner organisations as appropriate, with a view to avoiding bottlenecks.

Stockholding and Earmarking

The holding of supplies of stock to meet short term demand is well established in some areas of the Council and can be effective as a last resort to smooth demand and avoid peak pricing. The holding of stock does bring its own costs however; in storage, management and loss/ obsolescence and should not be used as a solution before alternatives have been fully explored.

It is often possible to have a contracted supplier earmark resources for Council use or consign stock in advance of a purchase being made. It is important that there is a degree of certainty surrounding the eventual purpose before such agreements are entered into.

Specification

Consider the guidance on 12.1 on specifications to make sure that you are not adding to the suppliers cost for elements that will not add equivalent value to the Council.

5.3   "Make or Buy" Decisions

For many purchases there is essentially no real "make or buy" decision to be made. The purchase will be for a good, service or work that is completely outside the scope of what the Council as an organisation, produces.

There will in other cases however, be a decision to be made over whether a purchase has to be made or whether there is internal capacity to deliver the goods, services or works required. In such cases it is extremely important that the "make or buy" decision is reached before a formal tendering process is undertaken.

Where a "make or buy" choice results in the decision to "make" then no purchase has been made and none of the procurement rules apply. Therefore in order to keep work "in house" the Council are not required under any procurement rules to make any value justification.

In terms of achieving overall best value for the organisation however, officers considering a "make or buy" decision will want to consider the following questions;

- Does the Council have available capacity to meet the requirements of the proposed purchase in house, to the required quality and within the required timescale?
- If so, can the Council's in-house resources deliver this at a marginal cost that is below the cost of purchase? (NOTE: Marginal Cost does not include any overheads that may be applied and does not include any costs of plant or machinery that would have otherwise been idle)
- Can the Council deploy additional resources to meet the requirements at a cost that is less than the cost of purchase?

For the above comparisons the cost of purchase should be estimated from previous purchases or should be arrived at through other research. No formal tendering exercise will have been carried out at this point.

If a fully costed "make" option is prepared and there is a wish to compare this to a later tender price then this should form a control bid, which should be communicated within the tender documents. In these situations it should be noted that the Council's "in-house" price is not prepared in competition with external prices and it is in the Council's overall interest if suppliers can submit successful bids in this situation.

The Council may enter into competition with suppliers or contractors through one of the properly constituted trading accounts and in this situation, the trading account should be treated in the same manner as any other bidder.

5.4   Alternative Delivery Mechanisms

From time to time, as part of an overall service review, the Council may wish to explore an option to have services delivered by another method. This may involve services that have previously been delivered by the Council itself, being opened up to competition from other sectors. There are many factors to consider in the option appraisal exercise and a methodology for appraisal will be included in the Service Review Guidance manual.

6.0   Sustainability

6.1   Introduction

This manual is designed to implement Argyll and Bute Council's Sustainable Procurement Policy and is in alignment with the Scottish Government's Procurement Journey.

6.2   Sourcing Strategy

Argyll and Bute Council undertook the Sustainable Procurement Task Force Prioritisation Methodology (see Appendix 1 for results). This is intended to enable the Council to prioritise its sustainability risks in order to make most effective use of its sustainability resources and deliver environmental and socio-economic improvements. It should be referred to at the Sourcing Strategy stage (see Section 6.4.5 of the Procurement Manual) to allow the adoption of a strategic approach alongside the exploitation of quick and expedient sustainable opportunities.

When developing the Sourcing Strategy, the UIG should make reference to sustainable procurement. Sustainable procurement means taking into account social, economic and environmental considerations as part of the procurement process. This needs to be considered in the total cost of ownership, to ensure future proofing and the promotion of innovation. When evaluating tenders, considerations on sustainability must be relevant and proportional to the requirement.

This may affect the direction of the procurement exercise and influence the options available to the Council. As a matter of good practice, sustainability needs to be built into the earliest stages of the procurement exercise, when requirements are being identified and specified (see Section 12.1 of the Procurement Manual). A long-term view to the requirement should be taken, for example you should consider:

- Flexibility for future purchases
- Maintenance
- Spares
- Training now and in the future
- Licensing
- Upgrades
- Take-back at disposal stage

You should use the Government Buying Standards best practice specifications (see Appendix 2) where appropriate.

Sustainable procurement can be achieved in the following areas by observing the practical steps detailed herein.

Social

In order to incorporate social issues in the procurement exercise, you should consider:

- The **usability** of the product or service for all who will be affected by the contract.
- Whether the requirement can be procured as a **reserved contract** i.e. the Council may restrict participation in the tendering process to supported businesses or factories only i.e. businesses or factories where more than 50% of the workers are disabled persons and are unable to take up work in the open labour market.

- Using **Community Benefits** clauses in specifications (where relevant and appropriate). The purpose of Community Benefits clauses is to ensure that, as far as is possible within current legal constraints, the maximum social and economic benefits are captured for residents and businesses within Argyll and Bute from investments being made in areas of significant expenditure. Argyll and Bute Council have signed up to the CITB Construction Skills Client Based Approach for the purposes of Community Benefits. The Client Based Approach provides working documentation for local authorities procuring construction projects to consider and develop, as necessary, to embed employment and skills from policy and strategies to procurement and operational implementation through to progress monitoring.

Economic

Argyll and Bute Council recognises the need to support the development of the SME sector by developing a procurement approach which offers fair and equal access to procurement opportunities. To this end, Argyll and Bute Council has signed up to the Scottish Government's Supplier Charter which commits public bodies to improving the way they work with business to ensure consistency in order to provider a fair and open approach to tendering. The Charter also aims to keep tender costs to a minimum and to remove barriers to participation by small firms, the self-employed and the third sector.

In order to encompass economic aspects in the procurement exercise, you should consider:

- **Advertising** the requirement so as to maximise participation and increase supplier diversity.
- Making the tender documentation and procedures as **simple and** as **accessible** as possible.
- Where appropriate and in consideration of the market place available skills and legal constraints, Argyll and Bute Council may choose to incorporate the following **re-tender clause** in the general conditions of contract. The clause is intended to provide access to opportunities for SMEs.
- **"SUB CONTRACTING"**
  - The Council, while contracting for the provision of the goods/services, wishes to ensure that a degree of diversity in the scale and nature of companies involved with providing those services is maintained, in order to deliver overall best value for the Council and for the local community. It is a requirement of the contract therefore that a minimum of x% of the requirement is sub-contracted to other suitably qualified and experienced sub-contractors.
  - In order to ensure transparency in the sub-contracting process, the sub-contracts will be advertised for tender on the Public Contracts Scotland website in the first instance.
  - Sub-contractors will be required to make use of the Post-box facility when advertising on the Public Contracts Scotland website and the Council will have the right to access all aspects of the bidding, evaluation and award process; ensuring that it is carried out in a fair, open and transparent nature.
  - The main contractor will be responsible to the Council for all aspects of the sub-contractors performance, including all costs legitimately arising under the sub-contract. Any additional cost over the main bid price for the element sub-contracted must be met by the main contractor and any reduction in costs may similarly be retained by the main contractor
- The main contractor will commit to paying the sub-contractors any sums legitimately owing to them under the contract, in full and in good time."

Environmental

In order to incorporate environmental issues in the procurement exercise, you should consider:

- Using the Government Buying Standards best practice specifications.
- Specifying sustainable options wherever appropriate. Buying functionality rather than stipulating the product or service may allow suppliers to meet performance and quality standards in the most sustainable way. A simple way to achieve a sustainable outcome may be to address sustainability in the title of the Contract e.g. 'Sustainable Office Furniture', making unsustainable options non-compliant.
- Adopting a Total Cost of Ownership approach to price evaluations (i.e. costs throughout the lifecycle of the product/service).

Sustainable outcomes must be managed post contract award by monitoring and recording delivery against targets.

7.0 A Establishing the Sourcing Strategy

ADVICE IS TO BE TAKEN FROM YOUR PURCHASING OFFICER AS TO WHEN IT'S APPROPRIATE TO USE/COMPILE A SOURCING STRATEGY. IF A SOURCING STRATEGY IS TO BE COMPILED THIS WILL BE COMPLETED BY THE PURCHASING OFFICER RESPONSIBLE IN CONJUNCTION WITH THE RELEVANT DEPARTMENT.

7.1   Introduction

It is not necessary to devise a sourcing strategy for each individual procurement exercise. A single sourcing strategy can apply to a commodity category and need only be updated as circumstances change - either in the marketplace or in the delivery of the service. For significant procurements, however, the contract owner will wish to look critically at any existing sourcing strategy and amend as necessary.

A Sourcing plan should be created for each individual procurement exercise. A comprehensive plan will ensure that the objectives of the exercise are clearly defined in the specification and award criteria. Any significant risks shall be identified and actions put in place to manage them at an early stage. Listing the milestones and timescales in a formal plan will ensure that sufficient time is left for each of the stages in the tender process and that corners are not cut to meet unrealistic deadlines.

7.2   Purpose of Sourcing Strategy

The sourcing strategy is the summary of all the work that is carried out prior to the commencement of the selection process. This will include the development of the specification through User Intelligence Groups, market research carried out and the conclusions drawn from those exercises, and how they will inform the selection process.

The development of the sourcing strategy ensures that the Council's approach to a particular procurement has been fully thought out prior to embarking on the selection process. It is during the development of the sourcing strategy that radical new approaches can be considered and where the greatest scope lies for making significant savings from the exercise, which can include not procuring at all. It is important therefore that the sourcing strategy is given full consideration and is not rushed as a necessary pre-requisite to get to the tendering process. As the process continues the scope for change narrows and the cost of change becomes more significant, both in terms of time and money.

Having a fully considered sourcing strategy means that the Council will be very clear on what it is looking for when it approaches the market. This has benefits not just for the Council but also for the companies who will be bidding for work as they will know exactly what they are being asked to provide and can proceed or not in that knowledge. A sourcing strategy helps to keep procurement legal, by reducing the prospect of significant change during the tendering process and also helps to ensure ultimate value for money from the full process.

7.3   Forming a User Intelligence Group

Preparing a sourcing strategy should not be carried out in isolation. A User Intelligence Group should be formed for this purpose (could be as small as the purchasing officer and one department staff member).

The UIG should make an assessment of the organisation's future demand profile for the commodity, based upon the knowledge and expertise within the team and upon information gleaned from communications with non-team members. The Spikes Cavell can also be used to identify possible transactional and collaborative opportunities.

The right people need to be present. From the User Intelligence Group, the relevant department staff, who will be managing the contract and a member of the Procurement Team, should be present. The UIG representatives must be ready for the procurement exercise to be shaped by what the market can do and be prepared for, and actively encourage, constructive challenge by suppliers.

The UIG should also consider the options for shaping the market: encouraging the market to develop in such a way that it can meet the organisation's needs in the future. Engaging the market provides an opportunity to ensure that services provided are at the forefront of those available.

7.4   The Sourcing Strategy

The sourcing strategy defines the procurement and contract management regime appropriate to each category of commodity purchased by the Council. The steps to be followed in developing a sourcing strategy are outlined below:

STEP 1	Describe Service Objectives
STEP 2	Examine Criticality of Procurement
STEP 3	Obtain spend information
STEP 4	Carry out Market Research
STEP 5	Define Procurement Objectives
STEP 6	Identify and Analyse Risks
STEP 7	Draft Outline Specification
STEP 8	Recommend Procurement Route

7.4.1   Describe Service Objectives

It is critical to achieving best value from a procurement exercise that it is approached as far as possible without preconceptions. An initial specification should be drawn up and it is important that this state's objectives rather than proposing solutions. This initial specification together with scoping information will be used in the initial market research as the widest and most innovative responses may be excluded if a specific solution is sought. Ideally, this is what the market research should guide towards; one of the aims of effective procurement is to make best use of the suppliers' knowledge.

It is difficult to over – emphasise the care that should be taken to get this part right – it is possible to make more gains here than in other and more complex areas of the procurement process.

7.4.2   Examine Criticality of Procurement

How important to the overall service delivery will the performance of this contract be? The answer to this question will determine to some extent the level of risk you will attach to the contract and certainly will play a large part in the contract and supplier management regime to be put in place.

Determining criticality in relation to a contract can be done in a fairly straightforward manner by asking some fairly simple questions;

What is the value of the contract in relation to the overall service budget?
How important are the objectives of the contract in relation to the objectives in the service plan?
What will happen if the supplier fails to perform and what are my alternatives if the supplier fails to perform?

The answers to some of those questions may become clearer as the sourcing strategy is developed.

7.4.3   Obtain spend information

Detailed understandings of the current spend and likely future requirements of participating organisations are key to commodity strategy development.

In order to develop clear spend conclusions; it is important to gather current expenditure and demand data at the correct level of detail and to consolidate the information into a standard format.

The five key areas of analysis are:

- Total Expenditure and Volume
- Expenditure by Commodity and Sub-Commodity
- Expenditure by Division or Department
- Expenditure by Supplier
- Future Demand projections where possible

To assist with spend analysis many Scottish public sector organisations can access information on historical commodity spend via the Observatory (Spikes Cavell), which contains many pre-defined reports and data that can be exported into MS Excel format. However, the data in the Observatory is not at line-item level. This means that the UIG (User Intelligence Group) will still need to obtain detailed spend information from suppliers, or where available, from purchase order systems (PECOS, Oracle and Discoverer). The Observatory can provide Departmental analysis if this was included with the original data supplied and can be used to identify possible transactional savings and collaborative opportunities.

7.4.4   Carry out Market Research

Supply market analysis enables the UIG to develop a detailed understanding of key trends, major players, and overall market dynamics that could influence the commodity and supply.

Early market engagement can be critical to success and it is vital to understand the key issues before starting, but it must be undertaken with care and in such a way as to ensure equal treatment and fairness to suppliers or potential suppliers.

After the estimated value of the contract has been calculated (excl VAT), some initial market research would be valuable to ascertain the suppliers offering the required needs. This is specifically beneficial for requirements that have never had any spend. This can be done in a variety of ways:

- The Council's general experience of the particular market.
- Experience of previous procurement
- Other Government Purchasing Agencies (Scotland Excel, Procurement Scotland etc).
- Information obtained from other public sector organisations.
- Replies to an OJEU Contract Notice and FCO's

- Trade Directories, magazines etc.
- Exhibitions
- Use of internet–based search engines e.g. Google
- Supplier's catalogues

Market Sounding

Market sounding means assessing the capability and capacity of the market to meet the customer's project requirements. It enables you to assess at an early stage whether your proposed project is feasible and can be delivered by suppliers. It also provides an early warning of your requirements to the market and enables suppliers to think about how they will respond to the contract notice and who they need to work with. The key aim of market sounding is to encourage the right suppliers with the right structure to respond to your contract notice.

Market sounding brings supplier perspectives to procurement at an early stage, improving the focus of the project on what is achievable. It provides a much better understanding of the feasibility of the requirement, the best approach, the capacity of the market and the risks involved. It is particularly useful where there is uncertainty over what the market can provide, how to package the requirement, or the best way to work with suppliers. It can save effort later in the process and reduce procurement timescales.

There is no formal process for market sounding, but activities typically include researching and analysing the market as a whole and meeting selected suppliers for discussion.   Please note market sounding should be carried out with a minimum of 3 companies, where possible.

Supplier interest can be generated by publishing advance notices of likely requirements, for example through Future Contract Opportunities (FCOs) notices.

Market sounding brings learning into the public sector that is useful in a broader sense. Project teams need to have a better understanding of the relevant markets to assist in their appraisal of suppliers. Market knowledge can be invaluable to other projects and other organisations.

Market sounding involves gathering knowledge in these key areas:

- Feasibility
- Capability
- Maturity
- Capacity

Consider carrying out market sounding if the answer to any of these questions is 'yes':

- Is there doubt over the existence of a market for the identified business need?
- Assuming there is a market of some kind, are there doubts over its capacity, capability, maturity or competitiveness?
- Is first-hand in-house knowledge of the market superficial, incomplete or simply absent?
- Is there uncertainty about the level of suppliers' interest?
- Is the desired outcome likely to involve significant business change? Is it unprecedented?
- Is there a need to manage expectations of the project?
- Is the requirement very unusual?
- Is the solution likely to be complex or innovative?

Skills Required

The key skill areas for market sounding are:

- Business knowledge
- Market knowledge
- Technical knowledge
- Analytical and decision-making skills
- Communication skills

Shaping the Requirement

Market sounding can help shape the requirement so that procurement is focused on what the market can deliver. A poorly framed requirement can present major risks to the project.

The following areas are key:

- Keeping options open: avoiding the tendency to 'zero in' on particular options; allowing suppliers the freedom to suggest ways forward.
- Considering business models: looking at all the options for how the arrangement between customer and supplier might work (organisationally, financially, in relation to risk management etc).
- Considering how the way market sub-sectors work within the target market might affect the project.
- Considering whether the requirement might usefully be split in particular ways. What are they in this market? How will they affect the project?

Questions to Consider

Enquiries at market sounding usually fall into particular areas. These are not questions to ask of suppliers, but rather questions that the UIG should seek to answer for themselves through dialogue with suppliers:

- Maturity: is the market ready to deliver what's required?
- Feasibility: will the market be technically capable of meeting the requirement?
- Competition: how many suppliers provide what is required; will procurement be sufficiently competitive?
- Capacity: are there enough suppliers, with sufficient capacity, to meet the requirement?
- Working together: will the requirement bring suppliers from different sub-sectors together in a new way? How will this work?
- Traditions and prevailing attitudes: what are they in this market? How will they affect the project?

Discussions with Suppliers

Talking to suppliers is at the heart of market sounding. It is crucial to talk to the right suppliers - ideally, those who have achieved outcomes of a similar nature and scale.

Some possible questions to open productive discussions with suppliers include:

- Are you interested in this opportunity?
- If not, why not?
- Is the business model realistic?
- Are the business aims realistic? Is the business attractive?
- What do you see as the risks?
- Can you give an early indication of cost?
- Can you give a broad indication of the likely timescales?
- Are there other, better approaches?

Market sounding should not be an isolated or project-specific activity. There are important contexts to consider.

Market Trends

The Market Trends Analysis provides information on what is happening in the commodity market in terms of, for example, current and future technologies, changing customer requirements or demands, new players, and mergers or acquisitions. This analysis is based on recent analyst reports, news items and information on current available products and future products advertised on the market.

7.4.5   Define Procurement Objectives

It is now possible, following the analysis and market engagement carried out to date to establish a clear set of objectives for procurement of the commodity group in question.

The objectives in carrying out significant procurement exercises for the Council should reflect the overall goals and objectives of the Council. Individual goals and objectives should be set with reference to the balanced scorecard, as illustrated;

Price (whole life cost basis)	Internal Process Improvements
Sustainability (Environmental, economic and social)	Enhanced service delivery

Price should be described where possible in terms of whole life costs and may include factors such as price stability or cost avoidance.

Internal Process Improvements relate to operational efficiencies, such as a new method of delivery that saves work internally. This may be in terms of logistics, through direct delivery to the point of use, or by obtaining a more finished product, that requires less adaptation before customer use, or in the form of software that requires less manual input.

Sustainability can come in a number of guises;
- *Environmental* improvements can be made from purchasing more efficient equipment in terms of energy consumptions (if quantifiable this may also be a price saving), or from switching to recycled goods, or from reducing delivery frequency or haulage distances.
- *Social* benefits can be obtained if the method of service delivery proposed under the new contract delivers consequent benefits to the local

communities (where this is not the primary aim of the contract). Wider social benefits are gained from the use of fairly traded goods.

- *Economic* benefits can be obtained where the nature of the contract will deliver wider economic benefits within the Council area, either through the use of community benefit clauses, or from the nature of the service delivery planned.

Enhanced Service Delivery is obtained where the nature of the contract is such that it provides a better outcome than that achieved to date, on the primary aim of the contract.

The benefits should be identified and quantified as far as possible in the Benefits Realisation Module.

7.4.6 Identify and Analyse Risks

Risk Identification

The initial identification of as many risks as possible is essential in terms of understanding the project. Potential major risks should be documented in the risk register. Risks may be divided into five categories:

- *Commercial Risk*; That either the price objectives aren't achieved up front or there are other costs that arise during the contract that diminish the overall benefits.
- *Technical Risk;* This concerns the difficulty in being able to specify the desired outcome and on the market being able to deliver to the specification.
- *Performance Risk;* This concerns the ability of the suppliers to perform consistently over the life of the contract to deliver the planned benefits.
- *Contractual Risk;* This covers things like being able to remedy the shortcomings in the contractors' performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.
- *Compliance Risk;* This involves the risk of the Council not properly engaging with the contract, of maverick buying or of genuine diminished demand or need during the term of the contract.

Risk Assessment

The purpose of risk assessment is to assess the probability of risks occurring and their potential impact.

- Probability (or likelihood) is the evaluated chance of a particular outcome actually happening (including a consideration of the frequency with which the outcome may arise).
- Impact is the evaluated effect or result of a particular outcome actually happening (usually considered in terms of effect in cost, scheduling and quality).

Each of those risks, with a more detailed description should be placed on a simple risk register;

Category of Risk	Description of Risk	Mitigating Actions	Impact	Likelihood

The identified risks would then be plotted as follows;

		LIKELIHOOD				
		1	2	3	4	5
IMPACT	1	🟩	🟩	🟩	🟨	🟨
	2	🟩	🟩	🟨	🟨	🟨
	3	🟩	🟨	🟨	🟨	🟥
	4	🟨	🟨	🟨	🟥	🟥
	5	🟨	🟨	🟥	🟥	🟥
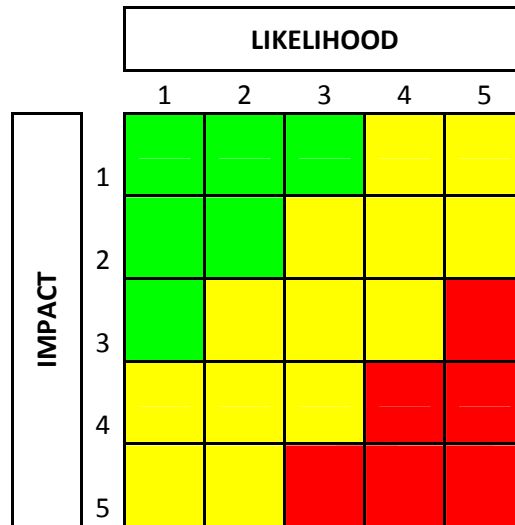
7.4.7   Draft Outline Specification

The full specification is not created at this point. That will form an action under the sourcing plan. However since the sourcing plan will not always follow directly on from the development of the strategy; perhaps because of existing contract commitments or scarcity of staff resources, it is important to capture the salient points that have come from the strategy development that should form part of the eventual specification.

7.4.8   Recommend Procurement Route

The sourcing strategy should include a recommended procurement route for the subsequent purchase. This will be determined by a range of factors including;

- Complexity of the procurement
- Outcome of market research
- Commodity Category for collaboration

7.0 B DETAILED Sourcing Strategies – Alternative Chapter for "High Risk" Commodities/Contracts

7.1(B) Introduction

This part of the Manual is to help you develop strategies for "high risk" commodities/contracts.

A strategy is always required for all commodities/contracts. The strategy however should be proportionate to risk, value and strategic importance of the commodity/contracts to the organisation. Consideration must also be given to Planning and Risk Management throughout the Procurement Journey.

7.2(B) Stakeholder Identification

To ensure stakeholder's requirements are met and maximum compliance is achieved, a cross-functional team, or User Intelligence Group (UIG) should be established. The UIG will assist you when developing the commodity strategy, assist with tender evaluation and the ongoing activities of contract/supplier management, monitoring, implementation, compliance and benefits tracking.

This group should have representation from key stakeholders within the participating organisation(s) and should include procurement and business / technical / customer representatives.

Depending on the nature of the procurement this UIG could consist of only two members e.g. the Procurement Officer and the end user.

You should undertake appropriate research prior to the first meeting for example:

- Gain an understanding of the market for a commodity from desktop research, e.g. via the internet
- Speak to supplier or industry representatives
- Meet with individual key stakeholders and end-users
- Review historical spend patterns if appropriate
- Gather information from other public sector contacts, such as Procurement Centres of Expertise e.g
- Read previous tenders or commodity/contract strategies

This research will help you gain an initial understanding of the commodity/contract, the organisation's requirements, market conditions and some of the risks, issues and barriers to success they may face. It will also help highlight any contracts and/or Framework contract which you may be able to access for your requirement without the cost, time and risk of developing your own contract.

Stakeholder Mapping

The potential benefits of establishing a UIG are:

- The ability to draw on the cross-functional expertise within the group
- Ensuring stakeholder views are considered in the decision making process
- Clear communication channels can be established
- Presenting "one face" to suppliers
- Formalising the governance arrangements and identifies the decision makers

- Clarifying roles and responsibilities
- Facilitating the generation of ideas
- Facilitating buy-in and compliance

Where there are a large number of stakeholders, for example a collaborative contract, it may not be possible to have all stakeholders represented on the UIG.

For the procurement exercise to be effective it must meet the reasonable expectations of stakeholders and end users therefore a clear understanding of stakeholder and end users' views is essential. In order to obtain this understanding there must be effective engagement and you must take into account all views of your stakeholders. Many stakeholders will be positive and supportive however it is also important that you consider the reasons why stakeholders may not be fully supportive.

In order to manage this you may wish to consider some of the following:

- Ask your colleagues whether they know of any strong views stakeholders may hold to gain an understanding of any issues that may arise and reasons for these
- Meet with stakeholders on a 1 to 1 basis in advance to understand their views their concerns
- Ensure stakeholders are encouraged to contribute fully
- Ensure a n appropriate governance structure is in place which should include identifying and addressing any conflicts of interest

Members of the UIG should not underestimate the amount of time and commitment involved in being a team member. Although the team itself may typically meet only fortnightly or monthly there is likely to be work to be completed in-between meetings and members should come to meetings fully prepared.

7.3(B)   Profiling the Commodity

The Profiling the Commodity stage will help you to:

- Understand and scope requirements to help ensure that, where appropriate, they achieve the optimum combination of whole life costs and quality to meet the end user(s) requirement
- Identify any current contracts in existence and estimate the relative spend on the goods/services in question
- Use a sustainability checklist to consider the potential social, economic and environmental impact associated with the requirement and the proposed procurement process
- Assess the current state of the market and identify key players who could meet the requirements
- Understand and integrate the current and future needs of the participating organisation(s) into the approach to market
- Identify any early opportunities to explore and provide options for meeting the requirements

7.4(B)   Contract Status & Spend Analysis

Current Contract Status

You should work with the UIG to review and understand the current contractual situation for the commodity to determine if there will be any issues (commercial, practical and/or legal) in relation to the need to phase in new contracts over a period of time, or to investigate whether early termination of existing contracts is both possible and appropriate.

You should collate details of the existing contract(s), such as the product specification, end users and other information which can be incorporated into the analysis of key commodity characteristics as described in the next section.

Use the 'Current Contract Status Template' to record this information.

Spend Analysis

A detailed understanding of the current spend and likely future requirements of participating organisations is key to commodity strategy development.

To assist with spend analysis many Scottish public sector organisations can access information on historical commodity spend via Spikes which contains many pre-defined reports and data that can be exported into MS Excel format. The data in the Hub is not at line-item level. This means that detailed spend information will still need to be obtained from suppliers, or where available, from purchase order systems. Spikes can be used to identify possible transactional savings and collaborative opportunities.

Some suggested areas for analysis are:

- Total Expenditure and Volume
- Expenditure by Commodity and Sub-Commodity
- Expenditure by Division or Department or geography
- Expenditure by Supplier
- Future Demand projections where possible
- Collaborative Opportunities
- Benchmarking
- Profile of suppliers (large, SME etc.)

It is good practice to ensure that suppliers are contractually required to provide line item spend details as part of the contract to support

- benefits analysis:
- contract and supplier management
- supplier development
- future procurement activities / renewals

You should work with the UIG to make an assessment of future demand for the commodity, based upon the knowledge and expertise within the team and upon information obtained from communications with non-team members.

7.5(B)   Sustainability – See Chapter 6.0

When developing the commodity strategy, User Intelligence Groups should make reference to sustainable procurement. Sustainable procurement means taking into account social, economic and environmental considerations as part of the procurement process. This needs to be considered in the total cost of ownership, to ensure future proofing and in the promotion of innovation. When evaluating tenders, considerations on sustainability must be relevant and proportional to the procurement.

This may affect the direction of the procurement exercise and influence the options available to them. As a matter of good practice sustainability needs to be built in to the earliest stages of the Procurement Journey, when requirements are being identified and specified. You should use the Government Buying Standards (formally *Buy Sustainable Quick Wins*) best practice specifications where appropriate.

7.6(B)   Commodity Characteristics

The purpose of this section is to determine the requirement and agree what is in/what is out of scope with the UIG and other key stakeholders.

You should start by breaking down the requirement into its sub-commodities and identify the specific products/services within each sub-commodity. Use the 'Classifying a Commodity' template below to assist in this process.

At this stage you may also want to give consideration to how the products/services are provided e.g. electronic purchase orders, purchasing card, consolidated invoices and self billing.

7.7(B)   Supply Market Analysis

A supply market analysis should be undertaken to enable the UIG to develop a detailed understanding of key trends, major players, and overall market dynamics that could influence the development of the commodity strategy e.g. route to market, lotting strategy.

At least one of the Market Analysis Templates provided should be used to assist in this exercise. You will probably wish to read the guidance below prior to completing the templates. At the end of the analysis you should provide a Market Summary of your findings.

You should give particular consideration to the potential for third sector involvement and reserved contracts.

Market Sounding

Any discussions on costs at this stage should be indicative only, and this needs to be made clear to suppliers.

There is no formal process for market sounding, but activities typically include researching and analysing the market as a whole and meeting selected suppliers for discussion. Care should be taken to engage with a good cross section of suppliers to best inform your strategic options i.e. the views of an SME compared with a large or multi-national supplier may be different. Supplier interest can

be generated by publishing advance notice of likely requirements, for example through Prior Information Notices (PINs).

Market sounding brings learning into the public sector that is useful in a broader sense. UIGs may need to gain a better understanding of the relevant markets to develop the commodity strategy, both in terms of how they operate currently and how they may operate in the future (i.e. changing technology, market entrants etc.).

Early engagement with potential suppliers can be critical to success and it is vital to understand the key issues before starting, but it must be undertaken with care and in such a way as does not distort competition. It is vital that any discussions on costs at this stage should be indicative only; you must make this clear to suppliers.

The Procurement Officer should always be present at meetings with suppliers. From the supplier side, someone who understands your requirements and can offer innovative solutions and constructive advice should be present. The right attitudes must be adopted: respecting confidentiality, maintaining flexibility and openness.

The UIG should:

- Be open to new ways of shaping your requirement based on what the market may be able to provide
- Consider the options for shaping the market: encouraging the market to develop in such a way that it can meet your requirements in the future. Engaging the market provides an opportunity to ensure that services provided are at the forefront of those available

The overarching theme of early engagement is to identify the organisation's desired outcomes, risks and issues and permit suppliers to provide feedback on how the outcomes might be achieved, the risks and issues as they see them, along with feedback on timescale, feasibility and affordability. All discussions should flow from this theme.

Market sounding should also take account of the knowledge held by other buying organisations, trade bodies, business support organisations e.g. Federation of Small Businesses, Chambers of Commerce

You should consider the following questions:

- Is there doubt over the existence of a market for the identified business need?
- Are there doubts over its capacity, capability, maturity or competitiveness?
- Is first-hand in-house knowledge of the market superficial, incomplete or simply absent?
- Is there uncertainty about the level of suppliers' interest?
- Is the desired outcome likely to involve significant business change? is it unprecedented?
- Is there a need to manage expectations of the project?
- Is the requirement very unusual?
- Is there an innovative solution?
- Is the solution required to provide the service to diverse groups across society?
- Are there carbon reduction targets?
- Is there uncertainty about the technological / eprocurement capabilities of the market?
- Has economic development been considered?
- Has accessibility and 'designed for all' been considered?
- Are more sustainable outcomes available?

Questions to Consider

Enquiries at market sounding usually fall into particular areas. These are not questions to ask of suppliers, but rather questions that the UIG should seek to answer for themselves through dialogue with suppliers.

- Maturity: is the market ready to deliver what's required? Is it evolving or diversifying with suppliers entering or exiting the market?
- Feasibility: will the market be technically capable of meeting the requirement?
- Technical / product innovation: technological advancements or product / service developments expected and how can requirement be future proofed to take advantage of these?
- Competition: how many suppliers provide what is required? Will there be effective competition?
- Capacity: are there enough suppliers, with sufficient capacity, to meet the requirement?
- eProcurement: is the market ready to embrace the electronic suite of tools that are currently utilised within the Scottish public sector?
- Working together: will the requirement bring suppliers from different subsectors together in a new way? How will this work?
- Geographical: do supplier operate differently or provide different goods or services in different geographical areas e.g. in another country?
- Traditions and prevailing attitudes: why are they in this market? How will they affect the project?
- Sustainability: can suppliers provide solutions to sustainability issues?

Discussions with Suppliers

Talking to suppliers is at the heart of market sounding. It is crucial to talk to the right suppliers - ideally, those who have achieved outcomes of a similar nature and scale.

Great care must be taken to ensure that those contacted are not given an advantage over other potential suppliers. It is equally important to ensure specifications are not written in such a way as to favour any particular supplier(s). If either of these approaches are not adhered to you could breach procurement law and the procurement itself could be challenged.

Some possible questions to open productive discussions with suppliers include:

- Are you interested in this opportunity?
- If not, why not?
- Is the business model realistic?
- Are the business aims realistic? Is the business attractive?
- What do you see as the risks?
- Can you give an early indication of cost, what are the major cost drivers and how can these be minimised?
- Can you give a broad indication of the likely timescales?
- Are there other, better approaches?
- What added value in terms of sustainability could the supplier provide related to the subject matter of the contract?
- Discussions on how suppliers can provide added value on sustainability and other issues over and the requirements of the regulations

- Can you share examples of good or bad practice in terms of how others have tried to secure these products or services and what can we do to ensure clarity and improve the tendering process for suppliers?

You may also wish to discuss aspects of eProcurement with suppliers such as:

- Provision of content in the required format e.g. an ecatalogue or transactional punch-out site
- Ability to accept cXML purchase orders and / or invoices
- Potential for an eAuction
- Potential for eTendering

7.8(B)   Shaping the Requirement

You should ensure that all research conducted is collated and reviewed as a whole. A poorly scoped and researched requirement can present major risks (including procurement risks) to the project.

The following areas are key:

- Ensuring customer requirements are met and balanced with affordability
- Challenging the end users requirement to ensure that an optimum combination of whole life costing and quality is achieved
- Keeping your options open: avoiding the tendency to 'zero in' on particular options; allowing suppliers the freedom to suggest ways forward
- Considering business models: looking at all the options for how the arrangement between customer and supplier might work e.g. organisationally, financially and in relation to risk management
- Considering how the wider supply chain might affect the project
- Considering whether requirements should be grouped in a specific way to reflect market structure. e.g. procuring computer hardware desktop/laptop separately from maintenance; breaking down a cleaning contract into geographical lots rather than procuring a single National contract. This should be reflected in your lotting strategy
- Incorporate sustainability requirements from the outset, e.g. building sustainability into the specification and considering a whole life costing approach

7.9(B)   Initial Opportunity Assessment

The objective of this stage is to identify high-level opportunities based on the data gathered in the previous stages which may be achieved with or without the creation of a contract.

Strategic sourcing highlights opportunities in three key areas:

- Purchase Demand Management
- Supply Base Management
- Total Cost Management

The above are portrayed as the three sides of the 'Best Value Triangle'. For each of the potential opportunities on the triangle, the commodity team should assess and highlight those opportunities that could be exploited and determine how they could be applied to the commodity in question, bearing in mind any risk assessment considerations.

The assessment of high-level opportunities should be carried out in conjunction with the Sustainable Procurement Test previously identified for the requirement.

A blank Best Value Triangle is provided for your use. Alternatively you may wish to use the tabled version of the triangle. Sustainability Opportunities should also be captured for inclusion in your strategy.

This exercise should be proportionate to the complexity of your requirement and you are not always expected to address every aspect of the best value triangle.

Checkpoint - are there early opportunities?

Early Opportunities are defined as cost savings or total cost improvements which:

- Can be implemented within 90 days
- Realise the benefits within six to twelve months
- Are aligned to the Government Buying Standards for sustainable procurement
- Are relatively easy and straightforward to do
- Are often tactical and short-term in nature and must support strategic plans

Opportunity Assessment

There are many factors to consider for implementation of all opportunities as well as early opportunities:

- Time to deployment
- Cross-functional complexity
- Number of Geographical locations/Business Units involved
- Regulatory, Safety, Criticality, Legal, Specification Changes
- Use of external technology
- Acceptability to the customer
- Business Unit readiness --"pull"
- Supply market challenge
- Skills & knowledge
- Number of people involved in deployment
- Clear decision owner(s)
- Results of the Risk Assessment

The opportunity assessment template is an aid to quantifying and prioritising the opportunities which will be included in the commodity strategy.

7.10(B) Develop Commodity Strategy

Based on the opportunities already identified the strategy will be developed incorporating information gathered in previous stages. The strategy produced should be proportionate to the value, complexity and strategic importance of the commodity.

Strategic Positioning of Commodity

The aim of strategic positioning is to consider the commodity from both a buyers' and suppliers' perspective in relation to:

- Importance of the commodity to the business
- The complexity of the requirement
- The relative power of the buyer/supplier in the marketplace
- The attractiveness of the business to the supplier
- Risks to the business

The Strategically Positioning the Commodity slide considers the above aspects from the buyers' perspective against both Business Impact and Supply Market Challenge. Understanding the Supplier's View of the Buyer considers Account Attractiveness and Relative value of Business to the supplier.

You should also consider the Current and Possible Future State of Relationships between the Buyer and Supplier to demonstrate how you intend to develop any relationship with a supplier going forward.

Having considered the above you should be able to identify the position of your commodity as either Leverage, Strategic, Routine or Bottleneck. The Strategic Positioning Action Plan provides guidance as to the procurement approach you should adopt in each of these circumstances.

The suggested approaches are designed to provide the commodity with a starting point. They must be further defined in the context of the specific commodity and opportunities identified using the best value triangle.

Compliance Issues and Strategies

As part of the commodity strategy you should consider how you will ensure compliance to the contract. Compliance requires involvement from all parties concerned throughout the Procurement Journey. Governance arrangements, management and budget holder behaviours within local organisations will be key.

The components of a compliance strategy should encourage optimum uptake of a new contract. Members of the UIG should champion the contract and commitment for users should be obtained for the proposed strategy options.

Commodity Strategy Options

There will be a number of delivery options which are applicable to any commodity. You may wish to refer to A guide to the appraisal of possible options for further guidance. These will vary with the type, size and complexity of the requirement but are likely to fall within the range of options indicated. In all cases, you should consider a 'Do Nothing' option as a benchmark.

The commodity strategy should take full account of applicable guidance, policies and legislation. For example, commodities acquired from the private sector may need to be advertised in accordance with the organisation's policies and / or with EU public procurement law (see EU Public Procurement Guidance).

The commodity strategy should include a summary of options that clearly details the benefits, costs and risks associated with each option and demonstrates compliance with any legal obligations. This should enable the objective selection of the commodity strategy to be pursued in the short, medium and long term.

Information on estimating benefits within a commodity area can be obtained from sources such as benchmarking, market testing, market trends, past discounts, past experience.

Costs to implement sourcing strategies include contract switching costs, supplier switching costs, manpower investment, communications and roll out and cost of going to tender.

The Options Appraisal summarises the various delivery options considering the benefits and risks of each before selecting a option for recommendation.

The recommended option must satisfactorily meet the requirements, be affordable and viable and agreed with the UIG.

Contract Implementation / Contract and Supplier Management

There are separate stops on the Procurement Journey on Contract Implementation and Contract and Supplier Management, however your approach must be considered during this 'Develop Commodity Strategy' phase. Consideration must be given to how the proposed options will operate throughout the life of the requirement. For example, if you decide to utilise an existing contract or framework agreement the contract implementation and management aspects of the arrangement are likely to be covered in the framework terms and conditions and, if so, must be complied with in full.

You must think about how the new goods or services will be introduced into the organisation or requirements migrated from your existing arrangements to the new arrangements. You should also consider your transition or exit strategy for when this new contract or framework agreement comes to an end. Once fully operational you will want to manage and develop the contract and supplier(s), in accordance with procurement law,to ensure the desired outcomes are delivered now and in the future. Consideration must be given to the resource requirements to implement and manage the contract or framework agreement as a designated contract manager must be identified.

The contract and supplier management requirements should be detailed in the contract or framework agreement terms and conditions to ensure both parties are clear on the contractual obligations. The contract should then be managed in accordance with these terms and conditions.

The level of contract and supplier management required depends on the risk, value and complexity of the contract. The Contract and Supplier Management Assessment tool will help identify what the level of management to be applied.

- **Low level** - ensuring compliance to the contract by managing the delivery of the contract using 4 high level indicators i.e. cost, quality, delivery, service
- **Medium level** - managing the performance of the contract and the supplier by expanding the 4 high level indicators and holding a minimum of one performance review meeting per annum
- **High level** - managing the performance of the contract and the supplier using the full balanced scorecard

More details can be found under Contract Management in the council's Procurement Manual.

7.11(B) Procurement Route – to assist with section of route see Chapter 9.0

7.12(B) Commodity Strategy Executive Summary

Prior to finalising the commodity strategy and submitting it for approval, the Procurement Officer should ensure an Executive Summary is included. The purpose of the Executive Summary is to highlight the key points of your strategy including details of any decisions taken and the justification.

The finalised strategy which has been developed with the UIG should be approved or signed off by an appropriate reviewer, in accordance with the relevant governance arrangements.

The example commodity strategy includes an Executive Summary for your reference.

7.13(B) Commodity Strategy Review

Commodity profiling and strategy development should not be an isolated or 'one-off' occurrence. A subset of the UIG needs to be assigned to carry out the on-going activities of supplier relationship management, monitoring, implementation, compliance and benefits tracking, and a periodic review of the chosen strategic option to validate its applicability for the current/changing environment should also be considered (both internal to the procuring organisation and external to market supply).

There are a number of issues that may trigger a commodity strategy review, these include:

- Market Developments e.g. changes in economic environment, technology, regulation.
- Internal Changes to the Organisation e.g. significant restructuring, changes in demand.
- Contract Termination e.g. through poor performance.
- Contract Expiry

8.0   Sourcing Plan

ADVICE IS TO BE TAKEN FROM YOUR PURCHASING OFFICER AS TO WHEN IT'S APPROPRIATE TO COMPILE A SOURCING PLAN.

A sourcing plan should be completed for each tendering exercise. The sourcing plan encompasses the objectives of the tendering exercise, and the risks inherent in the exercise that may prevent all of those objectives from being delivered in full. Defining the objectives and identifying the risks means that the procurement process can begin with everyone involved having a shared realistic view of the likely outcomes. The sourcing plan also includes a timeline for the delivery of the contract, which takes into account all of the legislative and work related constraints. Again, this should ensure that sufficient time is allowed for the process and there is no pressure to cut corners to meet unrealistic deadlines.

8.1   The Sourcing Plan

Building on the sourcing strategy, developing a sourcing plan involves the following steps;

STEP 1	Validate and quantify objectives
STEP 2	Complete risk analysis
STEP 3	Risk to optimism bias
STEP 4	Complete the Contract Work Plan
STEP 5	Build the Financial Plan

8.2   Validate and quantify objectives

The objectives outlined in the sourcing strategy need to be quantified.   This is unlikely to be straightforward. There are two templates to be completed; one for cashable objectives and one for non-cashable objectives. Each template has the facility to enter high and low values as well as a best estimate. The best estimate is the one that will go forward to the financial plan and that should be based on a realistic scenario where none of the identified risks impacts on the performance of the contract – template available from Procurement.

8.3   Complete risk analysis

The risks identified and assessed in the sourcing strategy should now be reviewed, and solutions or mitigating actions should be added where possible. The updated risk register should have clear solutions, actions, owners and resolution dates. Risks should be fed into a central risk register so that any overlap may be recognised.

This guidance outlines how to assess the risks presented during the procurement process. A risk assessment would typically be carried out for a high value/complex procurement exercise.

Risk can be defined as uncertainty of outcome (whether positive opportunity or negative threat). All projects contain risks that may affect their costs and quality, and the time taken to complete them. Risk management is a planned and systematic process consisting of:

- **Identification**: determine what the risks are;
- **Assessment**: determine the likelihood of the risks occurring and their potential impacts; and

- **Monitoring** and **Response**: identify options for dealing with risks or their impacts and monitor implementation of the preferred options

Risk Monitoring

One of the most common approaches to monitoring responses to risks is the use of a 'project risk register'. The risk register is set up during the start of the project, ready to record all the identified risks and the results of their analysis and evaluation, see Page 25 for a project risk register template. Information on the status of the risk is also included.

Ownership of risk must be clearly defined and documented within the project risk register and agreed with the individual owners, so that they understand their various roles, responsibilities and ultimate accountability. Individual owners should have the capability, authority and experience to deal with risk/s allocated to them.

Control

The risk assessment process requires that risks logged on the register are controlled. Responses to risk can be divided into four response categories:

- *Transfer:* For some risks the best response may be to transfer them. This might be done by conventional insurance, or it might be done by paying a third party to take the risk in another way.
- *Tolerate:* Ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. In these cases the response may be toleration.
- *Treat:* By far the greater number of risks will belong to this category. The purpose of treatment is not necessarily to prevent the risk, but more likely to contain the risk to an acceptable level. The actions that an organisation takes in treating risk are called "internal control" - they are actions instigated from within the organisation (although their effects may be felt outside of the organisation) which are designed to contain risk to acceptable levels.
- *Terminate:* Some risks will only be treatable, or containable to acceptable levels, by terminating the activity. It should be noted that the option of termination of activities may be severely limited in public sector when compared to the private sector; a number of activities are conducted in the public sector because the associated risks are so great that there is no other way in which the output or outcome, which is required for the public benefit, can be achieved.

8.4   Risk to optimism bias

The reviewed risk register should have risks plotted once again, using the simple impact / likelihood grid included in 6.4.6.

The risks as plotted here should affect the outcome of the benefits on the BRM through the optimisation bias score. For instance we might say that one or more risks affecting a particular benefit in the red zone might cause an optimisation bias of between 50 - 70 percent; yellow zone 70 -90 percent and all greens would imply a level of certainty about the benefits that would place the optimism bias at between 90 and 100 percent.

8.5   Complete the Contract Work Plan

The work plan is a very simple form of project planning suitable for a procurement exercise. This can be developed using MS Project or Excel to create a time sequence for each stage of the procurement exercise.

Care should be taken that sufficient time should be taken for each stage of the exercise. For contracts with a value exceeding the OJEU thresholds minimum timescales are laid down for individual stages of the procurement but in any case, sufficient time should be allowed for bidding companies to complete the tendering process. Forcing bidders to cut corners is unlikely to produce a well-thought out presentation that will deliver best value to the Council.

It is also important to allow sufficient time for the evaluation process, taking account of the need to take up references or arrange site visits. Consideration should be given to critical staff resources needed for the evaluation and care taken to ensure that key staff are available on the days marked for their input into the process. This is a good time to notify those contributors of their role and to ensure that time is committed.

Always try and allow a realistic lead in period for the successful supplier. He too will have competing demands on scarce resources and may have to obtain specialist plant or equipment to carry out the contract. Speak to prospective suppliers at an early stage.

Avoid if possible working backwards from a fixed end-date. Such dates do sometimes have to be accommodated due to circumstances outwith the control of the Council and the procurement process has to be compressed as a result. Even when necessary this will not generate best value. Do not be bound by the project plan. Make changes to the timescales where circumstances dictate.

The below is an example Contract Work Plan:

CONTRACT WORK PLAN FOR THE PROVISION OF CHAIRS	
(The below is an example for an OJEU contract following the restricted route)	
Task	**Date by (start date 1/4/10)**
PQQ & Tender Stage	
Agree Sourcing Strategy (if applicable)	07/04/2010
Complete Sourcing Plan	12/04/2010
Build PQQ	16/04/2010
Agree & Issue PQQ	19/04/2010
Begin compiling Tender Document	
PQQ Return date	20/05/2010
PQQ Evaluation	28/05/2010
Agree Tender List	28/05/2010
Agree & Issue Tender	31/05/2010
Tender Return date	05/07/2010
Evaluation Stage	
Evaluation of Tenders	14/07/2010
Period for Clarification	19/07/2010
Presentations (if required)	
Post Tender Negotiations	23/07/2010
Contract Award Stage	
Notification of Preferred / Unsuccessful Tenders	26/07/2010
End of Standstill Period	05/08/2010
Contract Award	06/08/2010
Contract Notice Placed	09/08/2010
Contract Management	
Management Procedure implemented	Ongoing

9.0 Supplier Selection / Selection Route

9.1 Introduction

The methods available to public sector organisations are governed by the Scottish Public Procurement Rules, which themselves are largely determined by European Union Directives and determinations from the European Court. The Scottish Procurement Directorate issue Scottish Public Procurement Notices (SPPN) on a regular basis providing advice on procurement directives and case law as it emerges.

Contract Standing orders require that all contracts in excess of £50,000 are subject to a degree of advertising which is sufficient to ensure open competition and meet the requirements of the principles of equal treatment, non-discrimination and transparency, and will be let and awarded through the portal. All contracts, where the estimated contract value is less than £50,000 will not require to be tendered provided the relevant Director is satisfied that the arrangements can be shown to be in the best interests of the Council and the contract demonstrates best value for money. In such circumstances, the relevant procedure to be used is outlined in the table at 9.2 below.

9.2 OJEU and other thresholds

The values over which contracts must be advertised in the Official Journal of the European Union apply to the whole value of the contract, excluding VAT. Although the thresholds are initially set in Euros, they do not fluctuate in line with the rate of exchange but are updated in sterling periodically. The current EU financial thresholds and recommended routes are as follows:

	__Value__	__Action__
Supplies	£0 - £999	Pricing agreement should be reached prior to purchase, can be done verbally but file note must be kept/Quick Quote
	£1,000 - £20,000	Quick Quote (recommended from a min of 3 companies), preferably via Public Contracts Scotland, but can be carried out by email. File note must be kept.
	£20,000 - £50,000	Closed, Open or Restricted Tender
	£50,000 - £173,934	Tender (Open or Restricted)
	> £173,934 (EU)	Tender (Open or Restricted) - must be an OJEU notice

	Value	Action
Services	£0 - £999	Pricing agreement should be reached prior to purchase, can be done verbally but file note must be kept/Quick Quote
	£1,000 - £20,000	Quick Quote (recommended from a min of 3 companies), preferably via Public Contracts Scotland, but can be carried out by email. File note must be kept.
	£20,000 - £50,000	Closed, Open or Restricted Tender
	£50,000 - £173,934	Tender (Open or Restricted)

	> £173,934 (EU)	Tender (Open or Restricted) - must be an OJEU notice

Works	£0 - £999	Pricing agreement should be reached prior to purchase, can be done verbally but file note must be kept/Quick Quote
	£1,000 - £50,000	Quick Quote (recommended from a min of 3 companies), preferably via Public Contracts Scotland, but can be carried out by email. File note must be kept.)
	£50,000 - £350,000	Closed, Open or Restricted Tender
	£350,000 - £4,348,350	Tender (Open or Restricted)
	> £4,348,350 (EU)	Tender (Open or Restricted) – must be an OJEU notice

The Official Journal of the European Union (OJEU) is an electronic journal and access to place a notice is given via the "Public Contracts Scotland" procurement portal.

9.3   Timeframes

Where contract values exceed the threshold the directive also sets a minimum timescale for tender/PQQ returns.

The following table show the timeframes in relation to the different routes of procurement:

	Route			
	Restricted	**Open**	**Closed Tender**	**Quick - Quote**
From date of publication of the contract notice to deadline for receipt of PQQ	32 days	N/A	N/A	N/A
If PQQ not available electronically	37 days	N/A	N/A	N/A
Days from date of publication of the contract notice/invitation to tender (restricted) to deadline for receipt of tender	35 days	47 days	recommendation 2-3 weeks but varies due to complexity of contract	varies due to complexity of contract
If documents not available electronically	40 days	52 days	N/A	N/A
Standstill period following evaluation notified by electronic means	10 days	10 days	Only to be used if a high risk of challenge is present	N/A
If PIN placed at least 52 days and no more than 12 months before the contract notice, Tender timeframe can be reduced to	36 days	36 days	N/A	N/A

Note:
- Dates should be calculated from the day after the relevant action is taken.
- The end of the standstill period must not fall on a weekend and should be extended to the next working day.

9.4 Choosing the Correct Route

9.4.1 Prior Information Notice

Publishing a **Prior Information Notice (PIN)** to OJEU is a useful device that can serve several purposes. The Notice alerts the marketplace to a forthcoming business opportunity and can help early engagement with interested suppliers and assist with early market research. The response to the notice will also identify the level of interest that exists in the marketplace and may provide an early warning if there is either little or no interest, in which case the strategy may have to be re-thought or an overwhelming amount of interest, in which case the selection strategy will have to take account of this.

As can be seen from the table above, the issue of a Prior Information Notice to OJEU also reduces the minimum timescales for the return of tenders. In order to reduce the timescales the Prior Information Notice must have been issued at least 52 days ahead of the Invitation to Tender. A Prior Information Notice is valid for a period of twelve months from issue.

A prior information notice does not create any commitment from the Council to proceed with a tendering exercise.

For below-threshold contracts Future Contract Opportunities contracts notices can be used – please contact your Purchasing Officer for details.

9.4.2 Open Procedure

Under the open procedure all interested parties are entitled to request tender documents. In general the use of open procedure is not recommended as best practice except in cases where the market is extremely restricted in the number of likely bidders.

Where the open procedure is used the contract award criteria should be based on a quality / price mix, with the award going to the Most Economically Advantageous Tender (MEAT). In other cases, where quality is an absolute (mandatory or legislative), award can be made on the basis of lowest price where the quality threshold is met.

In order to put in place some sort of supplier selection, the department may choose to specify qualifications the bidder are required to have obtained. E.g. CIPS or equivalent. An equivalent must be requested to ensure fairness and equality.

9.4.3 Restricted Procedure

Under the restricted procedure, a pre-qualification questionnaire will be compiled and issued in response to each expression of interest from a prospective bidder. Pre-qualification questionnaires are in a standard format but can be tailored to meet the requirements of each individual contract.

The responses are ranked using pre-defined and pre-published criteria and a short list of qualified companies is drawn up to receive the tender documents.

It is important to note that while a quality / price mix is often used in tenders issued under the restricted procedure, no further judgements should be made on the bidder's ability or capacity to perform the contract. Having gone through a qualification procedure the short listed bidders are deemed to be capable of carrying out the contract. Their approach to the contract may still be subject to scoring as part of a quality assessment.

9.4.4 Closed Procedure

Under the closed procedure the tender documentation is to be issued to a restricted list of at least 3 suppliers with every effort normally being made to identify a minimum of 5 companies who may be interested in tendering. Whenever possible where the closed procedure is used the contract award criteria should be based on a quality / price mix, with the award going to the Most Economically Advantageous Tender (MEAT). In other cases, where quality is an absolute (mandatory or legislative), award can be made on the basis of lowest price where the threshold is met.

In order to put in place some sort of supplier selection, the department may choose to specify qualifications the bidder are required to have obtained. E.g. CIPS or equivalent. An equivalent must be requested to ensure fairness and equality

The closed tender should normally be issued via the Quick-Quote facility on Public Contracts Scotland.

9.4.5   Quick – Quote (can be issued to a single supplier if emergency works or circumstances dictate, e.g. limited market)

Quick Quote is an efficient solution for low value procurement exercises. It is an online request for quotation facility. It is used to obtain competitive quotes for low value/low risk procurement exercises from suppliers who are registered on the portal. The Quick Quote request is created online and sent to a selected list of suppliers, or on occasions, to a single supplier. Only those suppliers selected to quote can access the details of the quote and submit a bid. Registered suppliers complete the required details and submit their quotation using the secure electronic post-box. A full electronic audit trail is maintained.

Quick Quote is intended to provide a standard simplified method of operation in line with best practice models for low value procurement exercises. It will provide a standard business process for low value procurement exercises across Scotland. This will help demonstrate transparency, provide management information and increased auditability, meaning that the portal provides one place for suppliers to register for both high value contracts and low value quotations.

Before implementing Quick Quote within your department, you should ensure that incumbent suppliers have been informed of any changes to current processes. Please note that all suppliers registered on Public Contracts Scotland have been informed of this new functionality being made available to contracting authorities. Quick Quote should not be used for high value/high risk procurement exercises.

If it is known that a supplier who the department believe may be interested in submitting a Quick-quote is not on Public Contracts Scotland, the department may contact them and provide them with

the Public Contracts Scotland website link to register. If the supplier is having difficulty using the site please direct them to your department's Purchasing Officer.

A vendor rating system is currently being produced and is due to shortly start a pilot. The intention is that eventually suppliers for Closed Procedure and Quick Quotes will be selected with reference to this information.

9.5   Framework Contracts

Framework contracts are specifically provided for within the EU Directives. A framework contract is often used where the extent of the purchase is not known or where it is anticipated that several suppliers will be engaged on the contract over a specific period of time. A framework contract may be let to either a single bidder or three or more bidders, but not two. It is possible that a framework can be tightly specified in terms of unit price and deliverables but this is not always the case. Where it is not possible to arrive at specific prices it is possible to apply only pricing to core items or indeed have quality only criteria for inclusion in the framework. In such case, selection to specific supply under the framework would be undertaken by mini-bid, which may itself be price only or quality of submission for a specific supply.

Under the European Procurement Regulations, the Council is only allowed to participate in contracts that they have been named as part of from the offset, i.e. named on the contract notice during the advertising stage. The Council is automatically included for all Scottish Procurement, OGC and Scotland Excel contracts.

Mini competitions

Where frameworks are awarded to several economic operators there are two options for awarding call-off under the framework;

a) Apply the terms of the framework agreement
b) Hold a mini competition

Under option (a) users of the agreement may determine which of the suppliers offers the best value for money under the framework agreement with respect to their individual requirements and then proceed to place an order with the selected supplier without re-opening competition.

Where the terms laid down in a framework agreement are not precise enough or complete for the particular call-off, a further or mini competition – option (b) - may be held with all those suppliers within the framework capable of meeting the particular need. It is important that all suppliers on a framework are invited to take part in the mini competition in the first instance; assumptions should not be made regarding their capability. There are four main ways in which mini competitions can be carried out - dependent on the circumstances - which are outlined below. Guidance should be sought from corporate procurement personnel in all cases.

1) Government Procurement Services (GPS)

Government Procurement Services is the national procurement partner for UK public services. Its primary role is to maximise the value for money obtained by Government departments and other public bodies through the procurement and supply of goods and services.

Whilst GPS sets procurement policy and best practice to help the UK public sector to achieve value from its spending, GPS facilitates procurement for nationally sourced commodity goods and services to customers in both central civil government and the wider public sector. Its framework agreements and discount arrangements cover approximately half a million products and services through around six hundred suppliers.

2) Scottish Procurement

Scottish Procurement, part of the Scottish Procurement Directorate, launched in March 2008 with the task of developing and implementing procurement strategies for national Category A commodities on behalf of all Scottish public sector organisations. Category A commodities are defined as goods or services that are standard or of a similar nature across the largely common requirements of the Scottish public sector. Scottish Procurement's aim is to maximise effective collaboration throughout the procurement cycle and optimise compliance to national contracts. Currently in scope Category A areas include IT hardware and software, office equipment, utilities, professional services and telecoms among others. Guidance and documentation on conducting mini competitions under the national contracts is provided for public sector organisations to follow and Scottish Procurement can also facilitate collaborative mini competitions between, for example, several local authorities.

3) Scotland Excel

Scotland Excel was created in 2008 as a Centre of Procurement Expertise for the local government sector to help improve the efficiency and effectiveness of public sector procurement in Scotland. It is a non-profit making organisation funded mainly by participating local authorities, with Renfrewshire Council as the lead authority for Scotland Excel. Their Strategic Procurement Team is responsible for the creation and delivery of purchasing strategy for Category B commodities and establishing and managing Scotland Excel contracts for use by all member councils and associates. Category B commodities are those which are sector –specific, but common within that sector, for example catering equipment or education materials. Mini competitions may be held under the Scotland Excel framework contracts, either individually as a local authority or as 'cluster' collaborations of groups of local authorities. Again, guidance is provided by Scotland Excel on conducting the mini competition.

4) Argyll & Bute Council frameworks

Mini competitions may be held under existing Argyll and Bute Council framework contracts where appropriate.

10.0 Advertising

10.1 Introduction

This section of the Procurement Manual discusses Advertising. Within this section the following topics will be covered:

- The requirement to advertise
- The information required to place an advert
- Release of Adverts
- Timescales for advertisement
- Public Contracts Scotland – Access
- Public Contracts Scotland Guide

As discussed in Section 8.0 (Selection Routes) there are 3 main selection routes available when fulfilling a contract requirement – Restricted, Open or Quick Quote. Regardless of the types they all require notices to be placed on Public Contracts Scotland Portal, whether it is a contract notice or a contract award notice.

10.2 The Requirement to advertise

There is an obligation to advertise public contracts under the original Treaty of Rome. The legal interpretation of this for contracts with a value below the directive thresholds is that contracting opportunities should be advertised to an extent to allow access to organisations that could reasonably have been expected to be interested. The Council has interpreted this within its Contract Standing Orders with limits of £50,000 for goods and services and £350,000 for works. Those are minimum values however and advertising should be the default position for any significant expenditure by the Council.

Public Contracts Scotland is the national advertising website for Scottish public sector organisations to post large Official Journal of the European Union (OJEU) notices (contracts over the European directive thresholds) and small contracts commonly known as sub-threshold notices on the website and make subsequent awards. It also allows contracting authorities to invite suppliers to submit quotations electronically via the website's secure tender post-box.

In accordance with the Public Contracts (Scotland) Regulations 2012 the Portal fulfils all advertising requirements. If you decide to advertise in other publications (e.g. the national press, etc) you must not send your advert to the other publication before you place your advert on the Portal.

10.3 What an advert should contain?

Please see the list below of the information requirement to prepare an advert for release:

- Contract Title
- Description of the goods and service required
- Minimum standards and qualifications – if required
- Deadline for responses (Week day, 12noon.)
- Time – limit for obtaining documents, if necessary
- Any additional information

- Supporting information, can be made available electronically – tender/PQQ document, any drawings, maps, etc. Also copies of supplier guides:

  o Guide – Additional Docs **- http://www.millstream.eu/guides/engb/P_S_AdditionalDocs.pdf**
  o Guide – Post – Box **- http://www.millstream.eu/guides/en-gb/Scotland/Postbox%20 %20Contracting%20Authority%20Guide.pdf**
  o Guide – Questions & Answers - **http://www.millstream.eu/guides/en-gb/P_S_Questions_Answers.pdf**

Within the Additional information part of the advert please insert the information below:

Your completed response should be submitted by the due date and time required:

Date:
Time: 12:00

Responses should be submitted in an electronic format via the 'post-box' on the Public Contracts Scotland website (guidance attached). <u>No other method will be accepted</u>.

In order to overcome file size difficulties we request that submissions are completed in 'Word' or similar.

Please note that submitted individual documents must be less than 10Mb in size and if greater it will be rejected and will not be added to the submission. The post-box will accept a maximum of 3 documents/zip file.

Further information requests and clarification questions are to be posted on the Public Contracts Scotland Website under the 'Question and Answer' Section. Answers to questions will be circulated to all bidders.

You must not contact anyone else at the Council in relation to this procurement. A breach of this rule may lead to your exclusion from the procurement process. **It is the sole responsibility of the submitting company to deliver their response as specified.**

Late responses will not be accepted. If problems occur during the submission stage, please contact (...insert name...[1]) (details below) in advance of the deadline.

Telephone:
Mobile:
E-mail:

10.4   Release of Adverts

As detailed in previous sections the Purchasing Officer has been involved during the whole Procurement process, from the decision of which Procurement Route (restricted, open, closed or

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[1] This Contact will be changed to represent the Purchasing Officer who looks after your department.

quick-quote) suits the type of contract being put into place to assisting in the preparation of the tender documents, they will also prepare and release of the advert.

The Public Contracts Scotland Portal has the facility to allow collaborated work when building Quick Quote or Closed Tender adverts. As a result of this your department's Purchasing Officer will be responsible for the final release of any adverts. This means that the department will be able to put together all the documents and advert on the Portal then the Purchasing Officer will be able to access, check over and release the advert. The purpose behind this is to ensure that all adverts meet all the regulations (Public Contracts (Scotland) Regulations 2012), follow Procurement Best Practice and do not open the Council to any forms of challenges, court actions or claims for damages.

At present we would request that during this stage, the Purchasing Officer should place the advert.

11.0   The Quick Quote Procedure

11.0   Introduction

Quick Quotes are to be used for the purchase of goods, works or services up to the value of £20,000. Please note all the below steps will be carried out with assistance and support from the Procurement Team.

11.1   Prepare a Brief

Firstly a written brief should be prepared which should reflect the contract requirements (see Appendix 2 for template). The template provides a suggested format. As a minimum, you should identify the key requirements, outputs, consider how the responses will be objectively evaluated and include estimated timescales for the requirement. You should also consider how you are going to manage the contract in terms of Quality, Service, Cost and Delivery at this point.

11.2   Identify Suppliers

You should seek quotations from a minimum of 3 suppliers, where possible, who have the experience and expertise to meet your requirements for the goods or services. In order to receive three quotes back from suppliers you may wish to approach four or five suppliers in case not all respond.

Suppliers may be identified by searching the register of suppliers on Public Contracts Scotland (PCS). Your departments Purchasing Officer will use the 'Quick Quote' system to seek quotations from suppliers registered on the website.

You should endeavour not to restrict your selection to existing suppliers. This will help suppliers who have not previously bid for public sector work gain access to opportunities and gain experience working for the Public Sector. This will also facilitate competition, encourage innovation and ensure best value in future service delivery. As discussed earlier in the Manual the Council's Procurement Team are currently working on a 'Vendor Rating' process, which once piloted will be available to assist with supplier selections.

If only one supplier can undertake the work required your Purchasing Officer will seek approval for a Non-Competitive Action from the Procurement Team Leader and the relevant department personnel.

You should then follow the remainder of this process. For commercial reasons you should not inform the supplier that they are the only suppliers involved in the process.

Note: Non Competitive Action is an exceptional procedure and should be strictly limited to certain situations approved by the Procurement Team and should be documented for audit purposes.

11.3   Prepare Quotation Documents

The Invitation to Quote Goods/Works/Services template is a guide and should be used as applicable. These may be amended to suit your requirements. The completed brief and the Council's Terms and Conditions of Contract for the purchase of goods and/or services/works should be attached. It is important to ensure that you include your evaluation criteria - including weightings - in the brief.

Any other information that may affect a supplier's quote should also be included in the Invitation to Quote document.

Suppliers may ask questions about the Invitation to Quote document and as a result you may wish to issue further information or clarification not contained within the original document. If you have issued any clarifications, you should communicate all questions, answers and clarifications in writing to all suppliers via Public Contracts Scotland.

You should keep to your original timescales identified in your brief document however, in exceptional circumstances you may choose to consider extending the deadline for receipt of quotations. Remember to communicate this to **all** suppliers if you do so via Public Contracts Scotland.

The time limit for quotation responses should reflect the complexity of the requirement, but should be sufficient for the supplier to make a considered response.

11.4   Receive and Evaluate Responses

Quotation responses should be received through the Public Contracts Scotland. This provides a secure receipt mechanism, and is considered best practice.

If less than three quotation responses were returned, reasons should be sought from the suppliers who did not submit their quote and this information should be retained on file. If only one response is received the Purchasing Officer will seek approval for a Non-Competitive Action from the Procurement Team Leader.

Any quote which shows an abnormally low price out of context may be queried with the supplier to identify the reasons for this.   All communications with suppliers are to be carried out by the Purchasing Officer.

If quotation responses are received with alternative Terms and Conditions of contract to those you are using in the Invitation to quote the supplier must be informed in writing that the Terms and Conditions of Contract as originally identified will apply to the requirement.   Again, this discussion will be carried out by the Purchasing Officer responsible, in assistance from department staff.

If you need to seek clarification of any or all quotation responses, this should be done in writing and a specific timeframe for response should be given. You should take care to treat all suppliers on an equal basis in this process.

In exceptional circumstances, you may consider interviewing/inviting presentations from suppliers in order to assist in the evaluation of quotation responses. This need should be identified upfront in the process, should you decide to score the presentation as part of the evaluation process this should be stated in the Invitation to Quote. If you decide to request supplier interviews/presentations, you should provide details of the time, place and format of any interview or presentation to the suppliers. Care should be taken to ensure equal treatment of suppliers in this process. All suppliers should be provided with an equal opportunity for interview, presentation or site visits unless the initial evaluation undertaken shows that the supplier could not meet the core requirements.

Records of the interviews/presentations should be kept for audit purposes.

11.5   Notify Suppliers

Identify the successful supplier from the bid evaluation and seek approval to award the contract by completing the Contract Award Recommendations Report (CARR) – Appendix 6.

The chosen supplier should be notified of their success in writing using the Contract Award Letter (see Appendix 8) as appropriate. This must be signed by a person with the delegated authority to procure and commit your organisation to the contract. This letter will be prepared by the Purchasing Officer responsible.

At the same time as the above, unsuccessful suppliers should be notified using the Unsuccessful Bidder Letter (see Appendix 7B).

A mandatory "standstill" period of 10 days must be adhered to. During this time the Council may not award the contract.

A supplier is entitled to ask for the reasons why their quotation was unsuccessful. If requested, debriefs should be given within 15 days. It is essential that all feedback is documented for audit purposes and based on the objective criteria used to evaluate the quotation. De-briefing provides suppliers with positive constructive feedback to help improve their performance in future competition. It can also provide an opportunity for suppliers to suggest improvements to our procurement processes.

Once these letters have been issued to the successful supplier, the quotation becomes live and can now be referred to as a contract.

11.6   Retention of Documentation

All documentation relating to this quotation process must be retained to ensure a full audit trail. If you are using the Quick Quote facility, a full audit trail will have been maintained by the system

11.7   Contract Management

The supplier's performance should be managed throughout the lifetime of the contract and you should ensure that the goods/services are delivered in line with the performance or service level expectations i.e. Quality/Service/Cost/Delivery identified in the original quotation.

You should manage the contract to ensure that any changes to the original quotation are minimised.

Variations to the brief or extensions to the period of the original quotation may result in a situation where a new procurement process becomes necessary. Variations/Extensions are an exception and should be kept to a minimum. They should only take place where the changes that you make would not materially alter the original contract. Where a significant change to the contract scope, value or duration is proposed the Purchasing Officer Responsible, in conjunction with the appropriate technical officer must handle these discussions.

You may wish to conduct a review of the contract on its completion or a 'lessons learned' process to identify what went right and what could be improved for future quotation processes. It is worthwhile involving the supplier in this review; however it must be recognised that any such

information could be subject to a freedom of information request. Care should therefore be taken to ensure any information held is entirely objective in its nature – see Appendix 11.

12.0 Developing Pre-Qualification Questionnaires

Where the Restricted Procedure is to be followed, the Scottish Public sector's standard Pre-Qualification Questionnaires (PQQ) should be used to assist in Supplier Appraisal. Questions can be edited, deleted or added to the PQQ provided that they are relevant to the subject matter of the contract – see your Purchasing Officer for template.

12.1   Purpose of PQQ

A PQQ is the assessment of a supplier's resources and capability.

The prime aim of a PQQ is to systematically assess whether a potential supplier is competent and likely to meet the buying organisation's requirements in all key respects throughout the life of a contract:

- PQQs must be conducted against clear and defensible criteria, established in advance and published in the PQQ document.
- This procedure allows the contracting authority to create a short-list of candidate suppliers to whom an Invitation to Tender (ITT) will be issued.
- Where a contracting authority wishes to limit the number of suppliers invited to tender a fair and transparent scoring system must be employed, and records kept so that the decision to exclude any candidate supplier from the tendering stage can be justified in the event that the decision is challenged.
- Unsuccessful suppliers in the pre-qualification process are entitled to a Debrief but do not require to be notified when the decision on contract award has been made. The depth of the PQQ will be dependent on the value of the purchase, its sensitivity, estimated risks, and the complexity of the requirement or previous experience of contracting with known suppliers. For many small value purchases of standard items or simple services, the PQQ may be no more complicated than confirming potential tenderers are experienced in their business and can supply the requirement. Equally, a small value purchase could involve some detailed PQQ work should the item be of strategic importance or involve a frequent servicing commitment.

Ensure that selection criteria are appropriate to the particular procurement. An important part of pre-qualification is to remove suppliers who have weaknesses that would make them unlikely to be able to meet the business need.

It should be noted that the supplier selection process prior to the issuance of an ITT is a "backward-looking, not forward-looking" process. That is, the criteria for selection should concentrate on the general suitability of the candidate supplier for the project, as opposed to the specific means by which the candidate would implement the contract. The intention of this stage of the procurement process is to expedite proceedings by eliminating unsuitable candidate suppliers and thus save time and resources which would be unnecessarily expended on a detailed examination of unrealistic bids. You should therefore refrain, at this stage, from asking questions that would be more appropriate for the tender stage of the process.

The questions asked in the PQQ will generally follow a similar pattern in each procurement project, and will concentrate on the financial and legal background of the candidate, its capacity, capability and experience in the particular field required. Other criteria, such as environmental and sustainable development issues may be considered where appropriate to the requirements of the project. The

Scottish Procurement Directorate has produced a standard Pre-Qualification Questionnaire which should be used as a basis for all PQQs issued.

12.2 Points to take into account when using PQQs

One limitation of the PQQ approach is that it can constrain supplier's responses. They have little scope to question, suggest and adapt; they can only respond to what is there.

It is therefore vital that PQQ questions 'make sense' to the supplier; that they deal with topics, processes and services that they can readily understand, and that they do not ask for inappropriate information (or the right information in an inappropriate way). The questions asked in the PQQ must be consistent with what is allowed under the EU Directive:

- All the questions must have selection criteria associated with them (or suppliers will be put to needless work)
- All topics covered by the selection criteria must relate to the questions and other activities to be evaluated such as reference site visits (or the information on which to base the evaluation will not be available).

12.2.1 Consortia

Where candidate suppliers form a consortium, the prime bidder should provide a single set of responses covering all consortium members.

The track record of a consortium member should include details on performance and reliability on previous projects - those undertaken on its own account and jointly with consortium partners. This will also encompass records on short-listing and details of any contract breaches.

12.2.2 How much detail?

The dividing line between criteria used for selection of tenderers and that which is used as the criteria for award of the contract is not always clear cut. Selection criteria is a backward looking process which examines a bidder's skills, experience and financial standing, whereas award criteria consider how that bidder will deliver the contract.

For example, an overview of the supplier's track record will help to establish their suitability to be selected, while a more detailed examination at evaluation will fully establish that they can deliver all aspects of the requirement and provide value for money.

Some areas may require expansion or substantiation later on, perhaps through a site visit. It is also important to avoid putting suppliers to extra work that adds no value. The following suggestions may help with this:

- only ask for information which will actually be used in assessment
- don't put scoring systems around questions that require only a "yes" or "no" answer
- consider, where appropriate, using standardised formats and word limits, particularly at selection, to level the playing field and reduce bid costs and evaluation timescales

12.3   Questions in the PQQ

Part A - Background Information

These questions ask for background information on the potential supplier and do not seek to assess the technical ability of the potential supplier. Consequently, the questions in Part A should not be scored.

Part B - Financial Standing

The questions in Part B seek to ascertain if the potential supplier's financial standing is sufficient to allow it to be able to deliver the contract requirements. The standard PQQ asks for the potential supplier's annual turnover and audited accounts or equivalent for the preceding two years. However we will not be requesting this as standard. As a rough guide we will look for the turnover of the company to be greater than the value of the contract.

Where a contract has to be advertised in the OJEU, if minimum standards relating to financial standing are to be used, these must be included at section III.2 (Conditions for Participation) of the contract notice and potential suppliers that do not meet the minimum standards should be excluded automatically. If the contracting authority has not laid down minimum standards in the contract notice, it can only take this information into account if it is listed as an objective non-discriminatory criterion in section IV.1.2 of the notice.

It is appropriate to include information on financial standing as a minimum standard, but it should not be weighted, as there is the potential to discriminate against smaller organisations which are nevertheless capable of performing the contract in favour of larger ones. If the potential supplier's resources are deemed to be inadequate, it should be excluded from the process at this point.

Part C - Business Probity

We are obliged to ask the questions in part C. If a potential supplier answers "yes" to any of the questions then further information should be sought to enable us to take an informed decision as to the suitability of the potential supplier. Any remedial action taken by the potential supplier must be considered, along with other factors such as how long ago the incident occurred and the seriousness of it. Any decision should stand up to scrutiny in terms of non-discrimination, equal treatment and transparency.

Where the Public Contract (Scotland) Regulations 2012 apply, contracting authorities are obliged to ask the questions in part C. If potential suppliers answer "yes" to any of the questions, they may be excluded unless there are overriding requirements in the general interest which would justify a decision to include them or where the Council has exercised its discretion.

This exception to the general rule of exclusion should only be used in the most serious of circumstance, for example in the case of a national emergency. In such cases the Purchasing Officer/Department, as appropriate, should be satisfied that the circumstances are such that they will justify the exception.

Part D - Technical or professional ability

The questions in Part E seek to ascertain whether the potential supplier has the technical or professional capability to deliver the contract requirements. Any questions that are asked in this part must be related to the contract in question.

Similar to the questions on financial status, where a contract has to be advertised in the OJEU, the contracting authority may choose to lay down minimum standards in section III.2 of the contract notice which should detail conditions for participation. These may include relevant accreditations, qualifications or experience of providing similar contracts, etc. Where the answers to the PQQ questions reveal that potential suppliers do not meet the minimum standards, they should be disqualified automatically.

Where no minimum standards have been laid down, the contracting authority must include technical ability in the list of objective non-discriminatory criteria in section IV.1.2 of the contract notice, for example, past experience, technical accreditations, professional qualifications, etc.

12.4 Scoring the PQQ

Assess responses to Pre-Qualification in accordance with the agreed criteria.

The Public Contract (Scotland) Regulations 2012 provide a finite list of criteria which can be taken into account to assess a candidate supplier's suitability including:

- Business probity and criminality
- Technical and professional ability
- Economic and financial standing

The Office of Government Commerce has produced detailed Supplier Financial Appraisal Guidance to assist contracting authorities with this process. Some of the key messages in this guidance are:

- The key assessment of risk should be based on sound business judgement rather than just the mechanistic application of financial formulae.
- All candidates, whatever their size, should be treated fairly and with equal diligence during the financial appraisal process. Small and Medium -sized Enterprises (SMEs) should not be inadvertently disadvantaged.

The Directives and the Scottish Regulations set a minimum number of candidates that can be selected for the tendering stage. When using the Restricted Procedure, the minimum number of candidates that can be selected for the tendering stage is five, although we must still be sure that the number of candidates is "sufficient to ensure genuine competition". (See S16 (9) and (10) of the Public Contract (Scotland) Regulations 2012). It should be noted however, that so long as we have acted in accordance with the relevant regulations during the selection process, it will be possible for it to continue to tendering with fewer than the requisite number of suppliers, so long as it does not include any economic operator not selected, or that did not request to participate – discuss with department's Purchasing Officer.

A scoring methodology should be drawn up in advance of issuing the PQQ. In the interests of transparency the scoring methodology should disclose relative weightings: case law suggests that

where scoring methodologies, including sub criteria and weightings are to be used, they **must** be decided prior to the issue of the PQQ and they **must** be disclosed. In any case, a potential supplier may be entitled to see any documentation dealing with the PQQ should it make a Freedom of Information Request.

When scoring the PQQ, it is important to observe the EU Treaty principles of transparency, non-discrimination and equal treatment:

- **Transparency:** the criteria used by the contracting authority to score the PQQ must be the same as the minimum standards and/or objective non-discriminatory criteria laid down in the contract notice. If the contracting authority fails to state either minimum standards or objective non-discriminatory criteria in the contract notice there will be no grounds relating to capability and capacity on which interested parties can be excluded and the contracting authority will be obliged to invite all contractors that submitted a PQQ to tender for the contract.
- **Non discrimination:** Potential suppliers must not be excluded or receive less favourable treatment on the basis that they are not based in the UK. Consequently, European standards should be cited where possible and, in the event that the relevant EU standards do not exist and the UK standards are required instead, equivalents from other EU and EEA Member States should be accepted.
  Similarly, while it may be justifiable to require the winning potential supplier to have a UK presence in the form of an office or branch when performing the contract, it would be discriminatory to demand such a UK presence at the time when the potential supplier submits the PQQ.
- **Equal treatment:** All potential suppliers should be given the same opportunity to win the contract. This means that contracting authorities should not treat some potential suppliers more favourably than others without an objective reason.

For example, if two organisations have adequate financial resources, demonstrated by meeting the minimum standards specified in the contract notice, to deliver the contract, they should receive the same score for that question. It would breach the principle of equal treatment to give a higher score to the larger organisation which may have better financial figures. The principle of equal treatment is also breached where an organisation which has only been trading for one year is disqualified because it cannot provide financial information for the preceding two years. In this and similar situations, the contracting authority must be prepared to consider alternative evidence of financial stability, although they are not compelled to accept the evidence offered by the potential supplier.

When scoring the responses to a questionnaire it is crucially important that the actual scores given are accompanied by detailed reasons for the comparative scores. Unsuccessful bidders are entitled to a brief outline of the comparative benefits of the successful bid as part of their notification under the Remedies Directive and it is Council policy that suppliers are given a fuller de-brief of those reasons if they request this. The reasons must therefore be recorded in full at the same time as the scoring is carried out.

12.5   Next Step

Notifying bidders of their success/unsuccessfulness at the PQQ stage – please see Appendices 3 & 4 for template of email which is to be issued following the scoring of the PQQ.

A Contract Award Recommendation Report (CARR) should be started that clearly identifies the reasons for rejecting suppliers to assist with debriefing (Appendix 6).

It may be helpful to identify any risks or issues arising from the responses and raise these during the next stage when finalising the tender documents for issue.

Finally, prepare the tender list on the outcome of the supplier assessment and notify suppliers of the outcome of the selection stage.

13.0   Developing Tender Documents (Open, Restricted or Closed)

This section of the Manual provides the Purchasing Officer with guidance on the following:

- Specification
- Selection and Award Criteria
- Invitation to Tender (ITT) - including Term's and Condition's

It is best practice to have all of the above documentation finalised before preparing the contract notice and advertising the requirement. If that is not possible and, for example, the notice is published before the ITT is finalised, care must be taken to ensure consistency between the ITT and the contract notice (if, when preparing the ITT you decide that it will need to differ from the contract notice you will usually need to cancel the existing notice and republish, which could result in new suppliers coming forward).

13.1   Specification

The specification must:

- Clearly describe what is required
- Focus on outputs required without being prescriptive as to the method the supplier should use to provide it (Output specification)
- Be sufficiently tight so that the product or service fits the user's needs, but not so explicit that it discourages the supplier from proposing innovative solutions that optimise VFM
- Include performance targets or include criteria for acceptance of the products or services
- Include service levels and a process for measuring ongoing performance
- Avoid over-specification of performance (more than "Fit for Purpose" or than is actually required) to ensure procurement at the optimum cost
- Take account of any e-commerce requirements
- Take account of sustainability policies where appropriate – see HUB for council's policy.
- Take into account suitability of design for all users
- Take account of relevant legislation e.g. health and safety and racial equality
- Take account of relevant policies e.g. is the requirement one that would be suited for the inclusion of a Community Benefits clause?
- Take account of all licensing requirements that a supplier must have in order to operate in a particular industry/sector and which are relevant to the performance of the contract e.g. A supplier of water and waste water services must hold a current retail license for the provision of water and wastewater services in Scotland under the Water Services etc. (Scotland) Act 2005, including signing up to the accompanying Market Code (including the Code Subsidiary Documents) and Operations Code
- Not refer to brands or Trade Names but refer to the characteristics of the product e.g. it is not permissible to specify a particular product type
- Ensure that any requirements for limits, tolerances, deliverables timescales etc are practical and realistic
- Consider commercial and ongoing performance management aspects of the contract throughout the supply chain e.g. payment terms including those to sub-contractors (SPPN-08-2009)
- Support a structured method of tender evaluation
- Be able to form the major part of the formal contract between the purchaser and the contractor

If the specification is wrong it may result in:

- Failure by the council to meet our objectives
- Wasted money
- Unsuitable tenderers
- Unsuitable bids
- Misinterpretation of requirements
- Major difficulties in evaluating the bids
- Wrong or unsuitable products/services supplied
- Claims of unfair treatment being made by tenderers

The award criteria must be linked to the specification. The award criteria must be relevant to the subject matter of the contract and not be discriminatory.

Once a contract is awarded the scope to make changes to the specification (e.g. asking the contractor to deliver more, or less or something that was not was specified at the time of tendering) is limited and any such changes may be challenged in the Courts. If it is not possible for the supplier to deliver the contract as originally intended as a result of omissions or errors in the specification, the contract may have to be terminated and a new procurement undertaken.

Variants

If you intend to award a contract on the basis of the most economically advantageous tender you may consider variants on the requirements as long as it has been specified in the contract notice. The minimum requirements to be met by the variant and how the variant will be evaluated must also be stated in the contract documentation.

Who Provides the Specification?

The UIG are responsible for developing the specification, but should ensure that other end-users, stakeholders and technical specialists are consulted where appropriate. Part of the role of the UIG is to challenge accepted thinking. At the specification stage the UIG should explore opportunities to incorporate economic development and sustainability considerations.

The foundation of a good specification is laid in the planning and research undertaken before writing begins. Allow sufficient time to create the specification.

There is often merit in discussing the specification with a broad range of potential tenderers. This must be done in a fair and transparent manner to avoid distorting competition and/or giving any potential tenderer an advantage. Care must be exercised to avoid not only genuine unfairness, but also the impression of unfairness to some tenderers. Under no circumstances should any commitments be made during this process.

Following discussions with the marketplace, care must taken to ensure that innovative ideas and approaches which provide a supplier(s) with a competitive edge are not disclosed in the development of the specification e.g. inclusion of proprietary methods or Intellectual Property Rights (IPR).

Purchasers can also use their commercial influence to help improve the competitiveness of suppliers by encouraging them to produce innovative goods and services which will assist the public body to deliver evolving policies and strategies e.g. with regards to sustainability low carbon products.

Suppliers should not be put to unnecessary cost through casual enquiries for bids. Everyone is responsible for ensuring that best VFM is achieved through the procurement process.

Output/Performance Specification

The specification should be written in "performance" terms, which focus on the function of the product or the output of the service required. It builds the specification around a description of what is to be achieved rather than a fixed description of exactly how it should be done and encourages innovation in the market place, thereby allowing and encouraging suppliers to propose modern (including environmentally preferable) solutions.

In very exceptional circumstances, for a very limited number of products or services, a "design" specification may be unavoidable. As the term implies, such a specification starts with exact details of the physical dimensions, the materials used, power input and output, the manufacturing processes required, and so on. The nature of the requirement may make it essential to narrow the options by writing a detailed full design specification. However, these assertions should be tested and guidance sought particularly when EU Procurement Regulations apply, as a "design" specification may restrict competition.

Technical Specifications and Standards

The EU Procurement Directives set extensive rules on how contracting authorities may define and incorporate technical specifications and standards.

You must avoid reference within a technical specification which has the effect of favouring or eliminating particular suppliers by specifying a particular material or goods of a specific make or source or to a particular process, or trademark, patent, type, origin or means of production e.g. do not specify "Hoover" when we mean a vacuum cleaner or "Intel" when we mean a Central Processing Unit of a PC. In exceptional circumstances such reference may be justified if either the subject of the contract makes the use of such references indispensable or where the subject of the contract cannot otherwise be described in a manner which is sufficiently precise and intelligible to all bidders. In either circumstance, such reference must be accompanied by the words "or equivalent".

Using Samples, Patterns, etc, in Specifications

If it is not possible to produce a detailed description of the requirement, samples or patterns may be issued to the tenderers or requested from them. In this case, a "sealed sample" must be kept for later comparison with the products supplied. Samples, patterns and drawings may also form part of a design specification.

Any samples that are no longer required should be returned to the tenderer.

Care should be taken that Copyright is not breached when using samples, patterns etc. for specification purposes. Consideration again needs to be given to the Intellectual Property Rights of the tenderers.

Simplification and Variety Reduction

Simplification and variety reduction techniques can help in reducing costs and in obtaining better VFM.

Simplification and variety reduction in a specification requires the elimination of complexities in design by omitting different types, sizes, grades etc. of products. At its simplest this might be seen as the reduction in the number of colours in which an item is purchased, or in the sizes of envelopes which are purchased and kept in stock and can be a valuable tool when seeking to establish a specification for large collaborative procurements.

Contract Implementation / Contract and Supplier Management

As you develop your specification, especially an output specification, you will start to consider how the quality and performance aspects of the goods and services of the contract will be measured. These factors should be translated into the Management Information(MI) you will require from the supplier(s) and the Key Performance Indicators (KPIs) both of which will be included in the ITT and Terms and Conditions.

Review and Sign-off

The key criteria that the UIG need to ensure in completing the specification are:

- Requirements are complete and accurate
- Stakeholders needs are taken into account
- Future developments have been taken into account
- Consistency with the organisations' requirements and objectives including business case, EU Directives, procurement and contracts strategies, sustainability objectives and evaluation strategy
- Risk assessment is completed to ensure that related risks are closed or managed

13.2 Selection & Award Criteria

The distinction between Selection and Award criteria is crucially important. Selection criteria are focussed on "the Bidder" and Award criteria is focussed on "the Bid" and purchasers must maintain a clear distinction between both throughout the procurement process. This means that issues/questions which are appropriate to the selection criteria must be addressed at the selection stage and cannot form part of the award stage (even if they were omitted from the selection stage in error) and vice versa.

The selection stage, often known as the "Pre-Qualification stage", involves an examination of the suitability and capability of the potential suppliers to perform the contract that will be awarded at the end of the competition. The criteria used for selection must be appropriate, relevant and proportionate to the particular procurement. The selection process should be a "backward-looking, not forward-looking" process. That is, the criteria for selection must concentrate on the general suitability and capability of the supplier for the project, as opposed to the specific means by which the supplier would perform the contract.

The award stage involves examination of the merits of the bids and will identify which of the eligible tenderers will deliver best value for money for the organisation, based on either the most economically advantageous tender or lowest price, depending on the criteria agreed by the User Intelligence Group (UIG). The award criteria must relate directly to, and be proportionate with, the subject matter of the requirement.

Value for Money is defined as the optimum combination of whole life costs and quality (or fitness for purpose) to meet the user's requirement. Depending on the nature of the contract, whole-life costs may include implementation costs, ongoing operating costs and end-of-life disposal.

You must ensure that the criteria used at both stages are relevant, objective, transparent, proportionate and non-discriminatory. Criteria (and any sub-criteria) used by a public body at both the selection stage and the award stage, together with any weightings attached to them, must be published and made known to suppliers at the time of the issue of either the PQQ or the ITT documents.

A clearly documented process must be followed in order to ensure there are satisfactory responses from suppliers and no inconsistencies in both Pre-Qualification and Tender evaluations, which could ultimately result in a legal challenge. Any failure in this respect will leave the procurement suspect to audit scrutiny and legal challenge.

Publication of Criteria

As a matter of procurement policy, and in order to meet obligations of transparency, public bodies must publish details of the evaluation criteria to be used to either select the suppliers to be invited to bid for the contract or the evaluation criteria to be used to identify the supplier to whom the contract will be awarded. It is best practice that evaluation criteria for both Selection and Award stages be agreed, along with respective weightings, by the UIG before the Contract Notice is published and any documentation issued. The Evaluation criteria will comprise the selection or award criteria (depending upon the stage of the competition), sub-criteria, weightings, minimum standards, pass marks (if any) etc.

The Evaluation Criteria must be included or referenced within the Contract Notice where possible, and set out in the subsequent Pre-Qualification Questionnaire (PQQ) and Invitation to Tender (ITT) documentation. If it is not possible to have all of this prepared prior to the publication of the Contract Notice, the public body must ensure that it publishes any selection evaluation criteria at the same time as it issues Pre-Qualification Questionnaire and it publishes the contract award criteria at the same time as the Invitation to Tender document is issued.

Where it is not possible to provide weightings on objective grounds, the criteria should be stated in descending order of importance in the contract notice or ITT documents

The objective and non-discriminatory criteria that will be applied to produce a 'short-list' must be contained in the Contract Notice, or at the very latest published at the same time as the PQQ documents are issued to suppliers.

In exceptional circumstances you may be entitled to invoke the Negotiated Procedure with or without competition. Please see EU Public Procurement Guidance for more information. Please note that the Negotiated Procedure may only be invoked in circumstances set out in procurement legislation.

The agreed and advertised award criteria and weightings **must not** be changed once they have been notified to the tenderers.

Minimum Standards

Where it has been determined that minimum standards are applicable either within selection or award criteria they must relate to and be proportionate to the subject matter of the requirement and clearly detailed in the appropriate documentation. Where you wish to apply minimum standards to limit the number of potential suppliers to be invited to tender, minimum standards or objective criteria must be specified or referred in the Contract Notice and set out in the PQQ to allow the rejection of potential suppliers. Similarly if a pass mark can only be obtained by a response that meets the minimum requirement, it must be clearly stated within the scoring guidance provided to suppliers.

Selection Criteria

Further information on the selection stage is available under section 8.0 of the manual. A standard template for the Pre-Qualification Questionnaire (PQQ) can be obtained from your Purchasing Officer.

Prior to issuing the PQQ, the Purchasing Officer should develop a scoring methodology for the questionnaire tailored to the needs of the requirement.

Award Criteria

The Purchasing Officer should work with the UIG to agree appropriate award criteria, based upon their knowledge of the goods or services to be procured and the critical aspects of the requirement as identified in the Specification.

The criteria identified must relate directly to the goods, services or works to be provided and not focus on characteristics of the individual suppliers. Each award criterion should be clearly defined, so that there is a common understanding of what it means.

Good criteria will ensure that responses from suppliers clearly address the most critical aspects of the specification and allow the evaluation panel to make a fair and equal comparison of the bids received.

The objective of any procurement exercise should be to achieve best Value for Money for the taxpayer. Public bodies can award contracts on the basis of the most economically advantageous tender or the lowest price. In determining the criteria for the award of contracts, purchasers should rarely rely on price alone. This is because awarding contracts on the basis of the most economically advantageous tender allows public bodies to balance the quality of the goods, services and works they are procuring against price and to frame specifications in a way which encourages innovation rather than defining the solution. As part of value for money, due regard to other relevant organisational policies is important, for example, policies in relation to corporate social responsibility/sustainability. Quality/Technical Merit - Is the product or service proposed fit for purpose? How well does it perform?

Lowest price is based on the lowest priced tender which meets the user's requirements.

Some examples of award criteria are given below

- Quality/Technical Merit - Is the product or service proposed fit for purpose? How well does it perform?

- Design, functional characteristics and aesthetics - How should the product look and feel? How easy is it to use?
- Sustainability - e.g. social, economic and environmental considerations.
- Innovation, where appropriate - e.g. new or novel concept?
- Maintenance, ongoing technical support or after sales service - What support is required and available?
- Delivery or period of completion - The guaranteed turnaround time from order to delivery or provision of service.
- Price - The whole life cost including the initial purchase price, operating costs, consumables and disposal costs. How cost effective will the goods/service prove to be?

Weighting the Criteria

The Purchasing Officer should work with the UIG to decide on an overall ratio or split between Price and Quality (non commercial aspects) criteria and allocate weightings to any sub-criteria as appropriate.

As the aim of any procurement exercise should be to achieve Value for Money, it is recommended that the "most economically advantageous" evaluation is used.

The ratio will determine how much Price and Quality will influence the tender evaluation and should reflect the relative importance of either element to the public body.

The table below provides some suggested criteria and ratios depending on the nature of the commodity/service being procured.

Commodity Type	Description	Suggested Price/Quality Ratio
Routine	• Low Value/High Volume • Many Existing Alternatives	90:10 to 80:20
Leverage	• High spend area • Many Sources of Supply • Commercial involvement can influence price.	70:30 to 60:40
Strategic	• Strategic to Operations • Few Sources of Supply • Large Spend Area • Specification may be complex	60:40 to 50:50 to 40:60
Bottleneck	• Few Sources of Supply and alternatives available • Complex specifications • If supply fails, impact on organisation could be significant.	40:60 to 10:90

Scoring Methodology for Award Stage Evaluation

The Purchasing Officer should ensure that a robust methodology is developed to assist with the evaluation process.

An example of scoring methodology provided below and should be used in conjunction with the evaluation matrix: this can be tailored to suit the specific requirements of your procurement exercise

0 - Unacceptable - Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.

1 - Poor - Response is partially relevant and poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled.

2 - Acceptable - Response is partially relevant but acceptable. The response addresses a broad understanding of the requirement but lacks details on how the requirement will be fulfilled.

3 - Good - Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled.

4 - Excellent - Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.

13.3   Invitation to Tender

The Invitation to Tender document should include comprehensive information for potential suppliers about the requirement being tendered. The content will be specific to each requirement however there are a number of generic documents that you should include in the ITT pack.

Whilst developing the documentation it is likely that the Purchasing Officer will draw information from the Sourcing Strategy stage of the Procurement Manual.

If following a "restricted" procurement procedure, the ITT will only be sent to those who were successful at the PQQ evaluation stage.

A list of documents that should make up the ITT pack is provided below:

Mandatory Inclusion

- Instructions to Tenderers e.g. timetable, submission deadline, e-tendering process, including information regarding the impact on a public body of the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004
- Background and overview of the tendering and evaluation process including details of presentations and site visits, if applicable
- Terms and Conditions of Contract which will apply to any resulting contract with the principle supplier
- Specification and technical requirements
- Response requirements
- Quality Questionnaire
- Pricing Schedule
- Form of Tender

- Acceptance of Terms and Conditions
- For frameworks inclusion of Mini Competition Guidance

Evaluation Criteria

The questions within the ITT must be consistent with the evaluation criteria and weightings published or referenced within the Contract Notice. You should also draft a timetable for the process which must comply, where appropriate, with the minimum timescales detailed in the EU procurement regulations.

Further inclusions for ITT documentation

You may wish to consider the areas below for inclusion within the ITT documentation:

e-Procurement

- Content management requirements
- P2P connection types e.g. CXML
- Supplier Engagement

Contract Implementation / Contract and Supplier Management

- Roles & Responsibilities
- KPIs / SLAs
- Management information requirements
- Proposed approach

Mini-competition guidance

- Details of process to be followed for call offs

14.0 During the Tender Process

14.1 Introduction

This section of the Procurement Manual discusses the involvement of stakeholders/procurement staff during the Tender Process. Within this section the following topics will be covered:

- Supplier Introduction
- Questions
- Additional Documents
- Submissions

14.2 Supplier Introduction

As the procedure of using Public Contracts Scotland is relatively new to suppliers, the Council will need to be available to help and guide suppliers in their use of the system.

Firstly, after placing an advert on the Portal if you have a list of suppliers you feel could be interested in placing a bid, contact them, bring Public Contracts Scotland to their attention, and provide them with the help guide available from: **http://www.millstream.eu/guides/en-gb/Supplier_QuickStart.pdf.**

This guide should be more than enough to get them on their way to successfully using the Portal. If suppliers are still having difficulties with the system and you are unable to help them, then direct them to your department Purchasing Officer.

The Council will also use "Meet the Buyer" events to increase awareness of the procedures amongst suppliers.

14.3 Questions

During the tendering process suppliers should direct all operational questions, further information requests and clarification questions (tender specific) via the 'Questions and Answers' section of Public Contracts Scotland. Answers to questions will accessible to all bidders. This method cuts down on duplicate questions, and reduces work for the department as they do not have to manually circulate all questions and answers to all interested parties. Only accept questions over the phone if they are regarding the usage of the Portal.

The reason behind the strict usage of the 'Questions and Answers' Section is to allow the Council to be in a position of being able to provide evidence in a form of an electronic audit trail from Public Contracts Scotland. Procurement laws require an audit trail to be kept at all stages of the process to prove fair and equal treatment of all suppliers.

Departments should specify on the advert that questions should be submitted no later than two days prior to the Tender return date. The identity of the tenderer raising the question will not be revealed.

Argyll & Bute Council will only answer queries using this method to allow all interested parties access to both the question and answer hence treating all parties equal and keeping the process fair.

See guidance: **http://www.millstream.eu/guides/en-gb/P_S_Questions_Answers.pdf**

14.4   Additional Documents

Should the department and Purchasing Officer jointly make the decision that any additions or amendments to the Tender Documents are required, these can be added at any stage during the Tender Process,   issued to the Tenderers in the form of Additional Documents.

See guidance: **http://www.millstream.eu/guides/en-gb/P_S_AdditionalDocs.pdf**

14.5   Submissions

Submissions should only be accepted via the Portal's 'Post-box'.

Only in very rare and specific conditions will other methods be considered.

The complete electronic tender with no pages omitted must be submitted signed by the Tenderer or by a person authorised by the Tenderer. If the signatory is not the Tenderer then the Tenderer must provide at time of tendering written confirmation of the signatory's authority to bind the Tenderer. The documents are to be signed by the bidder then scanned in for electronic submission or signed by the use of an electronic signature.

See guidance:
- Purchaser - **http://www.millstream.eu/guides/en-gb/Scotland/Postbox%20-%20Contracting%20Authority%20Guide.pdf**
- Supplier - **http://www.millstream.eu/guides/en-gb/Scotland/Postbox%20-%20Supplier%20Guide.pdf**

Please note electronic signatures are legally binding.

15.0 Tender Evaluation

This stage of the Procurement Manual has become the subject of much scrutiny and criticism in recent years. The Freedom of Information Act (Scotland) 2002 has led to a notable increase in the amount of documentation relating to the evaluation of tenders and contract awards being released into the public domain and it is your duty to ensure that any procurement process can withstand such scrutiny.

This section provides you with guidance to assist in maintaining transparency and impartiality throughout the process of tender evaluation. It is important that the evaluation of tenders is robust in order to provide a full justification and audit trail for the resultant award decision.

15.1   Receipt of Tenders

It is considered best practice to use an electronic tendering system

Best practice suggests that you should obtain at least 3 responsive tenders where possible. The Regulations require that a minimum of 5 tenders are invited for the restricted process, where the 5 are capable of delivering the requirement.

Where tenderers issued with a copy of the Invitation to Tender (ITT) do not submit a response, you should ask for reasons why and record these on file to inform future strategy development.

In a case where only one tender is received it must be decided whether to restart the competition or to proceed as a Non-Competitive Action (NCA). Where an NCA is required it is mandatory that the Purchasing Officer receives approval from the appropriate person in the council e.g. Procurement Team Leader, before proceeding with the process.

It is the responsibility of all suppliers to ensure that their bid is submitted in accordance with the rules of the competition and before the specified deadline. In exceptional circumstances it may be permissible for a bid that arrived after the deadline to be accepted into the competition.

15.2   Opening of Tenders

Prior to the tender return date the Purchasing Officer should establish a tender opening team consisting of at least two members of the councils' staff. This will include the Purchasing Officer responsible & one member of the department.

The Purchasing Officer will check the following:

- Form of tender has been signed and dated by the tenderer
- Price schedule has been completed in accordance with the instructions within the ITT
- Standard Conditions of Contract and all other conditions of contract issued with the ITT have not been amended or altered nor replaced by the supplier's terms and conditions of contract.
- Any omissions must be recorded in writing, and kept for the registered file

Note: If a tender is incomplete, or doesn't conform to instructions, it may be disqualified by the Purchasing Officer responsible, in consultation with the relevant department.

If the tender is disqualified, the Purchasing Officer must inform the tenderer in writing at the earliest opportunity that the tender has been disqualified and the reason(s) for disqualification.

15.3 Technical Evaluation

Technical and Quality evaluation is one of the most important stages of the procurement process. This stage of the manual ensures that:

- the contract award decision is objective
- the decision making process is fair, transparent and auditable
- the Public Body can demonstrate Best Value in the tender process

Tender Evaluation happens once the deadline for tender submissions has passed. The time taken to evaluate the returned submissions will vary from project to project depending on the complexity and the number of responses received. However, the Purchasing Officer should endeavour to provide approximate timescales for this stage as part of the Invitation to Tender (ITT) document.

An evaluation panel of at least two people should be established and consist of individuals with demonstrable technical ability to evaluate tenders, this may or may not include the Purchasing Officer. Ideally the panel membership will be consistent throughout the entire process from Pre-Qualification to Presentations and Site Visits. The evaluation panel should be able to withstand any scrutiny and no member should be associated in any way with any of the tendering suppliers without prior declaration of interest.

The panel members should read and score the quality/technical aspects of the tenders independently using pre-defined evaluation criteria and scoring system prior to a moderation meeting taking place. At the moderation meeting the evaluators come together to agree the final scores. The process to agree the final scores must be fully transparent and documented. The Purchasing Officer should evaluate the commercial aspects of the tenders separately, including the price evaluation. **As a matter of good practice, no member of the evaluation panel should assess both the quality/technical elements and the commercial elements of the tender**. The evaluation criteria and scoring methodology should have been determined as part of the "Develop Documents" stage and published to tenderers in the Invitation to Tender (ITT) or OJEU advert.

The role of the Purchasing Officer in the evaluation panel is to ensure an impartial and objective approach is taken to the evaluation of tenders. Some suggested "Do's and Dont's" are listed below:

Do's and Don'ts of Tender Evaluation

Do	Don't
Make note of areas that are unclear for clarification with the bidder	"Read between the lines" or make assumptions
Read the submission at face value and score on the basis of the information provided	Collude with other panel members to agree scoring collectively.
Score tenders independently and discuss any irregularities at a Tender Evaluation Meeting	Make changes to the evaluation criteria during this process - the criteria MUST be the same as that published in the ITT
Ensure full justification for scoring is provided for each question to assist with	

Do	Don't
debriefing	

The Tender Evaluation stage may be accompanied by Presentations/Site Visits

Unsuccessful Bids

You should ensure that the evaluation panel provide justification for their scoring to help when preparing standstill letters and debriefing suppliers. A full justification of scoring is especially important where a bid has failed to meet the "acceptable" expectation set out in the evaluation criteria. A record should be kept to ensure fairness and transparency of the process.

15.4   Price Evaluation

Where possible, the price/commercial evaluation of tenders should be completed by the Procurement Officer.

To enable an easier comparison, you should include a price schedule with a breakdown of the product/service areas for tenderers to complete. The evaluation should endeavour to identify and compare all the costs and benefits which can be quantified in money terms.

You must consider a "whole-life costing" approach in order to take account of all aspects of cost from cradle to grave (Acquisition, Operation, Ownership and Disposal). Higher value or complex procurements may require the use of investment appraisal techniques (such as discounted cash flow calculations). In all cases the method for Price Evaluation should be defined within the ITT documentation.

Price/financial evaluation criteria should include:

- Whole Life Cost comparisons
- Quantifiable financial benefits arising from the technical evaluation (e.g. speed, fuel or electricity consumption, coverage, shelf life etc)
- Fixed or variable pricing
- Cost of components, spare parts, consumables and servicing
- Risk analysis and financial appraisal (for major contracts of strategic importance, especially those of an innovative nature)

15.5   Demonstrations, Interviews & Site Visits

If the contract is of the nature that it would benefit from further research this could be in the form of demonstration, interview or site visit. This is acceptable as long as all bidders are treated equally and the published procurement process is followed.

Following the interviews the scorers may alter the Tenderer's quality submission scores to reflect their findings at the interview.

Interviews can be used to used to clarify all technical, staffing, administrative and financial aspects of the proposal, including methodology and approach to the Council's requirements and culture before a final decision on the award

15.6   References

When either a short-list of bidders or the preferred bidder has been reached the two references provided should be checked.

Notes should be taken from the references in case required in future.

Standard forms for collecting references – see Appendix 3. Questions can be added or amended. The main reason behind the template is to ensure references are collected in a written format.

15.7   Tender Clarification

Tender Clarifications may become necessary during the evaluation of Tenders where there are aspects of the bid that are unclear or contain errors or price anomalies. Clarification may also be sought on matters of quality performance or conditions of contract.

In seeking clarification, all communications with Tenderers should be properly recorded so that an audit trail is maintained. This must be carried out in a written format, email or letter.

Negotiations in relation to price or other areas where improvements may be possible should not take place at this stage of the process. Purchasers must give all Tenderers who are able to meet the requirements of the specification the same opportunity to engage in tender/bid clarification. Extreme caution and care must be exercised to avoid unfairness.

16.0   Post Tender Negotiations

TO BE CARRIED OUT WITH PREFERRED BIDDER ONLY.

The objective is to ensure that all outstanding risks are addressed and that best overall value for money is achieved in terms of quality and cost. It should not be conducted in a way that puts Tenderers at a disadvantage, distorts competition or adversely affects trust in the competitive tendering process, and must not trade off one Tenderer against another by using the lowest Tender to seek a reduction in costs from the other Tenderers.

It must be a controlled and documented process. It should not be used automatically on all procurements. Before engaging in Post Tender Negotiation, the following criteria must be met:

- There must be a real prospect of improving value for money.
- It must be possible to justify resources expended during negotiation.
- Trained and experienced staff must conduct negotiations.
- Negotiations must be fully documented with a clear audit trail (justification, aim of negotiation, record of all exchanges – written and verbal).

Potential areas for negotiation will differ for every Contract but may typically include terms of payment; quality of goods or services; delivery/completion dates; warranties/guarantees; compensation/remedial procedures for failure to meet specified requirements – basically, "everything is negotiable". Most importantly, competition must not be distorted by allowing a Tenderer, not clearly in the lead, a chance to improve its offer without giving the same opportunity to all other Tenderers.

Following any negotiations, the outcome should be documented and substantiated by revised bids. Final evaluation can then be completed, approved at the appropriate level and Contract concluded with chosen supplier. Thereafter, unsuccessful Tenderers will be informed, who may request a debriefing.

16.1   Preparing for the Negotiation Process

It is important to gather and analyse information, set objectives, develop strategy and tactics:

Gather Information

- What is the market condition?
- What is the supplier's position in the market?
- What are the supplier's competitive strengths and weaknesses (past performance)?
- What are the reasons for the supplier's stance?
- How attractive is our business to the supplier (%age of turnover it represents/full order books)?

Set Objectives

- Consider strengths and weaknesses of both parties.
- Establish main issues for negotiation.
- What do you want to achieve, in order of importance?
- What are you willing to concede, in order of importance?
- When would you be willing to compromise?

Strategy and Tactics

- Decide who will form the negotiating team (must include individuals authorised to take decisions).
- Plan what needs to be covered and in what order (agenda?).
- Plan tactics for bidding and bargaining (must be flexible to respond to developments).
- Find out who you will be negotiating with and ensure he/she has decision-making authority.
- Establish at what point you may wish to break or end the negotiations.

16.2 Handling the Negotiation

Negotiation Stage

The aim of the meeting is to achieve an outcome which both sides can accept. Points to remember include:

- Allow room to negotiate. Have a structure to your argument.
- Clarify the issues on which you want to focus.
- Only make a concession as a trade-off for something you want in return.
- Trade things that are low value for you to give but worth a lot to the other party.
- Avoid deadlock. If you cannot agree, are you sure you need to deal with this Tenderer?
- Have a break if things are not going well.
- Note agreements as they are reached and recap at the end to confirm understanding.

Do's and Don'ts

Do:

- Wait for an answer after you ask a question.
- Pursue your question if the answer given is evasive or inadequate.
- Get your questions ready in advance.
- Keep your questions open (unless a closed question is necessary to move things on).
- Choose the right time to ask a question. If the time is not appropriate write it down and wait.

Don't:

- Ask a question to show how clever you are.
- Stop listening while you are waiting to ask a question - write it down and wait.
- Cancel out team members' good questions by asking yours before their questions are fully answered.
- Ask antagonistic questions.
- Be afraid to ask simplistic questions.
- Answer a question which has been put to another team member unless they have signalled for you to do so.

16.3   Post-Negotiation

Any variations to the tender should be confirmed in writing by the Tenderer. The variation will then become part of the offer.

The negotiation should be reviewed by the team. Reasons for successes and failures should be considered, lessons learned and areas for future improvement identified.

17.0   Contract Award Recommendation Report (CARR)

17.1   Background

For contracts with a value of **up to £350,000**, individual Directors should formally delegate the authority to award to nominated officers within those departments. A list of the delegated officers and the level of delegation will be held on the Procurement page within the intranet and Purchasing Officers will only begin the award process after the tender Contract Award Recommendation Report (CARR) has been approved by a designated officer within the appropriate department.

For contracts with a value **in excess of £350,000** a formal Contract Award Recommendation Report will be prepared by the relevant Purchasing Officer, in consultation with the Contract Owner before the award process begins. The Contract Award Recommendations Report will be forwarded by the relevant Director to the Director of Customer Services for approval. The Purchasing Officer will only begin the award process upon approval being given by the Director of Customer Services.

It is assumed that communication, including approvals, will normally be electronic.

The CARR will be prepared by the Purchasing Officers responsible. There may be some circumstances where this is prepared with assistance from the department, but must be approved by Procurement beforehand.

See Appendix 6 for a copy of the CARR.

17.2   Details

The contents of the template are summarised below:
- The purpose of the report (if appropriate make reference to the Business Case)
- A brief summary of requirements
- Details & results of the PQQ stage (if appropriate)
- Details & results of the ITT stage
- Price/Quality Ratio Results and Tender Ranking
- Details of any bid clarification
- Details of any presentations/system trials/demo/site visits, etc.
- Details of any interviews (if undertaken)
- Details of Post Tender Negotiation (if undertaken)
- Final recommendation
- Signatory requirements:
  - Recommendation made by – Purchasing Officer
  - Recommendation agreed by (OJEU only) –Procurement & Commissioning Manager
  - Recommendation agreed –Contract Owner
  - Recommendation agreed by Head of Service/Director depending on contract value, if appropriate.
  - Recommendation approved by Authorised Signatory (Delegated Staff or Director)

17.3   Benefits of This Procedure

The purpose of the CARR template is to ensure all the important decisions leading to the award recommendation are recorded both for provision of the audit trail and to enable the Authorised Signatory to approve the recommendation based on all available information.

17.4   Who Can Sign-Off the CARR?

Customer Services

Value	Who can sign?
£0 – £50,000	Head of Service
£50,000 - £350,000	Service Director
Greater than £350,000	Director of Customer Services

Development & Infrastructure Services

Value	Who can sign?
£0 – £15,000	Third Tier Manager
£15,000 - £100,000	Head of Service
£100,000 - £350,000	Service Director
Greater than £350,000	Forwarded by the relevant Director to the Director of Customer Services for approval

Community Services

Value	Who can sign?
£0 – £50,000	Head of Service
£50,000 - £350,000	Service Director
Greater than £350,000	Forwarded by the relevant Director to the Director of Customer Services for approval

Chief Executive's

Value	Who can sign?
£0 – £50,000	Head of Service
£50,000 - £350,000	Service Director
Greater than £350,000	Forwarded by the relevant Director to the Director of Customer Services for approval

The limits below £350,000 may be varied at the discretion of the relevant Service Director.

18.0   Notification of Preferred / Unsuccessful Bidders

18.1   Notification to Preferred Tenderer(s)

The notification to the preferred Tenderer(s) of Argyll and Bute Council award decision must contain:

- The contract award criteria.
- The score the winning Tenderer(s) obtained
- A precise statement as to the effect of the standstill period on the recipient's rights.

18.2   Notification to Unsuccessful Tenderers

The notification to unsuccessful Tenderers of Argyll and Bute Council's award decision must contain:

- The contract award criteria.
- Where appropriate, the score the Tenderer obtained against those award criteria.
- Where appropriate, the score the winning Tenderer obtained; and
- The name of the winning Tenderer.
- A summary of the reasons why the Tenderer or candidate was unsuccessful.
- The characteristics and relative advantages of the successful Tender.
- A precise statement as to the effect of the standstill period on the recipient's rights.

A Tenderer may be unsuccessful because the Tender either fails to meets the specification or meets the criteria but is not ranked as offering the most economically advantageous solution. Favourable areas should be highlighted as being evaluated positively.   Areas which may be highlighted as favourable include being beaten by a stronger bidder/delivery period not acceptable/cannot supply full spec/not fit for purpose/quality management inadequate/financial standing weak etc. Care must be taken to ensure all information provided to a Tenderer can be justified in the event of a formal complaint against the Council.

This comprehensive information is a statutory requirement of the EU Remedies Directive and obviously requires a greater degree of preparation by the Council. It is good practice therefore to be mindful of the standstill letter during the evaluation process.

A proforma is attached (Appendix 7).

Providing this information is, however, a way of helping suppliers to improve their competitive performance which in turns produces benefits to Argyll and Bute Council in future Tender exercises. Unsuccessful Tenderers have a right to know the reasons for their rejection. Other internal benefits include; the enhancing Council's reputation as a fair and honest customer and serves as a feedback mechanism to ensure Tender packages are complete and understood fully.

18.3   The Mandatory Standstill Period

The implementation by the European Commission of the standstill period was designed to ensure an effective remedy must be available to challenge an award decision by use of interim measures. For all public sector procurements covered by the full EC Procurement rules, the mandatory standstill period means that a period of not less than ten (10) calendar days must elapse between the electronic communication of the award decision to all tenderers and contract commencement fifteen (15) days with postal or other communication). Argyll and Bute Council shall also apply the mandatory standstill period to all Contracts above £50,000. The mandatory standstill period begins

the day after the award decision is notified to all Tenderers in writing by either fax or e-mail. If the standstill period ends on a non-working day, it must be extended to the next working day. This standstill requirement is incorporated into Scots Law. An outline of the 10 day timeline is below (as it is recommended that all communications should be sent electronically).

Day 0	Notification of award decision containing all relevant information to be e-mailed to unsuccessful Tenderers and issue of preferred bidder status.
Day 1	Standstill period commences.
Day 2 - 9	---
Day 10	End of standstill period.
Day 11	Conclusion (final award) of Contract if no legal challenge received.

Note: the 10 day period includes weekends and should be extended as necessary if Day 10 falls on a Saturday or Sunday, of if standstill period falls around a Public Holiday.

18.4   Debriefing during the Mandatory Standstill Period

Having provided the information detailed in Appendix 7, Argyll and Bute Council is not obliged to provide an additional debrief, although it may grant a request if it so wishes.

If a debrief is provided, only the Tenderer's own submission may be discussed – **commercial terms or innovations put forward by another Tenderer cannot be disclosed!!** Tenderers may also be asked for constructive comments on the ITT document. A record of the debrief should be kept in the internal file.

18.5.1   Legal Challenge by Tenderer

Procurement law provides greater power to aggrieved bidders to suspend the Contract award process. In effect, a Tenderer may make an application to the Court of Session/Sheriff Court which shall automatically suspend the procurement process upon serving of a summons. This litigation would not be an expensive process for the Tenderer and Tenderer would not be responsible for the costs of delay, merely legal expenses, if rejected.   The onus would be on Argyll and Bute Council to demonstrate that the application is spurious and for the suspension to be lifted prior to proceeding to Contract award.

In the event that Argyll and Bute Council breaches the standstill period or proceeds with Contract award despite automatic suspension, then the Contract may be declared 'ineffective' i.e. can be set aside even when performance has commenced and the Court must make an order unwinding the result – Argyll and Bute Council may become liable for damages from the aggrieved bidder **and** the Contractor who was awarded the Contract. The court must then decide what to do about works already completed under the Contract e.g. TUPE-transferred staff. Furthermore, the Court must order a fine.

The simple way to avoid 'ineffectiveness' is to ensure that the process has been standstill compliant as a Contract may not be declared ineffective for substantive breach alone. Tenderers have a time limit of 6 months from award or 30 days from Contract award notice in OJEU.

18.5.2 No Legal Challenge by Tenderer

If no legal challenges have been received by the end of the mandatory standstill period, then the Contract may be concluded and a letter issued to the successful Contractor in accordance with the following section (18.0).

19.0 Contract Award

19.1 Appointing the Successful Tenderer

The contract is concluded by the issue of a letter of acceptance, the preferred method of carrying this out is by email.

This task is to be undertaken by the Purchasing Officer responsible. Please see Appendix 8 for the template to be used in all cases. Additional information may be added.

Please note electronic signatures are legally binding.

19.2 Placing the Contract Award Notice

Contract Award notices must be placed on Public Contracts Scotland for all contracts over £10,000, with the option to place award notices for those below that value. This notice will be placed by the Purchasing Officer responsible after they have received confirmation that the successful bidder agrees and understands the contents of the letter of acceptance.

Purchasing Officers, please note that they will be required to manually update and check Spike Cavell that the contract information for contracts has been updated.

19.3 Tender Review

Following all tendering exercises the Purchasing Officer responsible for the contract must circulate the tender review form (see appendix ?) to all members of the contracts UIG.

Completed tender review forms are to be passed to the Procurement Analyst for review, any issues identified from these, are to be discussed at monthly Purchasing Officers Team meetings.

20.0 Contract Management

THIS CONTRACT MANAGEMENT PROCEDURE DOES NOT REPLACE THE CONTRACT MANAGEMENT UNDERTAKEN AS REQUIRED BY SPECIFIC CONDITIONS OF CONTRACT, E.G. NEC, ICE, etc.

20.1 Introduction

The purpose of Contract and Supplier Management is to:

- ensure the contract is successfully executed
- provide a formalised system of monitoring supplier performance against the contract requirements
- ensure there is clarity of the roles and responsibilities by all parties relating to supplier and contract management
- monitor overall compliance by all parties to the terms of the agreement and contract Key Performance(KPIs) & Service Level Agreements (SLAs)
- facilitate the identification and management of relationships with key supplier representatives
- identify potential additional savings due to proactive contract and supplier management including added value performance measures, demand, cost, supply chain, efficiencies and effectiveness management
- realise estimated savings due to continuous monitoring of spend information
- co-ordinate of the supply chain and intervention points
- provide a focus for development of initiatives/innovation
- deliver learning and knowledge transfer
- drive continual improvement

20.2 Segmentation

This section outlines the process and activities to be used in determining the most appropriate level of Contract and Supplier Management for each contract the Council handles.

The Council will follow the Scottish Procurement Directorate Procurement Journey methodology for determining the extent of the Contract and Supplier Management to be applied and this will have been ascertained as part of the Sourcing Strategy.

As the Council employs between three and four thousand suppliers and contractors each year, it is not possible to engage in detailed supplier management with each of those suppliers and therefore three basic levels of contract management have been created:

1) **High Level – where the failure or delivery would affect the strategic outcomes or have a significant effect on the delivery which relates to the risk analysis in the sourcing strategy.**

   The performance of the contract and the supplier will be managed using the full balanced scorecard, with a minimum of 4 review meetings a year.

   Some examples of high level contracts:

   - School Estate NPDO
   - Waste Management PPP
   - Care Contracts

- Construction term or framework contracts
- Consultancy Term Contracts
- Office Equipment Contracts
- Service Contracts, Air Services, Bus Contracts, Ferry services etc
- Construction and Consultancy contracts on works with a value of over £1 million

2) Medium Level

The performance of the contract and the supplier would be managed by expanding the 4 high level indicators and holding a minimum of one performance review meeting per annum or more likely, on delivery of the contract.

Some examples of medium level contracts would be:

- Purchase and implementation of computer software or other systems
- Works contracts of a strategic or high profile nature, or with other risk factors
- Consultancy Projects, as above,
- Purchase of Critical Goods or Materials over a period of time, e.g. winter salt.

3) Low Level

Compliance to the contract is ensured by managing the delivery of the contract using 4 high level indicators i.e. cost, quality, delivery, service. A formal review takes place on completion and is shared with the supplier.

The template forming Appendix 9.1 & 9.2 will be used to identify what level of contract management is needed for each contract – this will be completed jointly between the Purchasing Officer and the Department's Representative.

20.2   How to measure - Key Performance Indicators

20.2.1 Existing Contracts

Although the full implementation of contract management cannot be put in place, basic management can be implemented based on the tender specification. This can be done by reviewing the existing service specification and extracting performance measures under the heading of the balance scorecard.

20.2.2 New Contracts

The performance of contract will be managed against Key Performance Indicators (KPIs), for quality scored or even mandatory performance. The list provided below are indicative of the level of KPIs which would be appropriate when a High level of management is required. For a Low level of management it may be sufficient to measure performance using the core KPI headings e.g. quality, service, delivery and cost and for a Medium level of management, a combination of core with only a few specific indicators may be sufficient.

Quality:
§ Fit for purpose in terms of quality of product/service
§ Returns – incorrect item, damaged, substandard quality, incorrect item ordered
§ Corporate Social Responsibility – dependant on specification of requirements

§ Continual Improvement/Innovation

Service:
§ Responsiveness
§ Complaints
§ Management Information
§ Education/Training
§ Communication

Delivery:
§ Lead time/delivery time
§ On time delivery against objectives
§ Accuracy

Cost:
§ Pricing Stability
§ Invoice Accuracy
§ Cost Reduction Initiatives

The specific requirements for each core performance indicator should be amended to reflect the specific requirements of the contract. The targets will either be stipulated within the ITT and Ts & Cs or agreed by all parties concerned during the implementation stage of the contract or framework agreement. It is intended that these indicators will be developed throughout the lifetime of the contract/framework agreement as demand evolves and will reviewed annually (as a minimum) in consultation with the Supplier, Department and Procurement Team.

20.3   Contract and Supplier Management Plan

Once you have concluded which level of contract management is most appropriate (19.2), in conjunction with your Purchasing Officer you should complete a Contract and Supplier Management Plan, which can be found as Appendix 9.3, which includes details of:

- Roles and Responsibilities
- Level of Management (Low/medium/high) required
- Contract Objectives
- Performance Management defined in tender/quote
- Mobilisation Plan
- Migration Plan
- How to ensure contract compliance
- Exit plan
- Dates of review meetings
- Issues/Risks

20.4   Methodology for Contract and Supplier Management

The methodology used to carry out and record contract and supplier management will follow that laid down in the Scottish Procurement Directorate's Procurement Journey. This is carried out with reference to the Balanced Scorecard (Appendix 9.2) and using the Scoring Template (Appendix 9.4)

Contract and Supplier Management will be carried out by the Council in a manner that is objective, fair and transparent. The relevant Purchasing Officer will assist with all scoring in the early stages. Scoring of suppliers in particular must only relate to their performance and matters under their control of their own suppliers and sub-contractors. All scoring will be visible to the suppliers involved and they will have an opportunity to comment on the scoring and have their comments noted in the records. All records will be held by the Corporate Procurement Team.

The balanced scorecard provides an example of the type of guidance (in the Quality, Service, Delivery, Cost worksheets) which would be used for a "High Level" contract but can be modified for "Medium and Low Level" contracts.

20.5   Performance Review Meetings

Performance Review Meetings are an important part of the Contract & Supplier Management process and provide the Procurement Team and the Supplier with an opportunity to focus on what is going well, identify any problems at an early stage and agree opportunities for improvement and innovation. The Performance Review Meeting template (Appendix 9.5) can be completed by both the buyer and supplier in advance of the meeting and provides a structure to the meeting.

It is suggested that for contracts/suppliers where a medium level of management is being applied that there should be at least one performance review meeting a year. For Contracts and/or Suppliers where a high level of management is being applied there should be at least four review meetings a year.

An early Performance Review Meeting could include a 'Procurement Procedure Review' session with the stakeholders on the tendering and contract implementation process – appendix 11.

20.6   Exit Strategy

As the contract progresses the Procurement Team will have responsibility for ensuring that both parties are working towards the planned exit of the contract, and the procurement process for securing subsequent supply arrangements if required.

The Exit Strategy should involve a review of the contract and supplier's performance and a Lessons Learnt review.

20.7   Roles and Responsibilities

Details of roles and responsibilities of both the department and the Procurement can be found under Appendix 9.6.

21.0 Procurement and Financial Management

ONLY VARIATIONS OF GREATER THAN £1000 ARE TO BE REPORTED

21.1 Introduction

Procurement has a direct effect on the Council's budgets and financial management. It is essential to good financial management that the work of procurement is communicated to the Finance Managers within the Council and that the results of contract award and management activities are reflected in the Council's budgets. It is just as essential for good procurement that the Purchasing Officers are aware of current and prospective budgets set for commodities and of historical spend on those items. Traditionally, procurement tasks are divided into three types; re-buys, modified re-buys and new buys. Each of those tasks has a specific effect on the Council's budgets

A "re-buy" is where essentially the same goods or services are procured by a new contract to replace an existing contract. While there may be marginal differences in the performance following a "re-buy" the main difference will be price and this should be reflected in the budget line.

In a "modified re-buy" situation the specification of the goods, services or works will vary significantly from that previously purchased and the impact on budgets may be more complex in its calculation with potentially savings being made against cost centres distinct from that used to record the actual purchase.

A "new buy" will result in a new expenditure, which will have been already budgeted. Most re-buys relate to individual projects, each of which will be in some way unique within the Council and therefore will not stand direct comparison with other projects. The main effect of the procurement exercise on budgets is to provide a degree of certainty over the estimated cost.

21.2 Budget Monitoring

Finance Managers within Strategic Finance are responsible for budget monitoring across the Council. For procurement spend, budget variances come in two forms, price variations and quantity variations. The Finance Manager can realistically expect service managers to control and be responsible for quantity variations. It is the role of the Purchasing Officer to keep the Finance Manager informed of price variations as soon as they can be realistically forecast.

Category Management Responsibilities

Each Purchasing Officer is responsible for letting and managing contracts for distinct categories of spend. Those spend categories are linked to cost centre and account code combinations, which operate separately from the existing financial management hierarchies. The Purchasing Officers are provided with reports at the end of each budget monitoring period (calendar month) detailing the annual budget, budget to date and spend to date for each cost centre, account code combination within their spend category.

This allows the Purchasing Officers to monitor all spend within their category and gives them initial warnings of fluctuations in spend within contracts, giving them early notice of situations where term or framework contracts may be exceeded or where previous small levels of expenditure, previously made on an ad-hoc basis, have grown to the extent of meriting formal contract procedures to be put in place.

Each Purchasing Officer will also take on budgetary responsibility that will be complementary to that of Strategic Finance, alerting the Finance Managers to price movements within contracts. It is assumed that by the end of 2011, 85% of procurement expenditure will be covered by formal contract.

21.3   Price Variation Budget Forecast

The Purchasing Officers will inform the Finance Managers of impending price variations by means of the Price Variation Budget Forecast (PVBF) form, which will be completed either following the award of a contract, or where an agreed price variation within a contract has taken place. This will be completed in respect of spend covered either under one of the Council's own contracts or on a relevant contract introduced or amended on the Council's behalf by either Scotland Excel or Scottish Procurement.

A PVBF will be issued in the first place to the Customer Services Finance Manager and a copy will be sent to the Procurement Analyst. The Procurement Analyst will collate all of the PVBFs and those will form an initial savings record against each Purchasing Officer. Those savings records will be reviewed by the responsible Purchasing Officer at the end of each contract, and measured against actual spend for the quarter to arrive at an actual value for savings achieved during the quarter. The actual savings achieved figures will then be returned by the Purchasing Officers to the Procurement Analyst for final collation and upload to the Council's Performance Management System.

Budget Adjustments

All PVBFs will be received by the Customer Services Finance Manager, but each form will carry the name of the Finance Manager whose budget is affected by the change. In some cases, for Corporate contracts there will be more than one Finance Manager involved. The issue of a PVBF will not result in a subsequent budget in all cases as this will depend to some extent on the budget position and other variations being experienced at the time. Budget adjustments will be noted on the Strategic Finance copy of the PVBF as they are made.

ARGYLL AND BUTE COUNCIL   **COUNCIL**

Customer Services   **20 September 2012**

PROCUREMENT AND COMMISSIONING STRATEGY 2012-2015

1.0   SUMMARY

1.1   The Council's Procurement Strategy was approved by the Executive on 17 December 2009 and covered the period 2009-2012. It replaced the original strategy which was approved as part of the Council's constitution in 2005. It now requires updating so that it continues to meet the needs of the Council.

1.2   The Strategy for 2012-15 is aimed at ensuring the Council procures the goods, services and works it needs in the most economically advantageous manner and ensuring that these accord with the overall aims and objectives of the Council. This recognises the importance of a procurement strategy towards meeting the Council's statutory duty of best value. The strategy is complemented by a detailed Procurement Manual which has also been updated and is presented to Council for approval as a separate item.

2.0   RECOMMENDATIONS

2.1   Council is asked to approve the new Procurement and Commissioning Strategy 2012-15 which is attached as an Appendix to this report.

3.0   DETAIL

3.1   The Strategy outlines the principles the Council will adhere to in carrying out all of its procurement activities. These principles are in accordance with the organisation's overall ethos of conducting business by fair and lawful practices, with transparency a key factor in every transaction.

3.2   The structure adopted by the Council for carrying out procurement is designed to be cost effective and capable of responding to the dynamic purchasing environment now existing within the Scottish Public Sector. The structure operating at corporate level acknowledges the support given from Scotland Excel (the centre of procurement expertise for the local authority sector) and Procurement Scotland (which carries out national procurements for the whole of the Scottish public sector). It also allows the Council to build on its core strengths in local and regional purchasing through the knowledge of existing council buyers of both the geographical environment in which they operate and the requirements of the Council's operations.

3.3   The Strategy recognises the value of existing relationships with suppliers and contractors and further seeks to strengthen those relationships.

3.4   Local businesses and the third sector in particular have a valuable role in

supporting the work of the local authority and the Strategy is aimed at removing barriers to smaller organisations with limited resources in doing business with the Council, recognising that these smaller suppliers can often be very responsive, innovative and may provide best value to the Council.

3.5   There is a solid base of sensible purchasing within the Council at present and many examples of best practice exist. It is important that those areas are strengthened and the knowledge is fully shared across the Council.

3.6   The updated Strategy will help to ensure that sustainability considerations are incorporated into sourcing strategies, and suitable sustainability related evaluation criteria are properly taken into account when purchasing decisions are made. The Council will seek to remove barriers to local small businesses competing for work, in order to promote sustainability within the Council area.

3.7   The strategy includes a detailed action plan which is designed to drive improvement in procurement over the next 3 years. There are new sections for each of the 4 directorates which set out the key spend areas for each and a high level strategy for these key commodities.

3.8   The Scottish Government has recently published the Procurement Reform Bill for consultation. It is expected that the Strategy will need to be updated once the Bill is enacted.

4.0   CONCLUSION

4.1   In order to achieve the financial savings and the other procurement objectives of the Council, there is a need to update the strategy and present a new action plan to continue to drive improvement in procurement across the council. The draft strategy is attached as an appendix and is presented for approval.

5.0   IMPLICATIONS

5.1   Policy: The update of the Strategy describes existing and developing procurement policy in line with the Scottish Government's Procurement Journey

5.2   Financial: The Procurement and Commissioning Strategy aims to achieve better value in Council's external spend.

5.3   Legal: The Procurement and Commissioning Strategy sets a framework to procuring legally within the Public Procurement Rules.

5.4   HR: None

5.5   Equalities: None

5.6   Risk: Assists the Council in managing procurement risk

5.7   Customer Service: None

6.0   APPENDICES

Procurement and Commissioning Strategy 2012-15

Douglas Hendry
Executive Director of Customer Services
29 August 2012

For Further information please contact:

Anne MacColl-Smith, Procurement and Commissioning Manager or Judy Orr, Head of Customer & Support Services

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ARGYLL AND BUTE COUNCIL

PROCUREMENT STRATEGY
-

2012-15

Contents

1. Foreword

1.1. This procurement strategy has been prepared in response to the changing procurement agenda and the current financial climate.

1.2. The strategy sets out the procurement aims and goals of the Council for 2012-2015. These aims and goals reflect both national and local policies and priorities.

1.3. The strategy is aimed at ensuring the Council procures the goods, services and works it needs in the most economically advantageous manner, while according with the overall aims and objectives of the Council. This recognises the importance of a procurement strategy towards meeting the Council's statutory duty of best value.

1.4. The strategy outlines the principles the Council will adhere to in carrying out all of its procurement activities. Those are in accordance with the organisation's overall ethos of conducting business by fair and lawful practices, with transparency a key factor in every transaction

1.5. The structure adopted by the Council for carrying out procurement is designed to be cost effective and capable of responding to the dynamic purchasing environment now existing within the Scottish Public Sector. The structure operating at corporate level acknowledges the support given and is designed to interface with Scotland Excel and Procurement Scotland. It also allows the Council to build on its core strengths in purchasing at present; the knowledge of the existing buyers in both the geographical environment in which they operate and the requirements of the operations they are involved with.

1.6. Argyll and Bute Council recognises the value of existing relationships with suppliers and contractors and the strategy seeks to begin the process of documenting and strengthening those relationships. Local businesses and the third sector in particular have a valuable role in supporting the work of the local authority and the strategy is aimed at removing barriers to those, often small organisations with limited resources, providing best value to the Council.

1.7. There is a solid base of sensible purchasing within the Council at present and many examples of best practice exist. It is important that those areas are strengthened and the knowledge is fully shared across the Council.

1.8. If this strategy is to achieve the financial savings and the other procurement objectives of the Council, we will need to embrace a change to our existing ways of working, and develop a close partnership between the Procurement and Commissioning Team and service departments.

1.9. Commitment to and communication of this strategy is a key step on the road to achieving excellent procurement practice.

2. Executive Summary

2.0. Argyll and Bute Council is committed to excellent procurement. In 2009 the Council's procurement strategy was produced to cover the period 2009-2012. Following a review that document has been now been replaced with this document.

2.1. What is Procurement?

2.1.1. Procurement is the full range of activities related to purchasing, goods, services and works. All Argyll and Bute Council services involve procurement. This can range from contracting an entire service to purchasing small assets such as office equipment. The procurement process does not end at the contract award stage, but spans the life cycle of the product of service from inception and design through to contract management and incorporates the entire Purchase to Pay (P2P) process.

Figure 1: P2P encompasses the entire Procurement Lifecycle

2.2. What is Commissioning?

2.2.1. The Council accepts the definition of commissioning as:-

> "The term used for all of the activities involved in the assessing and forecasting needs, agreeing desired outcomes, considering options, planning the nature, range and quality of future services and working in partnership to put these into place".
>
> *(SWIA: Guide to Strategic Commissioning, September 2009)*

2.2.2. Thus there is a distinction between the terms commissioning purchasing and contracting. Purchasing can be described as the technical process of securing or buying of services and contracting as the process of putting the purchasing services in a legally binding agreement. The process of commissioning relates to ensuring the best use of resources (time, money, people and premises) to secure services of the appropriate quality in order to meet the identified and assessed needs of individuals and aspirations of individuals requiring a service.

3   Procurement Principles

3.1.   These are the basic tenets of how the Council intends to conduct its procurement

3.2.   Nine procurement principles have been identified as follows:

1.   Procurement should be a viable tool in the promotion of the Councils Goals and Values and in delivering the aims and objectives contained within the Corporate Plan.

2.   Procurement will be carried out under the terms of the Council's Standing Orders and will be guided by the detailed procedures for purchasing developed by the Council.

3.   Procurement should be carried out in line with current legislation to deliver competition, sustainability, equal opportunities and ultimately best value for the Council. The process will be transparent and allow accountability.

4.   Best Value will be achieved by obtaining Most Economically Advantageous Tender, taking into account full life costs and non – financial aspects of the purchase. Purchasing will be driven by desired outputs and results.

5.   Providers should be able to meet the needs of the current and future needs of the Council and in arranging procurement, the needs of the local economy should be taken into account, as permitted by existing legislation and always in pursuit of best value.

6.   Officers managing major contracts should be capable through qualification and experience, or have access to professional guidance, to be able to ensure the sound management and monitoring of contracts. The Council will put in place a training programme for all staff required to undertake procurement duties. Staff completing this programme will become "authorised to procure."

7.   The procurement function should be carried out in an effective but streamlined manner, which delivers added value without duplication of effort.

8.   For any procurement which involves the transfer of any staff currently employed by the Council, their future terms and conditions of employment shall, as far as is legally possible be protected by the Council.

9.   Suppliers and contractors to the Council are part of the resources of the Council and are not adversaries. The Council will work to encourage continued participation in contracts by high quality bidders.

4.   Aims and objectives

4.1.   We aim to:

1.	Provide a value for money procurement service that delivers financial savings
2.	Provide a quality service which delivers quality outcomes
3	Procure goods, services and works in a lawful and ethical manner which encourages participation, collaboration & sustainable economic growth
4.	Improve on the Council's current performance level of "Conforming" to "Improved" following the yearly Procurement Capability Assessment
5.	Secure the ongoing commitment of internal stakeholders to implement the strategy.
6.	Ensure the procurement strategy is aligned with the Council's corporate priorities

4.2.   The procurement aims above contribute towards the achievement of the following local outcomes from the Single Outcome Agreement and Argyll and Bute Council corporate objectives:

Argyll and Bute's Approach to Procurement and Commissioning

The Council's approach to procurement and commissioning must be considered in the context of the wide range of joint plans and strategies developed and to be developed internally and externally, with other local authorities and partners in the independent sector.

As such the Procurement and Commissioning Strategy and associated plans link with the objectives outlined in Argyll & Bute Council's Corporate plan and in turn to relevant Scottish Government National Outcomes. The Strategy is also aligned to the Scottish Procurement and Commercial Directorate's Policy Manual to ensure consistency when procuring via the Scottish Procurement Directorate's national contracts.

The Council's Corporate plan establishes 4 main outcomes and underpinning values which are critical to achieving the shared vision of "realising our potential together".

The 4 main objectives are

• Working together to improve the potential of our people
• Working together to improve the potential of our communities
• Working together to improve the potential of our area
• Working together to improve the potential of our organisation

As such the Procurement and Commissioning Strategy will cover the above areas.

4.3.   In the 3 years since the Council's previous procurement strategy we have made a lot of progress:

- We have reduced risks by increasing the percentage of our expenditure with contracted suppliers from approximately 45% as at March 2008 to 80% in March 2012, including maximizing the benefits available from collaborative contracts.

- We have developed the concept of Authorised Procurement Officers. We have achieved success in professional qualifications with 4 Purchasing Officers achieving CIPS Level 5.

- We have worked with economic development to improve the capacity of local suppliers by providing guidance at "Meet the Buyer" events in 2011, working with Business Gateway.

- We have achieved significant savings in construction and social care services and in other areas throughout the Council.

- We have published our performance indicators (BPIs) regularly.

- We have made full use of available technology for electronic Tendering (which is now the default); advertising, ordering and invoicing and we have a "Buyer's Profile". We now have improved spend information through the Spikes Cavell Observatory.

4.4.   We have made a great deal of progress but there is still much to do.

Leadership & Governance

1.   Continue to increase the profile and senior sponsorship of procurement in the organisation improving links to corporate objectives and service plans

People & Processes

2.   Invest in developing the skills and knowledge of the Authorised Procurement Officers (prioritising those who spend more than 40% of their time on procurement activities)

3.   Develop a form of "category management" using existing APO resource and build up category procurement strategies which give 50% coverage of third party spend and produce targets for each category

4.   Migrate to use of the Scottish Government's "Procurement Journey" as the default process for all procurements. This will achieve increased attention to two underdeveloped parts of the procurement process – pre-tender: strategic sourcing and post tender: contract management

5.   Increase focus on sustainable procurement including the use of Community Benefits Clauses

6.   Reduce barriers for local suppliers continue working with Business Gateway to provide appropriate support and training to suppliers.

7.   Continue to increase the percentage of invoices paid on time – target 90%.

Systems
8.   Continue to develop the purchase to pay process using e-procurement technology

5. **Key Facts and figures**

5.1. The Council's total (Core Trade*) spend in 2011/12 was £116,390,262.48 and of this, approximately 80% was contracted.

5.2. The following table shows the spend broken down by Proclass Level 1, sorted by category with highest total spend:

Table 1: Spend (Core Trade) by Proclass Level 1 for 2011-12

* "Core Trade" refers to total spend over the period of more than £1000 with one supplier i.e. where the total spend with one supplier over 2011/12 did not amount to £1000, it would not be reported

Category	Total (Core Trade) Spend	Contracted Spend	% Spend With Contracted Suppliers
Social Community Care	22,232,720.37	21,178,462.32	95.26
Utilities	16,996,602.16	16,891,411.94	99.38
Construction	16,632,324.57	12,759,486.36	76.71
Facilities & Management Services	12,530,254.32	11,294,872.74	90.14
Construction Materials	8,460,077.11	7,276,295.16	86.01
Public Transport	7,702,678.15	6,454,094.52	83.79
Financial Services	6,275,627.53	5,407,963.98	86.17
Information Communication Technology	5,418,926.87	2,530,688.51	46.70
Vehicle Management	5,278,884.18	2,735,386.08	51.82
Environmental Services	4,234,419.62	2,224,351.01	52.53
Catering	1,839,972.22	1,268,706.99	68.95
Human Resources	1,741,655.35	551,269.48	31.65
Highway Equipment & Materials	859,017.46	643,478.57	74.91
Education	767,332.93	222,873.67	29.05
No Summary Category	718,046.41	222,958.39	31.05
Healthcare	600,620.67	1,751.77	.29
Arts & Leisure Services	799,735.65	304,117.74	17.14
Legal Services	516,986.49	157,626.66	30.49
Consultancy	444,701.36	155,679.68	35.01
Mail Services	419,357.29	144,492.15	34.46
Cleaning & Janitorial	288,906.84	129,595.37	44.86
Stationery	267,013.08	221,271.18	82.87
Street & Traffic Management	255,702.84	34,049.14	13.32
Sports & Playground Equipment & Maintenance	241,718.21	19,170.16	7.93
Horticultural	226,621.03	.00	.00
Clothing	211,876.85	122,545.87	57.84
Health & Safety	206,432.50	47,788.58	23.15
Furniture & Soft Furnishings	111,027.68	1,796.62	1.62
Housing Management	83,438.33	38,368.33	45.98
Cemetery & Crematorium	14,280.16	.00	.00
Domestic Goods	13,304.25	.00	.00
Total	**116,390,262.48**	**93,040,552.97**	**79.94**

5.3. The top 20 suppliers to the Council account for almost 45% of the Council's total (Core Trade) spend. The following table shows the top suppliers and the spend for the year 2011-12.

Table 2: Spend (Core Trade) with top 20 suppliers.

Supplier Name	Total Spend
ABC SCHOOLS LTD	13,227,412.61
SCOTTISH WATER	9,096,983.27
BREEDON AGGREGATES SCOTLAND LIMITED	4,323,484.13
WEST COAST MOTOR SERVICES CO	4,055,822.79
BUSINESS STREAM	3,128,025.02
SHANKS ARGYLL & BUTE LIMITED	2,204,575.02
SCOTTISH FUELS	2,086,443.72
HILLHOUSE QUARRY COMPANY LTD	2,057,033.44
COLAS LTD	1,390,288.82
GRAHAM CONSTRUCTION	1,124,088.70
SCOTTISH POWER PLC	1,066,882.80
SCOTTISH HYDRO ELECTRIC#**SCOPOPE01301	1,066,233.99
CROSSREACH	1,063,881.25
BRAKES	939,579.46
MEDICO NURSING & HOMECARE	867,052.05
GEORGE LESLIE LIMITED	857,553.54
ZURICH MUNICIPAL	853,902.52
DCF JOINERS & BUILDING SERVICES LTD	824,860.80
STEWART MCNEE (DUNOON) LTD	819,310.90
NAS SERVICES LIMITED	778,584.19
Total Spend with top 20 Suppliers	**51,831,999.02**
Total Core Trade Spend	**116,390,262.48**
% Core Trade Spend with top 20 Suppliers	**44.53%**

5.4. The Council's spend with SMEs accounts for approximately 48% of total procurement spend (Core Trade) – the chart below shows the breakdown of spend with Small, Medium and Large companies.
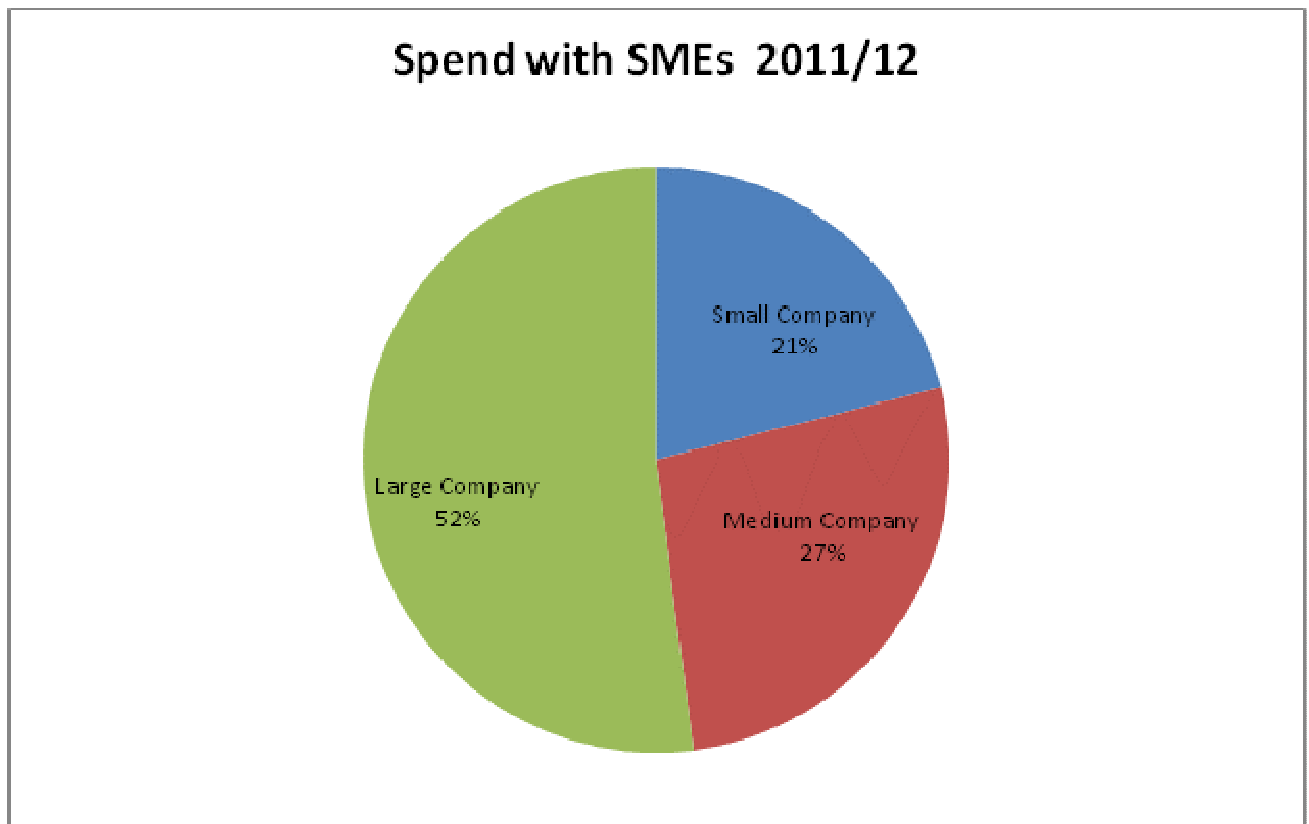
5.5. The Council has standardised its procurement documentation this will assist SME's when tendering for Council business. In partnership with our legal colleagues in Customer Services, the Contract Standing Orders ("CSOs") have been reviewed to reflect the development of the Procurement Manual, changes to the law and best practice. These CSOs will be subject to ongoing review as the procurement landscape changes.

5.6. Over the next few years it is the intention to work more closely with SME's, particularly those in Argyll and Bute. The Procurement and Commissioning Team regularly takes part in supplier development events to encourage local suppliers to register on Public Contracts Scotland Portal where the Council advertises its contract opportunities above £50,000.00.

5.7. The Procurement and Commissioning Team has introduced a contracts register showing all contracts to be delivered on a yearly basis. The contracts register is published on the Council's website that allows SME's to have the ability to gear up for our forthcoming requirements. And also this will allow the Team to capture any savings achieved, which are then removed from budgets and contribute to the Council's transformation agenda.

5.8. Working with departments the Procurement and Commissioning Team achieved around £550,000.00 of savings in 10/11 and over £1.5m in 11/12 and the Council is on track to deliver its savings for 12/13.

Achieving savings will be an ongoing requirement, and seeking savings from contracts an absolute priority in a difficult financial environment.

6. Future Delivery of Procurement Services

6.1. Our strategy for 2012/15 is to continue with important work streams from the last strategy and add in new elements of work for important and emerging procurement activities. The following provides a summary of the work streams and Appendix 1 details the proposed Action Plans to achieve these.

7. Continued and Extended Work streams

7.1 Continued efforts will be made to improve performance and develop in the following areas:

1. **Continue to increase the profile of procurement and senior sponsorship in the organisation**.

   Why?

   The Council spends around £133m per annum on goods, services and works – this is more than is spend on staff related costs. The potential impact on service quality, cost and reputation if procurement is not conducted effectively is significant.

   How?

   We will have a "Procurement Update" to the Senior Management Team quarterly.
   This report will be brief but will highlight progress with implementation of this strategy and any areas where additional senior management support is required.

   Procurement targets will be included in all Services work streams.

   The re-introduction of the Procurement Board will ensure Senior Management fully engage with their role in Procurement matters and will allow the Strategy to be actioned in relation to their particular Service as per Appendix 2.

2. **Invest in developing the skills and knowledge of the Authorised Procurement Officers (APOs)**

   Why?

   We need to achieve consistent high standards throughout the Council to maximise the benefits available from "superior performance" and to reduce the risks associated with poorer practices. Investing in training is key to achieving this.

   How?

   APO's will self-assess against the Procurement Competency Framework and identify gaps and construct an action plan to address these gaps. This will be included in their Performance and Development Plans (PDR).

It will be compulsory for anyone conducting procurement activities to attend a legal refresher course once a year.

The Council has restructured its Procurement and Commissioning Team to streamline all procurement activity. There are four main category areas:

- Corporate
- Construction
- Care
- Facilities

The team is made up of permanent staff, which recognises the resource requirement that is required to ensure appropriate frameworks and other contracts are implemented. The team will concentrate on contract renewals, capital investments, new requirements and improved contract management. Staff are developed on an ongoing basis. The team is encouraged to obtain CIPS Qualifications and ongoing training is provided in areas such as EU Legislation, TUPE and contract management.

3. **Increase percentage spend with contracted suppliers**

   Why?

   Having contracts in place makes it clear for both parties what their responsibilities are and allows the interaction to be more strategic than transactional. This reduces risks that could arise from misunderstandings and creates opportunities to improve quality or reduce costs in accordance with the business objectives of the service.

   How?

   Through regular analysis of the information provided in the Spikes Cavell observatory, areas where there is non-contract expenditure are being identified. These are being prioritised and contracts put in place. In some cases, there may be resistance to this due to the possible outcome being a change in supplier and senior support may be required to overcome this resistance to change.

4. **Migrate to use of the Scottish Government's "Procurement Journey" as the default process for all procurements.**

   Why?

   The Scottish Procurement Directorate (SPD) has developed 3 "routes" for procurement activities in all public sector bodies. Using this consistently will raise the standard of practice across the organisation. In particular, it gives increased attention to two underdeveloped parts of the procurement process – pre-tender: strategic sourcing and post tender: contract management where a lot of value can be added.

How?

The Procurement and Commissioning Team will lead the way by using the appropriate route in the journey for every procurement from August 2012 ensuring that Sourcing Strategies are developed where necessary. Thereafter training will be given to those APOs who spend more than 40% of their time on procurement activities by July 2013 Lastly, remaining APOs will be trained on the Procurement Journey during 2013.

We will assign a category management requirement to every contract let from January 2013 and will strive to have regular contract management and reviews and central documentation for our top 20 suppliers.

5   **Increase focus on sustainable procurement including the use of Community Benefits Clauses (CBIP)**

Why?

Demonstrating sustainability (social, economic & environment) is an important objective for the Council and procurement can make a significant contribution to those objectives. There is increasing regulatory pressure to ensure that procurement is carried out in a sustainable and responsible way i.e. that it meets the needs of the present without compromising the ability of future generations to meet their own needs.

How?

By ensuring that the Sustainable Procurement Policy see Appendix 3 is adhered to in all procurement processes that are carried out.

6   **Continue to increase the percentage of invoices paid on time – target 90% - and use prompt payment as leverage for discounts in awarding contracts**

Why?

Cash flow is important to our suppliers, particularly in the current economic climate. We want to pay them within their contracted terms, which is normally 30 days, which will strengthen our relationship with them and allow us to negotiate prompt payment discounts.

How?

We will send all budget holders information each quarter on their invoices paid on time and offer advice & assistance to the areas which require most improvement.

7   **Develop a form of "category management" using existing Authorised Procurement Officer resource and build up category or commodity procurement strategies which give 50% coverage of third party spend and produce targets for each category**

Why?

Category Management involves looking at coherent portfolios of expenditure in a joined up way, cutting through departmental and team divisions. A category manager is expected to know their portfolio thoroughly and be an expert in their area. They will know the market and know their customers and what they need very well. They will have a category strategy which contains key information and shows the way forward for their portfolio.

Category management has been shown to improve procurement performance.

How?

- Due to the small size of the Procurement and Commissioning Team, category management would only be feasible if:-

  a)   APOs in the business areas could also be designated as category managers;
  b)   The portfolios were flexible to allow for variable workload

- Agree categories and consult on who the most appropriate person would be to be the category manager.

- Train the category managers on what the role involves and set out expectations and amend job outlines and evaluations as appropriate.

APPENDIX 1

Procurement and Commissioning Strategy Action Plan

The 3 areas covered under this procurement and commissioning action plan are:

1. People and organisation
2. Strategy, policy and advice
3. Processes and Systems

The required actions listed below will be completed within a three year term and underpin the procurement and commissioning strategy.

1. PEOPLE AND ORGANISATION	
Current Situation	**Objective**
Argyll and Bute Council's approach to procurement is to consolidate spend and achieve savings. Purchasing Officers for each service area are now working in partnership with the service departments, with all tendering activity above £50,000.00 being led by the Procurement and Commissioning Team in consultation with the service department.	Procurement and Commissioning will provide a tendering service to the Council for all spend above £50,000.00 in terms of Council Standing Orders. This will allow spend to be consolidated resulting in better pricing, standardised processes, less tendering which will meet the objectives of the Transformation Board. Moreover, this will result in greater clarity and accountability.
1.1. Training	
Current Situation	**Objectives**
The Chartered Institute of Purchasing and Supply (CIPS) provides Supply Chain Management and business training and ensures staff are knowledgeable in all key areas of supply chain management. Within the Procurement and Commissioning Team there are a number of individuals who are CIPS Qualified, or working towards CIPS accreditation. There are varying degrees of competence across the Council in terms of writing specifications, contract management, and supplier management.	All relevant Procurement and Commissioning staff CIPS qualified or working towards qualification. A training plan has been created, with training requirements identified from staff's training needs analysis. Budget has been approved for this. 2012/13 will require focus on providing training for service departments.
1.2. Compliance	

Current Situation	Objectives
Procurement and Commissioning Team carries out all tendering activity on behalf of service departments, thus ensuring compliance. Procurement and Commissioning Team require to work with the department to ensure full compliance with the contract once awarded.	Standardise the end to end procurement process using guidance and training. Education of all service staff to ensure there is an awareness of how to use contracts effectively, efficiently and compliantly to: Comply with the contract management framework and Comply with P2P

1.3. Collaboration

Current Situation	Objectives
The Council makes use of many of the contracts put in place by Scotland Excel and Scottish Procurement. GPS (Government Procurement Service) contracts are also considered as part of the contract strategy decision making process.	There is a requirement to ensure the best possible pricing is being obtained from frameworks, and that mini competitions are carried out where appropriate. Increased regional collaboration with other Local Authorities is also a priority over the next 12 months.

2. STRATEGY
It is critical to ensure the Council has focus and direction, both to ensure compliance with relevant legislation and integration to the Council's corporate priorities. The Procurement and Commissioning Team will act as a centre of expertise for the Council and develop clear procurement policies, providing guidelines to employees on how to purchase goods, services and work.

Current Situation	Objectives
Procurement Strategy A high level strategy for each Department area exists.	High level strategy to be reviewed on a yearly basis taking into account existing contract expiries and areas of new business

Sourcing Strategy Individual sourcing strategies being prepared for spend above £50,000.	All spend above £50,000 has a sourcing strategy agreed prior to advertising.
Document Standardisation There are numerous styles of PQQs and tender documentation in use across the Council	Standardisation of PQQ tender documentation and standard letters. The Procurement and Commissioning Team are working with external legal advisors Brodies to revise, standardise and health check documents. This will allow the adoption of the standardised PQQ that Scottish Procurement Directorate has recently published. The Scottish Government is in the process of tendering for an electronic PQQ system. The Council will adopt this once that system goes live.
Supplier Management Supplier management is being carried out for the top 20 key suppliers. Procurement and Commissioning have developed a contract management framework, which has been rolled out for all service departments' use.	Balanced Scorecards will continue to be used to monitor key supplier performance. One standard process for contract management will be used across the council. A framework for this is already in place. This will be utilized for all high value high risk suppliers, with a shortened version in place for lower value, lower risk contracts.
Service Delivery	There are a number of reviews of alternative service delivery models underway. Procurement will support this process.
Fairly traded products This includes the inclusion of use of fairly traded products where applicable	All new contracts to consider the use of fairly traded products.

Local Economic Development	Ongoing Supplier events will be held for SME's to cover areas of concern and help educate them on how to become a supplier to the Council. The Council will work with organisations from the social sector to remove any barriers, real or perceived, which hinder the ability of those organisations to trade with the Council. We will encourage main contractors to engage with local suppliers and SME's through the inclusion of Community Benefit clauses, re-tender clauses and early engagement in commodity strategies. Publication of annual Procurement spend details and full contract register. Continuation of use of facility for closed tenders (formerly known as Quick Quotes) for works contracts up to £350,000.00 The Council will oblige main contractors involved in major infrastructure projects to re-tender in open competition, aspects of the work suitable for sub-contracting. The Council will strive to remove barriers to small and medium sized companies who wish to trade with the Council and will, within the overall framework of best value purchasing, seek to support local communities and local employment.
Sustainability Sustainability is given consideration on relevant contracts.	Sustainability is built into the procurement process. The introduction of the Sustainability Policy see appendix A will ensure consideration of sustainability at sourcing strategy stage.

3. PROCESSES AND SYSTEMS

Current situation	Priorities
Purchase to Pay (P2P) The Council has a P2P Strategy supported by the Oracle Purchasing Project which aims to ensure all purchasing is carried out using approved systems and processes.	To ensure all purchasing is transparent and in line with the Council Financial Codes, the Purchase to Pay team has introduced a "No Purchase Order No Payment" Process. This allows only exempt categories to be processed through as a manual batch for payment. This will increase spend matched against purchase orders. Where appropriate, industry standard procedures should be retained and followed. Future goals in relations to P2P include: • The rollout of a new purchasing card which will improve rebates and management systems • Review and improvement of the Council's supplier management processes • Rollout of the Scottish Government's new suite of e-procurement tools.
E-Procurement eTendering – over £50,000 spend The Council has electronic tendering technology which is used for all procurement requirements. Scottish Government has recently tendered and awarded a new etender system, which will be rolled out for use with all public bodies. Argyll and Bute Council has agreed to use this system with the first round of training already taken place. All procurement requirements are carried out in accordance with Council Standing Orders.	For all tenders over £50,000 all contract notices shall be published through Public Contracts Scotland portal, This will also include any mini-competitions. All procurements will be carried out in compliance with Council Standing Orders.
Benefits Tracking Benefits tracking records all confirmed savings achieved at tender. However, no records of non-cash savings are recorded. Savings are inconsistently measured and confirmed.	Benefits trackers will include all tenders within the Department area, savings achieved and consistent measurement.

APPENDIX 2

Procurement Strategy By Function

CHIEF EXECUTIVES

Scope/Key Spend Areas:

An analysis of the existing spend profile within Chief Executives together with a review of confirmed budgets and contracts in place, has identified a number of priority areas of focus. These have been captured within FY11/12 benefits tracking sheets for each service but summary details have been provided in the table below:

Key Spends	Spend Value (approx) 2011/12
Financial Services – Insurance	1,535,052.92
Training & Conferences	804,114.33

High Level Strategy

There is currently spot purchasing of low value services in place across Chief Executives Unit Training and Development meaning the efficiency savings and potential aggregation savings achievable from a single framework should be explored.

Structural and cultural change

The Procurement and Commissioning Team will continue to work with the Service to prioritise their procurement requirements in line with budget and to ensure compliance with EU Procurement Directives.

There are a number of measures that should be adopted in order to reduce risk, deliver best value and maximise the potential for procurement savings and efficiencies. Such measures will be significantly informed by the Procurement Journey and will include:

(i)   Embedding and familiarisation of new processes, procedures and working practices.

(ii)   it is proposed that Department officers would be receptive and benefit from additional training on the elements of the procurement process to which they retain a degree of responsibility such as specification writing and tender evaluation.

(iii)   Consideration of how a procurement requirement can be flagged at the earliest opportunity– e.g. as budgets are discussed / recommendations made.

Contract and supplier management

Contract and supplier relationship management is a comprehensive approach to managing the Council's interactions with the organisations that supply the goods, works and services it uses. The goal of Contract and supplier relationship management is to streamline and make more effective the processes and contracts between the Council and its suppliers. Following the recent introduction of a standardised Contract and Supplier Management Framework across the Council, Procurement and Commissioning will work with the Procurement and Commissioning Team to embed the process into the Service to ensure maximum benefit is achieved in the way contracts are delivered.

Short term strategy

Implementation of key strategic framework agreements
Continue to work with service to prioritise work plan to enable effective resource planning
Roll out supplier management process for all key suppliers

Long term Strategy

Expand the contract and supplier management process.
Utilisation of the work plan to ensure contract delivery timescales support best value.

COMMUNITY SERVICES

Scope/Key Spend Areas

The analysis of the existing spend profile within Community Services for externally purchased services and review of contracts in place, has identified a number of areas of focus.

Key Spends	Spend Value (approx) 2011/12
Social Care - Adult - Domiciliary Care	6,481,914.87
Social Care - Adult - Nursing Homes	3,689,727.83
Social Care - Adult - Residential Care	4,171,482.80
Social Care - Disabled Children - Care Services	4,706,713.92
Social Care - Other	2,450,710.43
Housing Management - Other	83,438.33

There is a requirement for standard goods and services, including educational equipment to be procured through collaborative contract arrangements arranged by the Scottish Government, Scotland Excel or the Procurement and Commissioning Team.

High Level Strategy

Within Social Work, services are often procured on an adhoc basis, where the complex needs of an individual can appear unexpectedly. This can result in disaggregation of spend and the loss of savings opportunities which occur as a consequence, as well as failure to reap the benefits of longer term partnerships with providers who deliver the services. However, there has been a concerted effort in the recent past to rectify this, with several good examples of best practice being demonstrated in delivering contracts. For example, significant aggregated spend is captured as part of the nationally negotiated care home contract. There is also work ongoing with Scotland Excel in relation to residential childcare provision and fostering.

The Procurement and Commissioning Team will work with the Service to:

Develop Markets - The current Social Care market conditions presents barriers to entry, therefore further research is required to develop and open the market

The Procurement and Commissioning Team are working with the Department in drafting a detailed Commissioning Strategy for Care Services. The 1st draft has been completed and a full consultation has taken place with service users, and relevant stakeholders and partners. Work is ongoing to finalise the document taking into account both local and national agendas including joint commissioning with our NHS partners. The Strategy is fully integrated with the sourcing strategy process.

Collaboration - Opportunities are currently evolving between departments, Councils and other public bodies (eg Health) that will require to be developed to increase buying power achieve best value and developing capacity within the market.

Community benefits - Where application of community benefits is a condition of contract, delivery will be linked to Key Performance Indicators (KPI"s) where possible.

Framework agreements continue to be used and to be promoted to ensure that all call off services are bound by the general terms and conditions of the agreement.

Develop standard Social Work terms and conditions which will ensure they are more specific to the service being supplied.

Analyse spend and agree savings targets

Forward planning of the Departments budget and identification of High risk High spend contract requirement for all departments. This will allow Procurement to allocate time and prioritise workload based on dictated timescales from EU legislation and the Councils Standing orders.

Promote the use of core product lists on electronic contracts from collaborative contracts lodged within the PECOS system to achieve maximum savings.

Create a communication process to ensure that updates to information on PECOS, new contracts and performance are communicated to the educational users.

Ensure all spend is compliant with contract standing orders and financial regulations

Structural and cultural change

The Procurement and Commissioning Team will continue to work with the Service to prioritise their procurement requirements in line with budget and to ensure compliance with EU Procurement Directives.

The Procurement Journey will significantly influence and inform measures that should be adopted in order to reduce risk, deliver best value and maximise potential for procurement savings and efficiencies. Such measures will include:

The delivery of training for all officers directly involved in procurement – due to the number of changes in procurement in terms of legislation, case law, political interest, etc. Thoughts on best practice procurement delivery have changed radically.

Procurement timescales are often driven by operational requirements rather than the time it takes to carry out an effective end to end procurement process. Central to the social work function is the need to be able to respond at short notice to unforeseeable changes in care needs of often very vulnerable people. Consideration therefore needs to be given on how consultation on procurement requirements can be initiated at the earliest possible point e.g. as budgets are discussed / recommendations made to ensure that social work will continue

to be able to respond appropriately.

Better client education is also required to ensure that wherever possible opportunities for more flexible timescales in terms of operational requirements are considered to ensure that effective end to end procurement processes can be instructed.

It is also important that more predictable procurement requirements can be flagged early to Procurement and Commissioning Team – e.g. as budgets are discussed / recommendations made.

Contract and supplier management

Contract and supplier relationship management is a comprehensive approach to managing the Council's interactions with the organisations that supply the goods, works and services it uses. The goal of Contract and supplier relationship management is to streamline and make more effective the processes and contracts between the Council and its suppliers. Following the recent introduction of a standardised Contract and Supplier Management Framework across the Council, Procurement and Commissioning will work with the Procurement and Commissioning Team to embed the process into the Service to ensure maximum benefit is achieved in the way contracts are delivered.

The Procurement and Commissioning Team and Community Services have developed "roles and responsibilities" around contract management and contract monitoring and will work together to deliver an appropriate programme of visits to providers of services to check the quality and consistency of service being delivered under the terms of the contracts.

Short term strategy

 Put work plan in place to ensure savings plans are being resourced to deliver target.
 Comply fully with Guidance for Procurement of care and support services issued under Scottish Procurement Policy Note SPPN 8/2010
 Introduce supplier management meetings with identified key suppliers for each category Improve communication of contracts by developing and promoting user guides.
 Improve the input into collaborative contracts via full utilisation of the Sourcing Strategy document at the earliest point.
 Deliver procurement training.
 Improve P2P stats and processes

Long term Strategy

 Expand the contract and supplier management process.
 Utilisation of the work plan to ensure contract delivery timescales support best value.
 Maximum use of collaborative contracts to deliver efficiencies in revenue and process.
 P2P processes are maximised to deliver compliance and high level of matched invoices.

DEVELOPMENT AND INFRASTRUCTURE SERVICES

An analysis of the existing spend profile within Development and Infrastructure together with a review of confirmed budgets and contracts in place, has identified a number of priority areas of focus. These have been captured within FY11/12 benefits tracking sheets for each service but summary details have been provided in the table below:

Scope/Key Spend Areas

Key Spends	Spend Value (approx) 2011/12
Vehicle Mgmt - Commercial	1,883,165.65
Vehicle Mgmt - Heavy Construction Equipment	1,415,986,75
Environmental - Waste Mgmt - Waste Disposal	3,061,969.13
Construction - Other	6,143,813.60
Construction Materials - General Materials	6,939,250.00
Highways - Rock Salt	637,756.93

High Level Strategy

The Procurement and Commissioning Team will work with the service to maximise the benefits of better procurement practices to improve both performance and value. We will:

    Put in place a set of strategic framework agreements to cover core areas of spend

    Facilitate the development of strategic supplier partnerships

    Focus on collaborative and shared service opportunities with other public sector organisations

    Consider community benefits in all contract strategies where proportionate and relevant.

The Service has traditionally procured arrangements on a scheme by scheme basis with limited aggregation of spend. Focus will therefore be on ensuring that savings opportunities through aggregation of spend are maximised and the benefits of enhanced long term working relationships are fully exploited, an approach that the service fully supports.

The delivery of the first phase of strategic framework agreements will set the benchmark and lessons learned for relevant strategies to be developed which shall consider the opportunities that may be available through collaboration and delivering services jointly with other public sector bodies.

In progressing these strategies the Council will align itself with any related work-stream being progressed by both Scotland Excel and the West of Scotland Collaboration Group.

The consideration of whole life costs is conducted at strategy development stage and where possible, the commercial evaluation of bids will focus on whole life costs rather than lowest

price.

There are some synergies in the contractual arrangements being put in place within Development and Infrastructure and Facility Services such as civil engineering works, drainage, surfacing works, maintenance term contracts and professional technical services, meaning the efficiency savings and potential aggregation savings achievable from creation of a common supply chain in these areas.

<u>Structural and cultural change</u>

There are a number of measures that should be adopted in order to reduce risk, deliver best value and maximise the potential for procurement savings and efficiencies. Such measures will be significantly informed by the Procurement Journey and will include:

> Embedding and familiarisation of new processes, procedures and working practices.

> it is proposed that Department officers would be receptive and benefit from additional training on the elements of the procurement process to which they retain a degree of responsibility such as specification writing and tender evaluation.

> Consideration of how a procurement requirement can be flagged at the earliest opportunity– e.g. as budgets are discussed / recommendations made.

<u>Contract and supplier management</u>

Development and Infrastructure have begun looking to adopt a standard form of contract (NEC3) which promotes partnership working with contractors rather than traditional adversarial relations. Through this approach, the focus is on the client; issues are flagged and addressed as they arise; risks are identified, costed and allocated to the parties best equipped to manage that risk, from the outset. There are many positive lessons learned to be learned from the current Capital Works Partnership Contract and consideration needs to be given to rolling out this approach across other contracts where appropriate..

Under partnering, the opportunity to rationalise and deliver savings through the 2nd and 3rd tier supply chains will also be targeted and contractors will be measured on their approach to their 2nd and 3rd tier supply chains, e.g. ability to pay subcontractors quickly. The success of the overall partnering approach will be closely monitored and together with any lessons learned, will be applied to future contracts and framework agreements.

Development and Infrastructure have already implemented an informal supplier management process on key contracts however work is ongoing to formalise this process.

Consideration is given at strategy level on how to maximise opportunities for SMEs whilst exploiting opportunities that may arise from aggregation of spend. This approach will include consideration of proportionality in terms of minimum financial criteria, indemnity levels and the requirement for bonds etc. Consideration is also given to lotting contracts and framework agreements based on value band and the encouragement of consortium bids.

<u>Short term strategy</u>

> Implementation of key strategic framework agreements

> Continue to work with service to prioritise work plan to enable effective resource planning

Roll out supplier management process for all key suppliers

Continue to create opportunities for SME"s while exploiting opportunities available through aggregation of spend.

Roll out training for those service staff actively involved in the tendering process.

Long term Strategy

Expand the contract and supplier management process.

Greater engagement with potential partnerships with consideration to more collaborative working; shared services and outsourcing opportunities.

CUSTOMER SERVICES

Scope/Key Spend Areas

Key Spends	Spend Value (approx) 2011/12
Catering - Food & Beverages - Other	1,583,585.30
Construction - Buildings - Other	3,129,033.42
Facilities & Management Services – Other (ABC Schools)	11,078,238.01
ICT - Software - Commercial Off The Shelf	1,498,861.63
ICT - Telecoms - Fixed	662,694.72
Public Transport - Passenger Transport	6,733,916.92
Utilities - Electricity	2,163,456.25
Utilities – Heating Oil	2,164,333.07
Utilities - Water	12,292,719.50

High Level Strategy

The service utilises several collaborative contract arrangements with Scotland Excel for a variety of commodities (e.g., groceries, frozen food, catering sundries). The Procurement and Commissioning Team will work with the Department to ensure that opportunities through collaborative arrangements are maximised and will investigate collaborative opportunities with other neighbouring authorities.

The Council through the Department is part of the Pathfinder North Partnership for telecoms services.

Facility Services have benefitted from an embedded approach to procurement for some time and significant progress has been made toward moving from project by sized local contractors. Is this what we or our politicians are project procurement, to developing framework agreements and the aggregation of contracts.

Structural and cultural change

The Procurement and Commissioning Team have traditionally undertaken tender exercises for Customer Services requirements and the Department has been working with Procurement and Commissioning Team to identify significant areas of spend outwith contact and to ensure these areas are addressed with appropriate contractual arrangements . The Procurement and Commissioning Team will continue to work with the Department to ensure that the Department are fully aware of the Council's approved tender processes.

The Procurement and Commissioning Team will work with the Service to improve the use of the Council's PECOS system and identify further efficiencies in the payment process in terms of Corporate Purchasing Cards and statement billing.

The Procurement and Commissioning Team will continue to work with the Service to prioritise their

procurement requirements in line with budget and to ensure compliance with EU regulations. Procurement timescales are often driven by operational requirements rather than the time it takes to carry out an effective end to end procurement process. Consideration therefore needs to be given on how consultation on procurement requirements can be initiated at the earliest possible point to purchasing officers – e.g. as budgets are discussed / recommendations made. Better client education is also required to ensure that wherever possible opportunities for more flexible timescales in terms of operational requirements are considered to ensure that effective end to end procurement processes can be instructed.

Contract and supplier management

The Service has already implemented an informal supplier management process on key contracts however work is ongoing to formalise this process.

Contract and Supplier relationship management is a comprehensive approach to managing the Council's interactions with the organisations that supply the goods, works and services it uses. The goal of supplier relationship management (SRM) is to streamline and make more effective the processes and contracts between the Council and its suppliers. With this being addressed via the Procurement Journey ownership and resource of the processes needs to be considered. Where appropriate industry standard procedures should be retained and followed.

The key actions required are:

- Agree ownership of the contract and supplier management process.

- Standardise contract and supplier management processes and introduce to key suppliers.

- Create a plan in conjunction with technical staff.

Short term strategy

Ensure all spend is Compliant

Put work plan in place to ensure savings plans are being resourced to deliver target.

Introduce supplier management meetings with identified key suppliers for each category

Standardise both contract and supplier management processes.

Support the full move to the public contracts Scotland website to include for quotations

<£50,000.00 to support efficiency and transparency of process for SME's in particular.

Review of transport contracts

Long term Strategy

Expand the contract and supplier management process.

Utilisation of the work plan to ensure contract delivery timescales support best value.

APPENDIX 3

ARGYLL AND BUTE COUNCIL

SUSTAINABLE PROCUREMENT POLICY

"Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment."

- **Procuring the Future, June 2006**

1.   Introduction

1.1.   In the past year, Sustainable Procurement has become an increasingly   important item on the Scottish political agenda. Procuring sustainably involves understanding the potential environmental, social and economic impacts that are a result of our purchasing decisions.

1.2.   Argyll and Bute Council is one of the region's major purchasers and recognises that its purchasing decisions have social, economic and   environmental implications, both locally and nationally, now and in   generations to come.

1.3.   The implications of our purchasing decisions range from the pollution   and loss of biodiversity caused by the manufacture of purchased goods   and   services   to the potential employment and economic benefits of   purchasing locally.

1.4.   From writing sourcing strategies to evaluating bids, the   Council   should   seek   to integrate relevant sustainability issues into its everyday procurement activity.

1.5.   This Policy is designed to address the full range of concerns relating to the socio-economic and environmental impacts of goods and services purchased and to support   the   Scottish   Government's   Procurement   Action   Plan http://www.scotland.gov.uk/Topics/Government/Procurement/policy/corporate-responsibility/sspap

1.6. Sustainability is not simply a choice:

1.6.1. The Climate Change Act (Scotland) 2009 places a duty on public bodies such that, in exercising its functions it must act:

- in the way best calculated to contribute to delivery of the Act's emissions reduction targets (80% reduction in greenhouse gas emissions by 2020)
- in the way best calculated to deliver any statutory adaptation programme; and
- in a way that it considers most sustainable.

1.6.2. The Zero Waste (Scotland) Regulations 2011 severely restrict input to Landfill, effectively banning materials which could be re-used or recycled or which could be used to produce energy.

1.6.3. The Scottish Executive has set a target to all public bodies to achieve a minimum standard of 10% recycled content in construction projects >£1 million.

1.6.4. The cost of sending waste to landfill increases year on year by £8/tonne on landfill tax alone, making the economic argument for considering lifecycle costs increasingly powerful.

2. **Aim**

2.1. The aim of this policy is to ensure that the Council embeds the principles of sustainability within its procurement activities to ensure that only products and services which can be described as 'best value' are selected and that in all cases a balanced consideration of social, ethical, environmental and economic impacts are undertaken throughout the procurement process.

2.2. This Policy also aims to ensure that Argyll and Bute Council's employees, contractors and suppliers are aware of the Council's commitment to long-term social, ethical, environmental and economic sustainability.

2.3. The Council is committed to the responsible management of its procurement process in order to deliver value for money, whilst actively pursuing environmental and socially responsible products, services and buildings.

2.4. Adoption of this policy shall contribute to the Council's Best Value obligations, towards the Procurement Capability Assessment (PCA), Best Practice Indicators (BPIs) and towards Climate Change targets (the Council has committed to a 20% reduction in carbon emissions by March 2014).

2.5. Sustainable Procurement also contributes to the Scottish Government's 7 Purpose Targets of Economic Growth, Productivity, Participation, Population, Solidarity, Cohesion and Sustainability.

3. **Policy Principles**

3.1 The Council aims to achieve this by:

I. Considering sustainability issues when writing Sourcing Strategies and evaluating tender submissions, specifically the environmental, social and economic consequences of:
- Design;
- Non-renewable material use;
- Manufacture and production methods;
- Logistics;
- Service delivery;
- Use, operation, maintenance;
- Re-use, recycling options, disposal.
  and the supplier's capabilities to address these consequences throughout the supply chain.

Any such considerations shall be relevant and proportionate.

II. Ensuring all relevant procurement contracts and tenders contain sustainability specifications as appropriate to the product or service being procured, using Government Buying Standards 'Quick Win' specifications where appropriate.

III. Considering a basic life cycle analysis of products to minimise the adverse effects on the environment resulting directly or indirectly from products.

IV. Complying with all UK and EU statutory regulations and legislation and ensuring our suppliers do the same.

V. Maximising the socio-economic and environmental benefits of locally sourcing goods and services, within the limits imposed by procurement legislation.

VI. Making use of Community Benefits and Sub-Contracting Clauses where appropriate.

VII. Training all procurement staff on sustainability considerations within the Policy.

VIII. Appointing a Council Representative within the National Community Benefit Champions Network.

IX. Appointing a Council Representative for Argyll and Bute Fair-trade.

X. Appointing a Sustainable Procurement Champion within the Council.

XI. Awarding a contract to a Sheltered Workshop.

XII. Ensuring that all suppliers and contractors support the welfare and rights of their employees and subsidiary companies.

XIII. Continuing to consult and work jointly with Third Sector agencies.

XIV. Continuing to provide funding for Third Sector activities.

XV. Continuing to publicise our commitment and successes in Sustainable Procurement.

XVI. Engaging with our suppliers and stakeholders to maximise impact of sustainable opportunities.

4. **Policy Implementation**

4.1. All Services of the Council will be expected to support the implementation of this Policy. The policy shall be applied to specific commodities purchased by the Council, thereby phasing in its implementation as opportunities arise.

4.2. Implementation of this Policy is supported by the Sustainable Procurement Action Plan (SSPAP) launched by the Scottish Government in 2009. The Council has already agreed and made headway with this action plan.

4.3. Implementation of this policy is also supported by the legal framework of:

- The Public Contracts Scotland (Regulations) 2006 which state that a Contracting Authority may stipulate conditions relating to the performance of a Contract which may include social and environmental considerations.
- The Local Government Scotland Act 2003 which gives 'Power of Wellbeing' i.e. a local authority has power to do anything which it considers is likely to promote or improve the well-being of its area and persons within that area.

4.4. To ensure the successful implementation of this policy, all procurement staff should receive training to include relevant resource and best practice guidance.

4.5. Sustainable Procurement has been embedded within the Council's Procurement Manual V2.0.

4.6. Delivery of the commitments made in this policy shall be supported through the implementation of the Council's Sustainable Procurement Action Plan. Progress against the targets shall be reported on an annual basis.

ARGYLL & BUTE COUNCIL

Customer Services   **AUGUST 2012**

EXTRACT FROM MINUTE OF HELENSBURGH AND LOMOND AREA COMMITTEE HELD ON TUESDAY 14 AUGUST 2012

6.   NOTICE OF MOTION UNDER STANDING ORDER 13

Councillor Vivien Dance, Seconded by Councillor Maurice Corry had given notice of the following motion :-

That the Helensburgh and Lomond Area Committee:

a) Recognises and values the dedication and commitment of the volunteers and management who stage the Cowal Highland Gathering which contributes to the economic viability and sustainability of the local community and is a significant and prestigious cultural event for the whole of the Argyll and Bute area.

b) Is committed to promoting equality and ensuring that all youngsters who reside in Argyll and Bute have equity of opportunity to achieve their aspirations, ambitions and potential.

c) Agrees to recommend to the council that the management of the Cowal Highland Gathering be advised that the current discriminatory practice in the Highland Dancing competitions whereby Helensburgh and Lomond dancers are excluded from the Argyllshire Championships, ceases from 2013 onwards as a condition of the continuation of all funding, both "in kind" and through the SLA, provided by Argyll and Bute Council.

d) Agrees to recommend to the council that the management of the Cowal Highland Gathering be advised that the definition of Argyll and Bute in all of the competitions at the event from 2013 onwards, reflects the current boundary of the local authority as a condition of the continuation of council funding.

During discussion of this matter, the mover of the motion with the agreement of her seconder and the committee, adjusted the motion to provide for the matter to be recommended for consideration at the September Council meeting in the following terms:-

Motion

That the Helensburgh and Lomond Area Committee:

a) Recognises and values the dedication and commitment of the volunteers and management who stage the Cowal Highland Gathering which contributes to the economic viability and sustainability of the local community and is a significant and prestigious cultural event for the whole of the Argyll and Bute

area.

b) Is committed to promoting equality and ensuring that all youngsters who reside in Argyll and Bute have equity of opportunity to achieve their aspirations, ambitions and potential.

c) Agrees to recommend to the council that the management of the Cowal Highland Gathering be advised that the current discriminatory practice in the Highland Dancing competitions whereby Helensburgh and Lomond dancers are excluded from the Argyllshire Championships, ceases from 2013 onwards as a condition of the continuation of all funding, both "in kind" and through the SLA, provided by Argyll and Bute Council.

d) Agrees to recommend to the council that the management of the Cowal Highland Gathering be advised that the definition of Argyll and Bute in all of the competitions at the event from 2013 onwards, reflects the current boundary of the local authority as a condition of the continuation of council funding.

e) Agrees that this motion be considered by the council at its September meeting in order to give the Council Leader and representatives of Cowal Highland Gathering the opportunity to find resolution to this impasse.

Amendment

That consideration of the motion be continued to a Special meeting of the Helensburgh and Lomond Area Committee on 11 September 2012.

Proposed by: Councillor James Robb
Seconded by: Councillor Richard Trail

On a show of hands there were 4 votes for the amendment and 5 votes for the motion.

Decision

The adjusted motion was carried and the committee resolved accordingly.

ARGYLL AND BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **20 SEPTEMBER 2012**

PROVISION OF SERVICES TO CHILDREN'S HEARINGS SCOTLAND – CHILDREN'S PANEL

1.0   SUMMARY

1.1   This report sets out the proposed future arrangements to support the work of The Children's Panel in Argyll and Bute.

2.0   RECOMMENDATIONS

2.1   To delegate to the Executive Director of Customer Services to enter into and keep under review the terms of the Service Level Agreement (SLA) with Children's Hearings Scotland (CHS).

3.0   DETAIL

3.1   The Scottish Government has determined to alter the support arrangements to children's panels and have created a new national body, Children's Hearings Scotland, to oversee new working practices. There remains however a need to provide support to the successor body to the Children's Panel Advisory Committee, which will in future be termed the Area Support Team (AST).

3.2   Officers have been involved in discussions with officials from CHS and the Scottish Government on the details of how the new arrangements will operate and whilst there remains some uncertainty over how the system will operate, there is a clear strategic direction that the Council can endorse.

3.3   As a result of the changes the CHS will take on responsibility for payment of expenses for Panel and AST members, and this will have a positive budgetary affect for this Council.

3.4   It is anticipated that existing staff should be able to provide the services as required by the SLA, but until this has had a full annual cycle there remains some uncertainty about what the eventual time commitment from staff will be. If additional resource is required this would be reported to Council and, in the view of officers, could clearly be adequately covered by the positive budgetary impact referred to above.

3.5 It will be important to keep the new arrangements under review to ensure that services to both families and the volunteers who support the panel system are not diminished but are in fact improved by the implementation of the new methods of working.

4.0 CONCLUSION

4.1 The intention is that the Head of Governance and Law will be the Clerk and will, as is the current practice, delegate most of the activities to staff within the Governance teams.

5.0 IMPLICATIONS

5.1 Policy - kept under review

5.2 Financial - likely to be a positive impact on budgets from the second half of 2013/14

5.3 Legal - none

5.4 HR - none

5.5 Equalities – new arrangements will be kept under review

5.6 Risk - kept under review

5.7 Customer Service – new arrangements will be kept under review

Executive Director of Customer Services
24 July 2012

For further information contact:
Charles Reppke, Head of Governance and Law
Contact Tel. No. : 01546 60 4192

ARGYLL & BUTE COUNCIL	COUNCIL MEETING
CUSTOMER SERVICES	THURSDAY20 SEPTEMBER 2012

DRAFT THIRD SECTOR ASSET TRANSFER ARRANGEMENTS

1. **SUMMARY**

   1.1 This report introduces the draft Third Sector Asset Transfer Policy and makes recommendations for its adoption.

   1.2 Members are asked to note that the following documents have previously been approved by the Strategic Management Team (SMT):-

   - A Policy Statement on Asset Transfer
   - Process maps for each key stage of the process
   - Guidance for officers, Members and applicants
   - An Implementation Plan

   Further, the Pre-Stage process reinforces the distinction between those properties identified for disposal on the open market and those identified as being potentially available for transfer. Ultimately, the basis of any transfer, whether at full, part or nominal value will be established by a Business Case as outlined within sections 3.12 – 3.14.

2. **RECOMMENDATION**

   That the Council:

   2.1 Approve the Policy Statement on Third Sector Asset Transfer (Appendix 1).

   2.2 Approve the processes that underpin the Transfer arrangements. (Appendices 2-7).

   2.3 Approve the appointment of the named officers to the Third Sector Asset Transfer assessment panel.

   2.4 Approve the Third Sector Asset Transfer implementation plan. (Appendix 8).

3.   **DETAIL**

3.1   **Background:** In 2010 the Council agreed that suitable arrangements to support asset transfer to the Third Sector should be put into place. A draft "Third Sector Asset Transfer Application Pack" has been developed in conjunction with partners. It provides a formal framework that allows for a rigorous and fair process to be followed when considering such asset transfers and one that can clearly identify and assess the capacity of applicant organisations to sustain the asset on an ongoing basis. It is also designed to highlight any wider community benefits that may be derived from a potential asset transfer.

3.2   The Council's Demonstration Project Board was originally responsible for developing the recommendations that led to the creation of the Asset Transfer Pack. The final stages of consultation and the proposed implementation of the Pack are being monitored by the Third Sector and Communities CPP Sub-Group.

3.3   It should be noted that the Third Sector Asset Transfer process forms an integral part of the Sub-Group's Action Plan and Pyramid Scorecard.

3.4   **Consultation with Third Sector and Communities CPP Sub-Group:**
Following the direction of the SMT, a consultation exercise was undertaken with the Third Sector and Communities CPP Sub-Group in respect of the Asset Transfer Pack. Through this, the CPP Sub Group was presented with copies of all the appropriate documentation including the application form, guidance notes, and a form for feedback purposes. These were circulated with a request to CPP organisations to consult with their members and to respond with comments. A summary of the feedback which included contributions from NHS Highland, HIE and various Council officers was presented to the CPP Sub Group at its meeting held on 15th November 2011.

3.5   The feedback received from the consultation exercise informed the development of the draft process, application and guidance. The Sub-Group also approved a suggested approach to prioritisation.

3.6   **Composition of Assessment Panel:** Members are asked to note that the SMT has recommended the undernoted panel of officials to oversee the transfer process.

   a) **Chair** –Malcolm MacFadyen, Head of Facility Services
   b) **Finance** – Peter Cupples, Finance Manager – Corporate Support/nominated representative

c) **Estates** – Hugh Blake/Caroline Sheen/Roy Alexander, Surveyors
d) **Asset Management** – Nick Allan, Strategic Asset Manager
e) **Legal Services** – Donald Kelly, Managing Solicitor
f) **Economic Development** – Arlene Cullum, Social Enterprise Snr Development Officer
g) **Procurement** – Anne-McColl Smith, Procurement and Commissioning Manager/nominated representative

It is expected that the Assessment Panel will draw in additional officers from the relevant holding department or where particular specialist knowledge or expertise is required.

3.7 **Prioritisation Process:** As previously mentioned, the Third Sector and Communities CPP Sub-Group approved the following suggested approach to prioritisation;

a) Following the guidance set out in the Pre-Stage Process (Appendix 2), it is recommended that assets should be prioritised for release with appropriate staff resources being allocated to facilitate the transfer.

b) Where the Council is aware of an asset that might potentially become available for transfer at some point in the future it is recommended that this asset should, where possible, be highlighted to allow interested community groups time to make a more informed decision on whether or not to pursue their interest in it.

3.8 **"Community Right to Buy" Legislation:** The SMT previously raised an issue in respect of the Community Right to Buy (CRtB) process and had requested clarification that there would not be a conflict with the Asset Transfer process. Arising from this, the Scottish Government's Community Assets Branch have advised that in the event an organisation lodges a CRtB application on a property advertised by the Council as potentially available for transfer they would regard it as a 'late application'. It would therefore fall to the CRtB applicant to demonstrate how it would be within the public interest to counter this – a difficult task given the Council's stated commitment to already explore a transfer to the Third Sector.

3.9 **The Dissolution Clause:** Historically Councils would have enjoyed a measure of assurance and protection through the provision of long lease conditions or title restrictions. However long leases are now regarded as a major impediment to securing critical funding from bodies such as the Big Lottery, and the Abolition of Feudal Tenure etc (Scotland) Act 2000 has significantly diminished the ability of Council's to enforce protective title conditions. As a result, the issue of constructing an

appropriate dissolution clause to protect a transferring asset in the event of a material change in circumstances, such as the collapse of the Community organisation running the facility, or indeed a material change of use, is one that several local authorities are currently raising through various strategic forums. Members are asked to note that work is ongoing with other local authorities in conjunction with the Office of the Scottish Charity Regulator (OSCR), the Development Trusts Association of Scotland and the Association of Chief Estates Surveyors to create an exemplar dissolution clause that can be used to satisfy the requirements of local authorities, OSCR and relevant funding bodies.

Subject to Members' approval, it is hoped that this will be in place prior to the implementation of the transfer arrangements.

3.10   **The issue of "Challenge":** The issue of challenge was also raised by the SMT during their earlier scrutiny of the proposals. This matter has now been further tested and as a consequence it is recommended that each application should be rigorously evaluated and scored thereby identifying potential weaknesses and areas of shortfall. Ultimately, if a community group cannot be assisted to address the identified shortfalls, this will influence the recommendation that is made to Council.

3.11   When considering this matter, although the provisions contained within the Contract Standing Orders stipulate that a Council decision cannot be reviewed within a period of six months, unless there has been a material change of circumstances this could be reviewed if appropriate in a situation where, for instance, a new funding source becomes available to the unsuccessful applicant.

3.12   **Business Case:** As previously mentioned the Pre-Stage Process could be used to separate operational properties into two distinct categories:-

• Those considered potentially suitable for being declared surplus to requirements for disposal on open market

• Those considered potentially suitable for being made available for transfer to the Third Sector

The Pre-Stage Process is attached to this report (Appendices 2 & 3).

3.13   A key element of the Pre-Stage Process will be the preparation of a Business Case by the holding department in support of the asset being considered suitable for potential transfer. The format of the Business Case will be similar to those already employed by the Council but specifically this version will recognise and

acknowledge that there will be a potential cost to the Council in transferring any asset, including legal costs.

3.14 A Business Case should also seek to incorporate an appropriate cost element in any financial projections and assumptions. It is recommended that all Business Cases should be submitted to the Strategic Asset Management Board (SAMB) for evaluation.

3.15 Depending on the circumstances of the individual case, it may be that a transfer occurring at full or part value could in turn lead to the possibility of full or part recovery of the Council's reasonable costs in such a transaction from an external funding source. However, the presumption, in the first instance, should be that each party in any transaction will be liable for their own expenses.

3.16 If the overall policy is acceptable to Members post the transfer of any asset the intention is to apply a review process.

1. To scrutinise the application process to determine if has been "fit for purpose" in the specific circumstances of the transfer.

2. To allow a post-project evaluation to take place at an agreed point in the future in order to measure the success of the transfer in terms of community benefits.

Finally, it should be noted that the transfer of a property at less than market value is covered by the "Disposal of Land by Local Authorities (Scotland) Regulations 2010" which came into force on 1st June 2010. This enables local authorities, in appropriate circumstances, to dispose of assets at less than "Best Value" without seeking the prior consent of Scottish Ministers.

4. CONCLUSION

4.1 The development and adoption of a structured framework to support asset transfer to the Third Sector will provide an improved platform from which Council Officers and Elected Members can make the appropriate decision in respect of Council property. Continued consultation and partnership working with the Third Sector and related agencies improves the robustness of the process and complies with the Council's core values.

5. IMPLICATIONS

5.1 **POLICY** The proposed Third Sector Asset Transfer Policy is consistent with the terms of the Council's Corporate Asset Management Plan, Corporate

	Plan and Single Outcome Agreement.
5.2 **FINANCIAL**	None
5.3 **PERSONNEL**	Staff will require to be trained to ensure the use of the strategy as intended.
5.4 **EQUAL OPPORTUNITIES**	None
5.5 **LEGAL**	None
5.6 **RISK**	The risk associated with proposed asset transfers will require to be measured within the supporting Business Case.
5.6 **CUSTOMER SERVICE**	None

Executive Director of Customer Services

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ATTACHMENTS

Appendix 1 – Policy Statement
Appendix 2 – Pre-Stage process internal guidance
Appendix 3 – Pre-Stage process map
Appendix 4 - Stage 1 process internal guidance
Appendix 5 – Stage 1 process map
Appendix 6 – Stage 2 internal guidance
Appendix 7 – Stage 2 process map
Appendix 8 – Implementation plan

Policy Statement

An Introduction to the Policy Statement

Argyll and Bute Council holds each of its property assets as a resource to be used in the delivery of services and to support and contribute to its corporate objectives.

This Council also recognises that it has a valuable contribution to make in supporting the development and role of the Third Sector to provide key services within communities.

The Council believes that the transfer of certain assets to Third Sector organisations will support community empowerment and may achieve better value for money and sustainable outcomes for both the Council and the wider community.

The Corporate Asset Management Strategy sets out arrangements for the management and development of the Council's key assets. The Strategy already contains approved policy statements for each of its main asset groups.

However, as the process for transferring assets will follow a different route from existing surplus property disposals and because the transfer of assets from public ownership requires strict probity and equity, it is considered appropriate to produce this separate policy statement for the transfer of assets to the Third Sector.

This new Policy will be embedded within the 2012-13 Corporate Asset Management Strategy and will complement all existing Asset Management Policy statements.

The Purpose of the Policy Statement

Its purpose is to provide a commitment, underpinned by a transparent and positive process, to enable appropriate Council property assets to be transferred to Third Sector organisations, where a sustainable opportunity is considered to exist.

The National and Local Context for the Policy Statement

In March 2009 COSLA and the Scottish Government published a joint community empowerment action plan entitled "Community Celebrating Success: Inspiring Change". In this document they endorse the view that the transfer of assets to the Third Sector is seen as tangible form of empowering communities.

In conjunction with this the Scottish Government appointed the Development Trusts Association of Scotland to take forward a raft of initiatives with local authorities and this, in turn, has led to the creation of the Community Ownership Support Service (COSS).

This Service exists as a support network for both community groups taking on assets and local authorities alike. Its aim is to increase the flow of assets into community ownership. A paper entitled "Public Asset Transfer Empowering Communities" has

been published by COSS and through the use of case studies, it seeks to demonstrate how community groups and Councils can work together, overcome difficulties and achieve results for mutual benefit.

In parallel with the emerging national agenda the Council commissioned its own Demonstration Project which ran from 2008-10. The aim of the Project was to develop and improve opportunities for the third sector to work alongside and deliver services for the Council.

The Project was run by a Board chaired initially by the leader of the Council and then by the Third Sector spokesperson. Partners from NHS Highland, Highlands and Islands Enterprise, voluntary and social enterprises and the Big Lottery Fund were all represented on the Board.

The Demonstration Project Board published its final report entitled "Harnessing the Potential of the Third Sector to Help Achieve Council Objectives Demonstration Project" in September 2010.

The full Council approved the asset recommendations contained in this report to improve community sustainability through the Third Sector's ability to acquire assets.

The Aims of Third Sector Asset Transfer

The Council's extensive property portfolio comprises a wide range of assets including, for example, offices, schools, libraries, halls, depots, and rented commercial property. The majority of these assets support direct service delivery, while some play a role in helping to stimulate economic activity and regeneration. The Council also has a role as a custodian of community assets such as playing fields and play areas.

Through the ownership of assets, the Council therefore seeks to achieve a variety of economic, regeneration, social, community, environmental and public functions.

Nevertheless, for some of these assets, community management and ownership may unlock and deliver:-

- Additional benefits to the local community.
- Benefits to the Council and other public sector bodies.
- Benefits for the organisation carrying out management or operation of the asset.

It is acknowledged that community groups will have a greater opportunity to access new sources of finance and be better placed to invest in an asset thereby extending its life and enhancing its use and availability to a wider community.

Use of the Council's approved process for all applications using the standardised application forms, supported by comprehensive guidance notes, ensures all interested parties are better informed and therefore better prepared to assume responsibility for an asset.

Argyll and Bute Council should enjoy the following benefits, amongst others, from Third Sector Asset Transfers:-

- Community empowerment.
- A more sustainable "Third Sector".
- Improvements to local services.
- Improved Value for Money.
- Social enterprise.
- Economic development.
- Area wide benefits for the residents of Argyll and Bute.
- Delivery of Agreed Outcomes and Corporate Objectives.

General Principles of Asset Management

The Council's Policy Statement in respect of the transfer of assets to the Third Sector supports the following principles:-

- Any proposed asset transfer must support the Council's Single Outcome Agreement (SOA) and Community Planning Partnership (CPP) outcomes and therefore should not to be to the detriment of other strategies and policies.
- It recognises the Council's discrete and independent role as a supporter of the Third Sector, but also acknowledges its stewardship of publicly owned assets.
- The transfer of assets shall be carried out in a transparent, equitable and accountable way and be in accordance with the Corporate Asset Management Strategy and individual Asset Policy Statements.
- A strategic approach will be adopted for all assets, in accordance with our Corporate Asset Management Policy and Asset Management Plan.
- All our Services shall support the Policy Statement for the transfer of assets to the Third Sector and assist in delivering the aims and objectives contained in this Policy.
- All assets being transferred for less than market value shall be subject to satisfying the terms and conditions of the Disposal of Land by Local Authorities (Scotland) Regulations 2010.

Considerations Prior to Asset Transfer

The decision to transfer assets to the Third Sector involves the consideration of a number of criteria, including:-

- Benefits to the respective parties, e.g. The Council, the wider community or community organisations which will be generated by the transfer of the asset to the Third Sector.
- Loss of any existing income.
- Retention of assets for direct service delivery.
- Potential capital receipts.
- Potential loss of capital receipt at market value.
- The opportunity to secure a sustainable future for the asset.

Internal Process Guidance Notes for Asset Transfer to the Third Sector
This is a three Stage process and these draft process notes should be read in conjunction with the appropriate flow charts.

PRE - STAGE

Pre - Stage	Action	Responsible
1.0	Each year as part of the Service Asset Management Planning (SAMP) process, Services are required to submit details of any properties that are likely to become released, or are currently being assessed as potentially available for release. This process will be tracked and monitored quarterly through meetings between the relevant Service Head and the Head of Facilities/Strategic Asset Manager. These quarterly meetings will also be used to identify any emerging requirements for additional accommodation. If a potential surplus asset is identified the Asset Management Board will initially assess if there is a wider corporate requirement for an asset of this nature. In this instance any potential reallocation will be processed under the Council's existing procedures. Where such an asset is identified, Estates check the Title position to identify restrictions, if any, that might prevent or affect the ability of the Council to sell or lease the asset Area Committee give approval for the disposal of the asset. Asset is marketed by Estates. Asset is disposed of.	Head of Service/Head of Services/Strategic Asset Manager
1.1	If no wider corporate requirement exists the asset will be considered for potential transfer to the Third Sector. The holding department will prepare a business case to determine the basis of	Head of Service/Head of Facilities/Strategic Asset Manager/Senior Estates Surveyor

| | transfer. (Full value/Part value/ Nominal value/Lease)

Any asset potentially identified for transfer will be subject to a prioritisation process.

Report encompassing Business Case presented to Area Committee by Estates.

Area Committee gives approval for the transfer of the Assets.

Estates prepare an asset schedule to include:
 • Location
 • Description
 • Basis of Transfer
 • Availability Date
 • Existing Use Value
 • Floor/Site Area
 • Condition
 • Suitability/Existing Use
 • Potential Uses of Asset
 • Annual Running Costs | |

Appendix 3

Third Sector Asset Transfer Pack

Pre-Stage Asset Process

Quarterly Review Heads of Service/Asset Manager SAMP Process

Assets identified as potentially available for TRANSFER

Assets identified as potentially SURPLUS to requirement

Estates/Legal/Planning/Finance issues investigated and reported

Processed under existing Council procedures

Restrictions Apply — No further action

No Restrictions Apply

Area Committee Approval

Market Asset

Disposal

Holding Department prepare a Business Case to ascertain basis of transfer and submit to SAMB for approval (Full Value/Part Value/Nominal)

SAMB Evaluate Business Case

Business Case to be Revised

Rejected — No further action

Retain for Future Release

Business Case Approved

Estates make Recommendation to Area Committee to Proceed including Suggested Prioritisation

Area Committee Approval

Proceed to Stage 1 Process

Estates Prepare Asset Schedule
- Location
- Description
- Basis of Transfer
- Availability Date
- Existing Use Value
- Floor/Site Area
- Condition
- Suitability/Existing Use
- Potential Uses of Asset
- Annual Running Costs

Internal Process Guidance Notes for Asset Transfer to the Third Sector This is a three Stage process and these draft process notes should be read in conjunction with the appropriate flow charts.		
STAGE ONE		
Stage One	**Action**	**Responsible**
1.0	Estates prepare and issue asset particulars on web and by email including :- - Details of the asset e.g. location, description, construction, condition and size. - Acceptable planning uses, based on current local plan. - Potential availability e.g. next quarter, next year etc. - Closing date for initial expressions of interest. - Estimation of asset value. Estates will simultaneously provide appropriate web link to a standard downloadable "Initial Expression of Interest" letter template. This letter will request the following information from interested parties :- - Name of interested party/organisation. - Contact details. - Nature of interest, i.e. Third Sector, developer etc. - Is their interest in leasing or purchasing the asset? Estates will acknowledge all expressions of interest until the expiry of the circulation period. During this period the Social Enterprise Team will be kept wholly informed of any expressions of interest received.	Senior Estates Surveyor
1.1	At the end of the circulation period Estates will :- - Notify the appropriate Service Head of interest received. - Notify the Asset Management Board. - Remove the asset notification from the web. - Advise any Third Sector interested parties that a member of the Social Enterprise Team will make contact at this point. - Notify Developer or any Private interests that their details will be kept on file in the event that the property eventually becomes surplus to	Senior Estates Surveyor

	requirements of the Council and is placed on the market. • Hand over to the Social Enterprise Team to progress in accordance with agreed process.	
1.2	Social Enterprise Team to nominate a contact officer to each interested party.They will then arrange an appointment and send out the Asset Transfer Application Pack, if requested.	Social Enterprise Team
1.3	Social Enterprise Team to contact the Assessment Panel to arrange backstop date for Stage One Application review.	Social Enterprise Team
1.4	Social Enterprise Team to contact Community Services to determine whether interested party has an ABC grant, or has submitted a funding application.	Social Enterprise Team
1.5	Social Enterprise Team to meet with interested party to ensure understanding of process and to assist with completion of application form, if required. Where appropriate, Business Gateway can be requested to provide additional guidance and advice.	Social Enterprise Team /Business Gateway
1.6	Social Enterprise Team receives completed Stage One Application Form at conclusion of 32 day timescale and forwards to two internal independent scorers to assess. Final score validated by third independent officer. Social Enterprise Team notified of outcome.	Social Enterprise Team Scoring Team
1.7	Social Enterprise Team to distribute Application and Stage One Evaluation Score to Assessment Panel with or without qualified recommendations Recommendation either:- • Progress to Stage Two. • Turn down Application. • Progress via Estates to Area Committee for property to be declared surplus prior to marketing.	Social Enterprise Team
1.8	Assessment Panel meets to determine if Application should progress via Area Committee to Stage Two. NB. • Terms of Reference - *To be established.* • Evaluation process/scoring matrix Process for accountability and challenge • Head of Service from holding Department to sit on panel	
1.9	Panel recommendation provided to Estates to incorporate into Area Committee Report.	Chair of Panel
1.10	Report prepared and submitted by Estates to Area Committee with appropriate	Senior Estates Surveyor

		recommendation, such as:- - Explore potential asset transfer via Stage Two Process. - Retain asset. - Reallocate asset. - Market asset for sale or lease.	
1.11	Estates to inform Applicants and Social Enterprise Team of appropriate decision	Senior Estates Surveyor SET Officer	

Stage 1 Application

Details of Available Assets Posted on Council Website by Asset Management Board
(Link to downloadable "Expression of Interest" letter)
32 day period of notification

Estates receive an Expression of Interest from Third Sector Organisation (TSO)
- **Request logged**
- **Asset Management Board (AMB) notified**
- **Business Gateway (BG) notified**
- **Social Enterprise Team (SET) notified**

Social Enterprise Team (SET)
- **Arrange appointment with TSO**
- **Send Stage One Application Pack**
- **Diarise Stage 1 completion date with Assessment Panel**

SET undertake an initial assessment of questionnaire with TSO
- **Capacity of TSO**
- **Available support**
- **Viability**
- **Sustainability**
- **Alternative uses**
- **Recommendations**

TSO return completed Stage 1 application to SET for Scoring and Validation process

Application evaluated by two officers, verifier and assessment panel

Estates produce and submit a report with appropriate recommendations to the Area Committee

Market asset for sale or lease

Explore asset transfer

Re-allocate asset

Retain Asset

Proceed to Stage 2 Process

	Internal Process Guidance Notes for Asset Transfer to the Third Sector This is a three Stage process and these draft process notes should be read in conjunction with the **appropriate flow charts.**
	STAGE TWO

Stage Two	Action	Responsible
1.0	Social Enterprise Team to arrange follow-up interview with applicant to develop next stage and feedback on first stage application.	Social Enterprise Team
1.1	Social Enterprise Team to alert Business Gateway and others, where appropriate, to possible support required.	Social Enterprise Team
1.2	Social Enterprise Team to contact the Assessment Panel to arrange backstop date for Stage Two Business Case review.	Social Enterprise Team
1.3	Social Enterprise Team hold Assessment Team meeting to evaluate Stage Two Business Case based on robust framework and measurement criteria.	Social Enterprise Team/ Independent Chair
1.4	Social Enterprise Team report to meeting of Assessment Panel.	Social Enterprise Team
1.5	Assessment Panel reach decision and instruct Estates to proceed to Area Committee, subject to conclusion of any appeal or challenge action, if any. Recommendation potentially either:- • Proposed transfer of asset by lease or sale at market value. • Proposed transfer of asset by lease or sale at less than market value. • Continuation of application for specified period of time to allow for legitimate outstanding issues in relation the Application to be resolved. • Retention of asset indefinitely. • Retention of asset and repeat of potential availability process. • Market for sale or lease.	Panel Chairman/Senior Estates Surveyor
1.6	Area Committee Decision:- • Not to pursue transfer – Estates to advise Applicant accordingly. • To pursue transfer – See 1.8	Area Committee

	below.	
1.7	Remitted to Full Council for approval. • Transfer rejected – Estates to advise Applicant accordingly. • Transfer approved – See 1.9 below.	Area Corporate Services Manager
1.8	Estates notify Applicant and pass all relevant information to Legal Services with instruction to conclude agreement on behalf of the Council.	Senior Estates Surveyor
1.9	Legal Services conclude agreement and effect transfer. Estates notified of date of transfer.	Chief Solicitor
1.10	Estates send notification of transfer to:- • Finance ledger Team • Finance non-domestic rates Team • Insurance Section • CONCERTO Systems Administrator • Property Maintenance and Capital Teams • Area Corporate Services Managers • Third Sector Partnership and Lead Councillor for Community, Culture, Customer and Communication	Senior Estates Surveyor
1.11	CONCERTO updated	Systems Administrator

Stage 2
Application Process

Social Enterprise Team (SET)
- **Arrange follow-up interview with TSO**
- **Feedback on first stage application**
- **Develop next stage**
- **Alert Business Gateway**
- **Diarise Stage 2 completion date with Assessment Panel**

Social Enterprise Team hold Assessment Team meeting to evaluate Stage Two Business Case

Social Enterprise Team report to Assessment Panel

Assessment Panel Recommendation

Time - Limited Continuation of Application

Market Sale/Lease

Retain Asset

Lease/Sale Market Value

Lease/Sale less than Market Value

Retain Asset Potential to Repeat Process

Estates produce and submit a report with appropriate recommendations to the Area Committee

Retain Asset

Area Committee Decision

Estates notify TSO

Pursue Transfer

Rejected

Full Council Decision

Estates notify TSO

Estates
- **Notify Applicant**
- **Inform Legal Services**

Estates Notify
- **Finance ledger Team**
- **Finance non-domestic rates Team**
- **Insurance Section**
- **CONCERTO Systems Administrator**
- **Property Maintenance and Capital Teams**
- **Area Corporate Services Managers**
- **ABSEN, AVA and Third Sector Spokesperson**

Legal Services
- **Conclude and effect transfer**
- **Notify Estates date of transfer**

CONCERTO updated

Draft Asset Transfer Implementation Plan

Action	Date	Where	Required	Action
News Release	September 2012	• Local Press • Website • Third Sector Partnership	Content to include info on Planned Training and Official Launch	Social Enterprise Team/ Communications Team
Potential Assets Identified	September 2012		Report for SAMP (Service Asset Management Plan)	Heads of Service
Assets Considered for Transfer	October 2012		Investigation of Estates, Planning, Legal and Finance issues	Head of Facilities/Strategic Asset Manager/ Senior Estates Surveyor
Elected Members Training	October Area Committees	Relevant Areas	Presentations	Strategic Asset Manager/ Social Enterprise Team
Officer Training	October 2012	Kilmory	Presentations	Strategic Asset Manager/ Social Enterprise Team
Third Sector & Communities CPP Training	15th November 2012	Kilmory	Presentations	Strategic Asset Manager/ Social Enterprise Team
SAMB Approval	November 2012		Business Case	Holding Department
Scoring & Evaluation Officer Training	November 2012	TBC	Presentation/ Practical Exercise	Strategic Asset Manager/ Social Enterprise Team
Creation of Sharepoint Site	November	Kilmory	Training	IT Services/Web Team
Launch	End of November 2012	Inveraray Venue TBC		Strategic Asset Manager/Social Enterprise Team DTAS/OSCR/HIE/BIG Lottery Fund/Member representation TBC
Open Community Group Training	4 Sessions November/ December 2012	LACPG meetings TBC	Presentations/ Potential Webinar for Islands	Social Enterprise Team/Strategic Asset Manager/ DTAS
Assets Approved for Release	December 2012		Report including Prioritisation	Estates/Area Committee
Go Live	January 2013	Website/Third Sector Partnership/		

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ARGYLL & BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **20 SEPTEMBER 2012**

APPOINTMENTS TO OUTSIDE BODY – ARGYLL MAUSOLEUM, KILMUN

1.   SUMMARY

1.1   The Council has received a request from Argyll Mausoleum to appoint a Corporate Board representative to sit on their Board. The nomination can be either a Councillor or Officer of the Council.

2.   RECOMMENDATIONS

2.1   The Council is invited to consider whether or not it wishes to make an appointment to the Argyll Mausoleum Board.

3.   BACKGROUND

3.1   The Board are running a community driven project in Cowal to restore the Argyll Mausoleum and to open it to the public. They have received funding over two years to assist the project which is now in place or underway. The project is getting very close to the point where they can start going to tender for the actual restoration and construction work.

3.2   The Argyll Mausoleum Board have now invited Argyll and Bute Council to nominate a representative to sit on their Board.

The Church of Scotland, Argyll Estates and the Benmore & Kilmun Community Development Trust already have Corporate Director places on the Board and their nominated representatives are active in the project and they envisage a similar role for the Council.

4.   IMPLICATIONS

4.1   Policy - This is in keeping with the Council's commitment to work with other agencies in partnership to benefit the people of Argyll and Bute.

4.2   Financial - The Council will incur costs in Members participating in these meetings.

4.3   HR - None

4.4   Equal Opportunities - None

4.5   Legal - None

4.6   Risk - None

4.7   Customer Services - None

Douglas Hendry
Executive Director – Customer Services

August 2012

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ARGYLL AND BUTE COUNCIL

COUNCIL

CUSTOMER SERVICES

20 SEPTEMBER 2012

CONSULTATION ON SCOTTISH PASSPORTED BENEFITS

1.0 SUMMARY

1.1 On 28 June 2012, the Scottish Government launched its consultation on Scottish Passported Benefits and the associated changes required as a result of the introduction of Universal Credit and Personal Independence Payment. This report presents the officer response to the above consultation which is due to be submitted by Friday 28 September 2012.

2.0 RECOMMENDATIONS

2.1 Note the context of the report.

2.2 Approve the draft response as detailed in the Appendix of this report as the Council's formal response to the Scottish Government proposals for the Scottish Passported Benefits.

3.0 DETAIL

3.1 The Council is being asked to submit its formal response to the Consultation on the Scottish Passported Benefits to the Scottish Government by 28 September 2012.

3.2 Over the period from April 2013 onwards, many working age benefits will be abolished in their current form and replaced with a new Universal Credit (UC). Disability Living Allowance (DLA) will be replaced by new Personal Independence Payment (PIP). In Scotland the receipt of various welfare benefits is used as a proxy measure for low-income or disability when assessing entitlement to Scottish controlled benefits such as free school meals and legal aid, amongst others. It is not affordable to simply extend the eligibility of passported benefits to all those on UC as this will include many who just received child tax credits and/or working tax credits previously. We also understand that there will be differences in eligibility for PIP from DLA. Successor eligibility criteria need to be in place by April 2013 to ensure that there is maintained access to passported benefits when the first claimants start to receive UC or PIP.

3.3 The Scottish Government is responsible for the following passported benefits:

Passported from Universal Credit
- Legal Aid
- Free school lunches
- Free NHS dental treatment
- NHS patient travel costs
- NHS optical vouchers
- Individual Learning Accounts

- Education Maintenance Allowance
- Court exemption fees

  Passported from PIP
  - Blue Badge parking permit
  - Concessionary bus travel (for working age)
  - Student loans for Higher Education – exemption from repayment

3.4 Of these, local authorities administer free school meals and school clothing grants and blue badge parking permit. In this authority, applications can be made through any Customer Service Point or by post, and blue badge applications can be made fully online. For free school meals and school clothing grants, we use the Housing/ Council Tax Benefit system to identify those whom we think should qualify and write out to them annually to encourage them to apply.

3.5 The consultation looks at the guiding principles and the notion of 'cashing up' or offering a cash supplement to UC instead of a separate benefit, whether the UK welfare system should be used as a basis for eligibility to these benefits in future, the possibilities for a more coherent system of passporting from UC using an income threshold, and whether the same savings limits in UC should be utilised. The draft response supports the principles identified with the addition of affordability, suggests that cashing up is not appropriate for all passported benefits (especially not for free school meals), that information from the national welfare system should continue to be used to assess eligibility, points out the need to avoid a cliff edge effect for losing all entitlement at a particular income threshold, supports the use of UC savings limits for passported benefits, and expresses concern that disabled people should be protected in these reforms and some consideration given to particular needs of those in rural areas in these reforms.

3.5 Members should be aware that the Welfare Reform Act will also abolish the present Council Tax Benefit from April 2013 and that successor arrangements are being worked up between CoSLA and the Scottish Government. For 2013/14 sufficient funding is being provided to local authorities for a transitional year in which existing eligibility for council tax benefit will be applied to a new national schedule of council tax reductions to provide in so far as is possible, the same levels of rebate to the same people. This is dependent on continues sharing of data between DWP and local authorities. Similarly some discretionary elements of the social fund are transferring from DWP to the Scottish Government from April 2013. The Scottish Government is working with CoSLA to draw up details for a replacement scheme for Community Care Grants and Crisis Loans for Living Expenses, and these will be delivered locally by local authorities from April 2013. These changes will also affect many of those people entitled to passported benefits.

5.0 IMPLICATIONS

5.1 Policy: None at this time
5.2 Financial: None at this time
5.3 Legal: None at this time
5.4 HR: None at this time
5.5 Equalities: None at this time
5.6 Risk: None at this time
5.7 Customer Service: None at this time

6.0   APPENDICES

6.1   Attached response to Scottish Government on the Scottish Passported Benefits.

<u>Background papers</u>
Full consultation paper can be found at:
 http://www.scotland.gov.uk/Publications/2012/06/9166

Executive Director of Customer Services
Douglas Hendry
12th September 2012

For further information contact:
Judy Orr, Head of Customer & Support Services
Judy.Orr@argyll-bute.gov.uk

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Scottish passported benefits: Consultation on changes required as a result of the introduction of Universal Credit and Personal Independence Payment

RESPONDENT INFORMATION FORM

<u>Please Note</u> this form **must** be returned with your response to ensure that we handle your response appropriately

1. Name/Organisation

Organisation Name

Argyll and Bute Council

Title Mr x☐ Ms ☐ Mrs ☐ Miss ☐ Dr ☐   *Please tick as appropriate*

Surname

Walker

Forename

Fergus

2. Postal Address

| Witchburn Road |
| Campbeltown |
| Argyll |
| |

| **Postcode** PA28 6JU | **Phone** 01586 555237 | **Email** Fergus.walker@argyll-bute.gov.uk |

3. Permissions - I am responding as…

Individual	/	**Group/Organisation**
☐	*Please tick as appropriate*	**X**☐

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate ☐ Yes ☐ No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick ONE of the following boxes

Yes, make my response, name and address all available ☐

or

Yes, make my response available, but not my name and address ☐

or

Yes, make my response and name available, but not my address ☐

(c) The name and address of your organisation *will be* made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your *response* to be made available?

Please tick as appropriate **X**☐ Yes ☐ No

(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please tick as appropriate **X**☐ Yes ☐ No

CONSULTATION QUESTIONS

Q1   The principles identified by the Social Security Advisory Committee to underpin the reform of passported benefits are: simplification, auto-entitlement, information transfer and making work pay. Do you think that these principles are helpful in the Scottish context?

Yes X   No ☐   To an extent ☐

> The principles identified by SSAC to underpin the reform are all important principles. The current system for assessing these passported benefits is simple, provides an automatic entitlement for claimants and is based on information transfer and this system is proven to work very well. We shouldn't be reinventing the wheel with this because of Universal Credit. The fourth principle of making work pay is also a very important principle closely aligned with the key objective of Universal Credit therefore it is a requirement to include this principle when assessing entitlement to passported benefit.

Q2   What other principles would you like to see underpin any reform of passported benefits in Scotland?

> We feel that affordability of the scheme for the Scottish Government is important and should be added as a principle. The scheme needs to be cost neutral in that the cost of the new system of passported benefits should not exceed the cost of the old system.

Q3   Do you feel that it would be desirable to replace benefits in kind (i.e. providing the goods or services directly) with a cash alternative for some passported benefits?

Yes ☐   No ☐   To an extent X

> Cash payments of passported benefits may pose specific problems for specific groups e.g. those with a mental health issues.
>
> To support financial inclusion/independence as per the principles of UC benefits in kind should be replaced by a cash alternative as this gives parity with those in work. However this increases the risk that money wouldn't be spent on what it was intended for. A scheme is required to check that the funds have been spent on the agreed purpose and a mechanism is required to ensure that the level of cash payments made match the level of costs incurred as this may vary for claimants.
>
> This will increase the administrative burden of providing the services.

Q4   Do you feel that it would be desirable to roll existing cash payments for passported benefits into the Universal Credit payment, to create a single income stream?

Yes ☐   No ☐   To an extent X

This would represent simplification from a claimant's perspective removing the need to claim separately for passported benefits where data gathered for a universal credit application demonstrates entitlement to them. If processing claims is auto-mated as planned this would create some efficiencies in respect of administrative costs for the government.

However, there would be a risk that the claimant will not know how much of their UC payment will be to cover free school meals for example if cash payments are made for such to the householder as part of UC. Evidence shows that payments clearly labelled for a purpose are most likely to be used for that purpose. At present UC will only show a standard allowance and housing element breakdown for claimant therefore there would be a risk that any cash payments included for passported benefits would not be used by the family as such. The implications relate to how the purpose of the benefit matches the reality of household spending. Additionally the cost of free school meals, blue badges and other passported benefits may vary from one geographic location to another. The need to take account of local circumstances in entitlements would create a complex system placing an administrative burden on the DWP.

A national cash value for each in kind passported benefit which has a fixed cost, recurring element (free school meals for example) at the point of transfer to UC could be an alternative but this would cause problems such as that there would be no account taken of local variations. It would lead to further confusion as for a time through UC migration period families will be in receipt of either UC or legacy benefits at the same time. This would cause confusion, potential for duplicated entitlement and some claimants missing out completely. Also the value of the cash payment would need to be protected and uprated over time to reflect actual costs. Failure to do this would risk cash payments for passported benefits becoming hopelessly out of touch with actual costs and they will simply be swallowed up and diluted by UC. The childcare model in UC allows us to link actual costs with the level of benefit afforded and is a way round some of these difficulties.

In terms of passported benefits for one-off costs such as legal aid, dental treatment the difficulty is having a simple and clear system that supports the actual costs incurred by the claimants. It is not appropriate to provide a set standard amount of benefit as a cash payment for these items. Therefore these passported benefits should not be rolled into UC payments. This would most likely need a separate claim process which is simple, where claimants know the potential entitlement and that the entitlement criteria is such that it recognises that these sorts of costs can be unaffordable for families whose income or capital may take them out of UC entitlement. This would mean increased administrative costs to assess applications and process payments when compared to assessing entitlement based solely on UC entitlement and actual costs incurred.

Q5   Do you think that the welfare system (i.e. receipt of Universal Credit or Personal Independence Payment) should form the basis for access to passported benefits?

Yes X   No ☐   for some entitlements only (please specify which) ☐

This is the only method of providing access to a means tested benefit.

Q6   If yes, what existing alternative mechanisms can you suggest to identify recipients and verify claims?

None.

Q7   What could be done to make it easier for people to find out what benefits they are entitled to?

There needs to be more use of Local Government as the best vehicle for providing support to vulnerable people in need. Councils can work very closely with community planning partners and the voluntary sector to provide a joined up welfare service dealing with the whole range of passported benefits, support for universal credit and other funds such as Discretionary Housing Payments, Social Fund applications seamlessly.

There is good quality information available on the internet through directgov and directscot websites, there are a number helplines and the use of local Customer Service Points is also important. Support can be provided digital by default for those that are digitally enabled.

Inserting information into the UC award notification about entitlement or potential entitlement to passported benefits would assist families and individuals to identify any additional help they may be entitled to. This can also be and efficient method of providing evidence of entitlement to the agencies delivering passported benefits like the NHS and Local Authority Education Departments.

Q8   Do you wish to highlight any of the groups protected under the Equality Act as being particularly at risk in the reform of passported benefits?

Special care should be taken to ensure that the disabled are not at risk in the reform of passported benefits as there are a number of passported benefits linked to disability related benefits.

Q9   What robust sources of evidence with regards to impact on protected equality groups should we draw on when considering the impact of future proposals?

Unable to comment

Q10   Over the longer term, should the Scottish Government aspire to a move to a more coherent system of eligibility criteria for low-income benefits, such as linking income thresholds to one of the measures of poverty?

Yes X   No ☐   To an extent ☐

We agree that current passported benefits were developed separately and at different times with little or no reference to each other. Now is the time to review them to make stronger links between them and creating eligibility criteria for all of them which reduces complexity and is more coherent and transparent. There is an opportunity to understand better how UC works and how the elements of UC can be linked to provide information re the eligibility of claimants passported benefits. In order to simplify the whole process the link to UC must be strong and the eligibility criteria straightforward.

This doesn't match to income threshold line and need to avoid a cliff edge effect of losing all entitlement at a particular threshold levels.

Q11   Should the Scottish Government assess income:

At household level   X
At individual level   ☐
It should vary according to the entitlement being applied for ☐

For the purpose of simplicity and consistency with UC Scottish Government should assess income at household level.

Q12   Should the Scottish Government adopt a savings limit for some or all benefits?

All X   None ☐   Some (please specify which) ☐

Yes in order to provide simplification and consistency in respect to UC entitlement.

Q13   If you answered None, please suggest how we could identify those who do not qualify for Universal Credit because they have more than £16,000 savings.

Not applicable

Q14   Should the Scottish Government adopt the same savings limit as the Department for Work and Pensions – i.e. that no one with savings (excluding equity in your home) of more than £16,000 should receive any passported benefit?

Yes X   No ☐

Yes in order to provide simplification and consistency in respect to UC entitlement.

Q15   Do you have any other comments within scope?

We feel that an assessment of claimant need and availability of support (rurality) is required. For example in Argyll and Bute, because of our unique geography, travel costs to NHS hospital premises and the concessionary travel scheme for Older and Disabled people are both vitally important. In Argyll and Bute there is limited public transport available to the public and the travel costs are very high in general, much greater than the costs of travel in an urban area so perhaps a principle around claimant need and availability of support (rurality) should be added.

Please send your response to passportedbenefitsconsultation@scotland.gsi.gov.uk by Friday 28 September 2012.

An Easy Read version of the consultation is also available at www.scotland.gsi.gov.uk

ARGYLL AND BUTE COUNCIL **COUNCIL**

CUSTOMER SERVICES **20 SEPTEMBER 2012**

CONSULTATION ON THE REGULATIOINS ON COUNCIL TAX CHARGES ON LONG-TERM EMPTY HOMES

1.0 SUMMARY

1.1 The Scottish Government launched a new consultation on the regulations on council tax charges on long term unoccupied homes in July 2012. This followed an earlier consultation undertaken between October 2011 and January 2012 on proposals for a council tax increase on long term empty properties to which this council responded. The Council supported the government's intention to reduce the number of empty homes, noted that other actions might have more of a success than adding a levy on the council tax, but welcomed the government's intention to broaden the range of options available. The Council's response was approved at the Executive meeting on 15 December 2011.

1.2 Since then, as there was broad support for the increase in council tax charges, The Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill was introduced to the Scottish Parliament on 26 March 2012. If passed, this will provide enabling powers to increase the council tax, but the bill needs to be supplemented by further regulations, and this new consultation is on these proposed draft regulations. If the proposed bill and associated regulations are passed, the Council will need to consider if it wishes to exercise these new powers, and from what date. The intention is that it should be possible to bring in the changes from 1 April 2013.

1.3 It should also be noted that the Council approved a number of actions to tackle the problem of empty homes at the council meeting of 23 August 2012 which supports a comprehensive empty homes strategy. The Housing Service welcomes and supports the general principle of establishing incentives for bringing long-term empty homes back into use.

1.4 The consultation closes on 5 October 2012.

2.0 RECOMMENDATIONS

2.1 Note the context of the report.

2.2 Approve the draft response as detailed in the Appendix of this report as the Council's formal response to the Scottish Government proposals for the Regulations to enable a council tax increase on long-term empty homes.

3.0 DETAIL

3.1 The Council is being asked to submit its formal response to the Consultation on the council tax increase on long-term empty homes to the Scottish Government before the consultation closes on 5 October 2012.

3.2 The current legislation only permits councils to change the level of council tax discount on second homes and long term empty homes. This council has utilised this discretion and reduced the discount for both these classes of property to 10% with effect from 1 April 2005. The additional monies collected which are just over £1.8m per annum are ring fenced to the Strategic Housing Fund.

3.3 The Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill was introduced to the Scottish Parliament on 26 March 2012, and this, along with these draft regulations which are being consulted on, would give the council powers to further increase the council tax charge for certain long-term empty properties, and allow councils to charge owners a penalty of £200 if they fail to meet new requirements to provide information about whether or not their home is occupied, or are found to have provided false information.

3.4 The proposed new regulations will:

- Allow councils to impose an increase of up to 100% of the relevant council tax rate for homes that have been empty for one year or longer (currently the minimum discount is 10%).

- Allow councils to offer a discount of between 10 and 50% for homes that are unoccupied for less than a year. Currently such homes are exempt from council tax for 6 months if they are unfurnished, then a 50% discount must be provided during the next 6 months. The exempt period will remain for unfurnished homes, but the ability to vary the discount will apply immediately after that period.

- Allow councils to apply different rates of discount or increase in different parts of their area or to increase council tax charges the longer a home has been empty.

- Require councils not to impose a council tax increase for two years after a home has become unoccupied where it is being actively marketed for sale or for let – these owners would still pay council tax, but would get a discount of between 10% and 50%.

- Define a long-term unoccupied home which can be subject to a council tax increase as one which has been unoccupied for 12 months or longer, which can be either furnished or unfurnished.

- Define a second home as a home which is not someone's main residence, but is occupied for a minimum of 20 days per year.

3.5 The regulations change the definition of a second home. At the moment the difference between second homes and long term empty properties is that second homes are furnished. Empty homes get 100% exemption from council tax for 6 months, then 50% discount for 6 months, and then 10% discount thereafter. Second homes just get 10% discount. We do not check if a second home is furnished or not, we simple give the 10% discount if the owner is registered for council tax at another address and the property is no-one's sole or main residence. In future, a second home will need to be occupied for at least 20 days per annum in order to retain its status. If it is not occupied for this minimum time period, it will be classed as unoccupied and, after 12 months of being classed as unoccupied, could potentially be subject to double council tax – this would be subject to council decision. This decision would need to be made well in advance of billing for a new council tax year in order to give council tax payers appropriate notice of the change.

3.6 If the council were to exercise its discretion to charge double council tax on long term empty properties in order to provide additional incentives to bring these back into use, there is no clear evidence that this will have the desired effect, and it could potentially have some counter-productive effects. Owners could change the status of their properties to self-catering properties which would reduce the revenue to the council and not necessarily ensure the property was better used (it just has to be available for letting – not actually let for any minimum period). Others may find it difficult to pay the increase. Often it is lack of funds that inhibits an owner from renovating a property and bringing it back into use. Council will need to consider all these factors carefully before deciding if it wishes to exercise these new powers if they are enacted.

3.7 The draft response makes comment on the practicalities of the definitions proposed new categories of property, on the proposed discretion for homes unoccupied between 6 and 12 months, protection for owners actively trying to sell or rent their properties, flexibility to exempt certain other categories, transitional provisions, and requirements to provide information about the occupation of properties.

5.0 IMPLICATIONS

5.1 Policy: None at this time. Council will be required to approve a new policy should these new regulations be brought into effect in relation to the reduction of council tax discount from 10% to 50% as the legislation under which that policy was made would be repealed.

5.2 Financial: None at this time. Will affect levels of council tax revenues and amounts ring fenced to the Strategic Housing Fund

5.3 Legal: Bill and associated regulations will need to be complied with once enacted.

5.4 HR: None

5.5 Equalities: Potential financial impacts on owners of second homes and long term empty properties. No information if protected groups could be adversely affected.

5.6 Risk: None at this time. If discretion exercised to increase council tax, then would expect some risk of increased non-payment.

5.7 Customer Service: None at this time. Will need to give requisite notice to all council tax payers affected by the legislation once enacted.

6.0 APPENDICES

6.1 Draft response to Scottish Government on the Regulations to enable a council tax increase on long-term empty homes.

<u>Background Papers</u>
Consultation on proposal for council tax on long term empty homes: Executive 15 December 2011

Strategic Housing Finance Review – Increasing Access to suitable, affordable housing: Council 23 August 2012

The full consultation paper can be found at:
 http://www.scotland.gov.uk/Publications/2012/07/9137

Executive Director of Customer Services
Douglas Hendry
13th August 2012

For further information contact:
Judy Orr, Head of Customer & Support Services
Judy.Orr@argyll-bute.gov.uk

Consultation on regulations to enable a council tax increase on long-term empty homes

RESPONDENT INFORMATION FORM

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

1. Name/Organisation

Organisation Name

Argyll and Bute Council

Title Mr ☐ Ms x☐ Mrs ☐ Miss ☐ Dr ☐ *Please tick as appropriate*

Surname

Orr

Forename

Judy

2. Postal Address

Council offices		
Witchburn Road		
Campbeltown		
Argyll		
Postcode PA28 6JU	**Phone** 01586-555280	**Email** judy.orr@argyll-bute.gov.uk

3. Permissions - I am responding as…

Individual	/	**Group/Organisation**
☐	*Please tick as appropriate*	x☐

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate ☐ Yes ☐ No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick ONE of the following boxes

Yes, make my response, name and address all available ☐

or

Yes, make my response available, but not my name and address ☐

or

Yes, make my response and name available, but not my address ☐

(c) The name and address of your organisation *will be* made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your *response* to be made available?

Please tick as appropriate X☐ Yes ☐ No

(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please tick as appropriate X☐ Yes ☐ No

Consultation Questions

Question 1 Do you agree with the proposed definitions of a long-term unoccupied home and an unoccupied home in the draft Variation for Unoccupied Dwellings regulations?

Response:
No.

The draft regulations incorporate the following definitions:

"second home" means a dwelling which is no-one's sole or main residence, but which a local authority is satisfied is occupied for at least 20 days in any financial year; and

"unoccupied dwelling" means a dwelling, furnished or unfurnished, which has no resident and which is not a second home, and "long-term unoccupied" in relation to such a dwelling means that, for at least a year since becoming unoccupied, the dwelling has not been occupied for a continuous period of over 20 days.

The definition of a second home is sufficiently clear. However it will be difficult to determine occupancy for the 20 day period (see response to question 2 below). Consideration should be given to pro-rating the 20 day period for new owners/tenants who become liable as the council tax payer part way through a year.

It is inconsistent to have "furnished or unfurnished" as part of the definition of "unoccupied dwelling" but not also in the definition of "second home". Both categories could be furnished or unfurnished from these definitions. The definition for "unoccupied dwelling" should mirror the "second home" definition and state "a dwelling which is no-one's sole or main residence" rather than "which has no resident". The concept of "sole or main residence" is well established in council tax case law and this should be retained in both these definitions.

Question 2 Do you agree that:

a) only homes which owners can demonstrate are used for a minimum of 20 days per tax year should be classed as second homes?
b) an unoccupied home should need to be reoccupied for more than 20 continuous days before restarting the clock for the purpose of determining whether or not it is a long-term unoccupied dwelling?

Response:
    a) Yes but some modifications should be made.

        This council has large numbers of second homes with 3,907 noted as such on the council tax register as at 31 August 2012 which is over 8% of all dwellings in the council's area. There are also 755 properties currently classed as long-term empty. The change in definition will undoubtedly change the split between these two categories. We agree

that it is important to differentiate as it is only long term empty properties which are available to be brought back into use. We agree also that the difference has to be based on some degree of usage. We would suggest that the requirement for a number of days use should be pro-rated based on the number of days there is liability for that property in the council tax year, otherwise this may be seen as unfair. We are concerned about the ability to ensure that such occupation has actually taken place. We would be reliant on council tax payers maintaining records and certifying this level of occupation retrospectively. Utility bills may not provide much evidence of occupation is mainly in summer months. We would therefore like a requirement for liable parties to be required to maintain records and provide local authorities with an annual report of occupancy of second homes to be built into the regulations.

b) No.

It does not appear to be logical that the required period of occupation should be 20 continuous days before re-starting the clock. If a property is occupied for 20 days within any financial year, then it is classed as a second home and not as unoccupied. The definition should simply be that the dwelling has been classed as an "unoccupied dwelling" for at least a year.

Question 3 Do you agree that Councils should have the discretion to be able to apply a discount of between 10% and 50% for homes which have been unoccupied for between six and twelve months?

Response:
Yes.

At present furnished homes in our council area (being classed as second homes) only receive a 10% discount if unoccupied, whereas unfurnished properties get 6 months exemption followed by 6 months with 50% discount, and then it reduces to 10% discount after a full 12 months. Landlords feel this lack of parity between furnished and unfurnished letting properties is unfair. We would therefore welcome the ability to reduce the discount on homes which have been unoccupied for 6 to 12 months. This would potentially reduce this disparity, and also encourage landlords to get new tenants in more quickly.

Question 4 Do you agree that owners actively seeking to sell or let their home should be protected from a council tax increase for up to two years after the home first becomes unoccupied?

Response:
Yes.

We would like to see the regulations go further and protect landlords of furnished properties from a reduction in the discount of 50% for the first 6 months. Currently if a local authority has decided to reduce the discount on second homes to 10% from 50%, there is no mechanism to distinguish furnished lets from second homes. The new draft regulations may also catch furnished lets within the definition of second homes rather than unoccupied homes where flexibility is offered. Unfurnished properties qualify for a 6 months exemption although they could also fall into the definition of unoccupied dwellings if they remain empty for a full year.

Question 5 Do you think that Councils should be given discretion to apply the council tax increase to certain categories of long-term unoccupied homes, but not others, based on their own local priorities? If so, what should those categories be?

Response:
We would like the flexibility to exempt certain categories from the proposed council tax increase such as registered social landlords who may be holding hard to let housing stock which is used from time to time for decants, and also to exempting some properties which may be difficult to sell due to particular factors such as a risk of subsidence or difficulties with water and sewerage supplies which may make it hard for a buyer to get a mortgage on the property.

Question 6 Do you think there should be any transitional provisions in the draft Variation for Unoccupied Dwellings regulations so the regulations would come into force on a phased basis? If so, please provide details.

Response:
Local authorities who have previously reduced the discount from 50% to 10% for second home and long-term empty properties will want to implement the new regulations at least to some extent in as smooth a way as possible, and not lose the benefit they have previously enjoyed from these reductions in discount. These new regulations are due to come in from 1 April and these will revoke the 2005 regulations from that date also. It will be important to give council tax payers requisite notice of these changes and to have categorisations as correct as possible in advance of annual council tax billing runs which take place in late February each year. For this reason, transitional provisions should be in place to allow local authorities to continue to bill on the basis of the old regulations for the 2012/13 council tax year.

Question 7 Do you agree with the other provisions set out in the draft Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013? (Please provide any comments on any issues in relation to these regulations which are not covered under questions 1 to 6.)

Response:
There are some minor drafting comments below about these draft regulations.

Regulation 4 a) should be renamed as Regulation 4 (1).

The wording of Regulation 6 paragraph 2 should be re-examined. Whilst the policy intent is clear – that dwellings in Schedule 2 part 2 should continue to receive a minimum discount of 10% and not be subject to an additional council tax charge even if these are long term unoccupied – and we are content with this, it is difficult to follow the drafting and may be confusing to members of the public.

We understand that regulation 6 (3) aims to allow additional council tax of up to 100% to be charged for long-term unoccupied properties of a class not specified in Schedule 2 part 2. Whilst pleased to have this flexibility, we would ask that you look again at the drafting of this in relation to regulation 5 to ensure this has the desired effect. Regulation 5 (a) allows the discount to be varied but makes no reference to levying an additional charge which is necessary for regulation 6(3).

Schedule 1 paragraph 2 (5) (a) is missing the word "or" after "director;"

Question 8 Do you agree with the proposed requirements in the draft Council Tax (Administration and Enforcement) (Scotland) Amendment Regulations that:

a) owners, residents or managing agents should have to provide information to a Council if it is requested about whether or not a home is occupied?
b) owners should have to inform their Council if they have reason to believe they have been undercharged because the Council has misunderstood the occupation status of the home?

Response:
Yes.

However, we would also like a requirement for liable parties to be required to maintain records and provide local authorities with an annual report of occupancy of second homes to be built into these regulations – see response to question 2 above.

Question 9 Do you think there should be any transitional provisions in the draft Administration and Enforcement Amendment regulations so the regulations would come into force on a phased basis? If so, please provide details.

Response:
No. We don't think these would be necessary.

Question 10 Do you agree with the other provisions laid out in The Council Tax (Administration and Enforcement) (Scotland) Amendment Regulations 2013? If not, please provide comments.

Response:

Yes – these seem appropriate.

Question 11 Do you agree with the provisions laid out in The Council Tax (Exempt Dwellings) (Scotland) Amendment Order 2013? If not, please provide comments.

Response:

Yes we agree with these proposals although we have not had many cases of people misusing this exemption.

Other comments

The Council would like to re-iterate its comments to the previous consultation that any additional revenue from these policy changes should not be ring fenced. Councils should have full discretion over these funds to use as they see fit. It would not be helpful to have to distinguish these from the rest of council tax income. Councils may well wish to utilise these monies to support a broad range of housing initiatives aimed at bringing empty homes back into use. At present these monies can only be used for capital projects. Flexibility to use these monies for revenue purposes could help to make many more properties available at better value to the community.

Shelter Scotland, who is currently hosting the Scottish Empty Homes Partnership, has written to councils pointing out the key role that empty homes officers within councils can play in maintaining detailed records of empty homes, supplying help, advice and incentives to owners who genuinely need such support and indeed being the portal for receiving evidence that homes are indeed second homes rather than empty homes.

This Council supports their position, and has recently approved the appointment of an Empty Homes Officer to take forward the wide range of work required to effectively tackle the issue and to ensure that specialist information and advice is available to assist owners through the process of bringing their homes back into effective use. It has also approved the utilisations of the Strategic Housing Fund to provide refurbishment grants and loans to owners of empty properties on certain conditions.

Agenda Item 19

ARGYLL AND BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **20 SEPTEMBER 2012**

Community Resilience Project Update Report

1. **INTRODUCTION**

   1.1 As members will recall Council approved a budget of £700k for a resilience fund at the full Council meeting in February 2012. A project was subsequently set up by SMT with clear outcomes to be delivered in advance of winter 2012/13. The PID for the community resilience project was approved by the Transformation Board on 8 June. This report provides an update on the development of the project.

   1.2 The Community Resilience project is informed by the lessons learnt from the severe weather of winter 2011/12 and subsequent power outages for protracted periods in some areas highlighted the need to improve power and communication resilience.

   1.3 The development of wider community resilience is also seen as an area for significant improvement across Argyll and Bute.

   1.4 The CPP management committee have helped to identify key stakeholders who would be able to assist the project team in delivering the outcomes. The project team have now met with everyone and these meetings have been very informative, helping to shape the approach to the project and have already resulted in improved sharing of information.

2. **RECOMMENDATIONS**

   2.1 That Council notes the progress of the Community Resilience project to date.

   2.2 That Council endorses the approach to the distribution and promotion of the Scottish Government community resilience toolkits.

3. DETAIL

3.1 The project is split into two workstreams, organisational resilience and community resilience. Within each workstreams there is a further split into two themes.

3.2 The organisational resilience workstream will deliver improvements to Council buildings, communications and IT.

3.3 The Council has entered in to an agreement with a leading provider in the hiring of standby generators to provide backup power for 6 key offices. These offices are in Oban, Lochgilphead, Campbeltown, Helensburgh, Dunoon and Rothesay. For an annual fee of £6,000 a contract has been agreed which will ensure that each office has a plan for loss of power, identifying the capacity of generator required and delivery and installation details. We will also install connection panels to connect these generators to the buildings. Generators can then be delivered to site or put on standby if severe weather is forecast.

3.4 In order to protect the Councils IT systems our servers will be supported by fixed generators in Helensburgh and the Council HQ in Kilmory.

3.5 The project team are also investigating opportunities for backup power arrangements at the large council owned rest centres.

3.6 The council's telephony system, Microsoft Lync, will be made more resilient as a result of the backup power arrangements. In addition, the project will also ensure that there is an emergency phone, which doesn't require power to operate, in each key office, care home, hostel and depot. The council has also taken ownership of a satellite phone trailer from the Scottish Government which can be towed to any location to provide additional communications via satellite.

3.7 The community resilience workstream is tasked with promoting resilience within Argyll at both an individual and community level.

3.8 The project team are working with the Scottish Government to promote individual resilience through the 2012/13 "Ready for Winter" campaign. Rather than focusing on one weather type, the campaign this year will promote individual resilience in an emergency situation. The Scottish Government are going to use real life stories to illustrate this and have approached the council with a view to using residents and workers in Bute.

3.9 The Scottish Government will launch their campaign on Monday 22 October and then embark on a programme of road shows around Scotland promoting the campaign. We have suggested that these be held in Campbeltown and Rothesay this year. The council will

promote these road shows via the website and other communication channels.

3.10 Community resilience will be improved by encouraging communities to complete the Scottish Government "Guide to emergency planning for community groups" and its associated resilience plan templates and information. These information packs will be prepared by the project team working with Strathclyde Police, Strathclyde Fire and Rescue, NHS Highland, Argyll Voluntary Action, Scottish Ambulance, Red Cross, WRVS, Strathclyde Emergency Coordinating Group and both power companies to make sure they are relevant for Argyll. They will include endorsements, information about roles and responsibilities, public safety information and key risks affecting the area, as well as templates and useful hints and tips. Examples of completed plans will also be provided. Everything will be presented together in a handbook.

3.11 Packs are going to be distributed towards the end of September by Argyll Voluntary Action and the police officers attending community council meetings are going to help endorse and encourage participation, even offering to scribe plans to ensure a consistent quality. AVA will triage responses and requests for further information from the community councils and collate plans that are returned. Copies of returned plans will be sent to all agencies involved. Plans received by the Council will be quality assured by the civil contingencies team and feedback given. Copies will be filed for future reference and the content will help to inform future training exercises.

3.12 The project team would also ask that the elected members encourage communities to complete their resilience plans and to highlight and promote the importance of self-resilience. Whilst it is not a requirement to complete a plan, any plans produced will be very beneficial to all members of the community, the first responders and the community planning partnership.

4. **CONCLUSION**

4.1 The project will deliver its objectives by improving resilience at an organisational, community and individual level. The project is on track to deliver its outcomes before the start of winter 2012/13

4.2 Progress reports have been presented to the Area Community Planning Groups, the members of which will be encouraged to support the approach to improving community resilience by endorsing the toolkit and encouraging participation to maximise the uptake in completed Community Resilience plans.

5.   IMPLICATIONS

5.1   Policy – support the delivery of the Council's corporate objective 2, "working together to improve the potential of our communities"

5.2   Financial – project budget of £700,000

5.3   Legal – contracts will be required with generator provider

5.4   HR – none

5.5   Equalities – none

5.6   Risk – progressing with the project will reduce the impact of severe weather and subsequent power outages on Council operations

5.7   Customer Service – positive, customer will receive better information which is relevant to Argyll and involves and includes our customers

Douglas Hendry
Executive Director of Customer Services
20th September 2012

For further information contact:

Morag Brown
Improvement and Organisational Development Programme Manager
01546 604199

Agenda Item 20

ECONOMIC DEVELOPMENT ACTION PLAN REFRESH 2013-2018

1. SUMMARY OF ISSUES

1.1 The purpose of this paper is to seek approval from the Council to establish a Short Life Working Group to take forward the development and preparation of a refreshed Economic Development Action Plan (EDAP), 2013-2018. The five-year timescale has been selected to align the EDAP with the Local Development Plan.

1.2 As considered during the development of the current EDAP, 2010-2013, there will be a need to focus the Council's resources on the economic development activities that will have the greatest beneficial economic impact over the next five financial years. The refreshed EDAP will clearly articulate the Council's corporate priorities for developing the Argyll and Bute economy, thereby facilitating focus, effective resource planning and partnership working at the local, national and European levels.

2. RECOMMENDATIONS

2.1 The Council:

- approves the establishment of a Short Life Working Group; and
- determines the membership of the Short Life Working Group.

3. SHORT LIFE WORKING GROUP

3.1 A Short Life Working Group will oversee the development and preparation of the refreshed EDAP.

3.2 The Short Life Working Group will be supported by officers from Development and Infrastructure and by Strategic Finance representation.

3.3 By the end of the calendar year, with the inclusion of comments from other key public sector partners and the private sector, a presentation and discussion session on the re-draft EDAP will be undertaken with each of the four Area Community Planning Groups. The Community Planning Partnership Management Committee will also be consulted; as will be the Budget Working Group. Further to the collation and inclusion of comments, as appropriate, a final draft of the refreshed EDAP, 2013-2018 will be prepared to go to the full Council in January 2013 for approval. This timeframe allows for further considerations and comments to be included in the refreshed EDAP prior to the 'go live' date of the 1st April 2013.

4. CONCLUSION

4.1 Approval is sought from the Council for the establishment of a Short Life Working Group for the preparation and delivery of the EDAP refresh 2013-2018.

5.   **IMPLICATIONS**

5.1 The implications for Argyll and Bute Council are as outlined in **Table 5.1** below.

Table 5.1: Implications for Argyll and Bute Council	
Policy	The refreshed EDAP will align and adhere, as appropriate, to Scottish Government, UK Government and European policies, with a particular focus on the European priorities contained in the EU 2020 Strategy.
Financial	The EDAP will ensure that Argyll and Bute Council's resources are allocated efficiently and effectively with regard to the Council's economic development priorities and ambitions.
Legal	All legal implications at project level will be taken into consideration.
HR	The required resources, in terms of staff time will be articulated as appropriate under each priority within the Council's internal version of the refreshed EDAP.
Equalities	The EDAP will comply with all Equal Opportunities policies and obligations.
Risk	If the current EDAP is not refreshed then there will be no clear focus on or understanding of the economic development activities, and the associated resources, that will have the greatest beneficial economic impact for the area over the next five financial years.
Customer Service	The refreshed EDAP will provide internal and external customers will a clear articulation of the Council's corporate priorities for developing the Argyll and Bute economy, thereby facilitating focus, effective resource planning and partnership working at the local, national and European levels.

For further information contact:

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Ishabel Bremner, Economic Development Manager, ext 4375

Agenda Item 21

ARGYLL AND BUTE COUNCIL
DEVELOPMENT AND INFRASTRUCTURE SERVICES

COUNCIL
20th SEPTEMBER 2012

PROPOSAL FOR ARGYLL AND BUTE COUNCIL TO BECOME A UK MEMBER OF THE CPMR POLITICAL BUREAU

1. SUMMARY OF ISSUES

1.1 This report is to advise of the nomination of Cllr Robb to become a UK Member of the Conference of Peripheral Maritime Regions of Europe (CPMR) Political Bureau.

1.2 The secretariat of the CPMR required nominations to be submitted by 7th September 2012 at the latest as the next election to the Political Bureau is taking place on 3rd October 2012.

1.3 The nomination of Cllr Robb was submitted to the CPMR secretariat on 7th September 2012 following authorisation by Chief Executive after consulting with Members under section 3.2.5 of the Council Scheme of Administration and Delegation.

2. RECOMMENDATION

2.1 To note the nomination of Cllr Robb to the CPMR Political Bureau.

3. BACKGROUND

3.1 The Council is a member of the CPMR on an annual subscription basis.

3.2 The objective of the CPMR is to influence EU institutions and national governments to ensure its member's needs and interests are met, so that regions are taken into account in the development of policies which have a territorial impact.

3.3 The CPMR is one of the largest local government lobbying organisations in Europe with around 160 member regions. It specifically works with European institutions, such as the European Commission and European Parliament, on issues which particularly affect remote, coastal and island regions. The CPMR has six 'Geographic Commissions' which enable the members to work in smaller groups on areas of specific interest. The Council is a member of the Atlantic Arc Commission, with Cllr Robb is a member of the Atlantic Arc Political Bureau, and the Council also has observer status on the Islands Commission.

3.4 The CPMR will be one of the networks which will be used by Argyll and Bute Council when seeking to influence the new Structural Fund programmes which will run from 2014-2020.

3.5 The Argyll and Bute Council lead councillor regularly attends the CPMR Annual General Assembly (AGA) with officer support. The AGA takes place once a year in a member region. The meeting this year will take place in Poland from 3rd to the 5th October 2012.

4. CONCLUSION

4.1 It is requested that the Council approves the recommendations in **Section 2.1** of this paper.

5. IMPLICATIONS

5.1 The implications for Argyll and Bute Council are as outlined in **Table 5.1** below.

Table 5.1: Implications for Argyll and Bute Council	
Policy	The CPMR is a strong lobbying group and influential at a European level. Close engagement with this group and its relevant geographic sub-groups will assist Argyll and Bute Council in its preparation for the 2014-2020 European funding programmes with a view to maximising access to, and drawdown of funds.
Financial	There will be financial implications in the cost of twice yearly travel and accommodation to the bureau meetings, which take place in one of the CPMR member regions in a European location. The Council is normally represented at the CPMR AGA and a bureau meeting tends to take place at the same time, so the financial implications involve attendance at one extra meeting per year.
Personnel	Officer support will be necessary prior to each of the bureau meetings in the form of briefings and possibly accompanying the elected member to bureau meetings.
Equal Opportunities	The CPMR must comply with all European Equal Opportunities polices and obligations.
Legal	The CPMR must align to European law, rules and regulations, which the UK as a member state will need to comply.

For further information contact:

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