

Argyll and Bute Council
Comhairle Earra Ghaidheal agus Bhoid

Customer Services
Executive Director: Douglas Hendry



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20 November 2014

NOTICE OF MEETING

A special meeting of the **POLICY AND RESOURCES COMMITTEE** will be held in the **COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD** on **THURSDAY, 27 NOVEMBER 2014** at **12 NOON**, which you are requested to attend.

Douglas Hendry
Executive Director - Customer Services

BUSINESS

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF INTEREST**
- 3. ECONOMIC SUMMIT - ADDRESSING OUR POPULATION CHALLENGE**
Report by Executive Director – Development and Infrastructure Services (Pages 1 - 8)
- 4. DELIVERING ON THE SINGLE OUTCOME AGREEMENT**
Report by Chief Executive (Pages 9 - 20)
- 5. EMPLOYEE SURVEYS 2014**
Report by Executive Director – Customer Services (Pages 21 - 36)
- 6. FURTHER POTENTIAL INVESTMENT OPPORTUNITY IN THE COUNCIL'S SCHOOL ESTATE**
Report by Executive Director – Community Services (to follow)
- E1 7. CASTLE TOWARD**
Report by Executive Director – Customer Services (to follow)

The Committee 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 8 The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

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.

POLICY AND RESOURCES COMMITTEE

Councillor Dick Walsh (Chair)
Councillor Vivien Dance
Councillor Duncan MacIntyre
Councillor Aileen Morton
Councillor Gary Mulvaney
Councillor James Robb
Councillor Isobel Strong
Councillor Alistair MacDougall

Councillor Robin Currie
Councillor Donald Kelly
Councillor Roderick McCuish
Councillor Ellen Morton
Councillor Douglas Philand
Councillor Len Scoullar
Councillor Sandy Taylor

Contact: Hazel MacInnes Tel: 01546 604269

ARGYLL AND BUTE COUNCIL**Policy and Resources Committee****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****27 November 2014**

Economic Summit – Addressing our Population Challenge

1.0 EXECUTIVE SUMMARY

- 1.1 The Argyll and Bute Community Planning Partnership hosted an Economic Summit at the Queens Hall, Dunoon on the 29th of October 2014. The Summit included a number of distinguished speakers that helped to identify the issues we collectively face in growing the local economy and addressing our population challenges. In addition to the speeches there were a number of question and answer sessions led by the Summit Chair Mark Stephen that dealt with topics such as our tourism offer, the need to retain and attract young people to live in our communities, the impacts and potential benefits of Road Equivalent Tariff (RET), transport and digital connectivity and the need for housing to meet our needs.
- 1.2 The Summit attracted nearly 200 delegates drawn from the public, private and voluntary sectors who in addition to hearing the speakers on the day also took advantage of the networking opportunities during the day. An Expo consisting of 15 stalls from the Council and our community planning partners was also a key feature of the event which helped to showcase current work streams. Catering was also provided by Food from Argyll that helped showcase the outstanding food products from Argyll that are enjoyed all over the world.
- 1.3 A number of key messages were heard on the day with the main announcement being made by Depute Leader of the council Ellen Morton with regard to the establishment of the Argyll and Bute Sustainable Economic Forum (ABSEF). These key messages have triggered a number of next steps and key actions that have been identified in the body of the report for Members to amend if required and subsequently approve.

2.0 RECOMMENDATIONS

- 3.1 To note the contents of this report, including the key messages of the summit, and move forward with the identified next steps and key actions identified in **Table 1.2** of this report to address the Summit's key messages in paragraph 4.1 including the implementation of the Argyll and Bute Sustainable Economic Forum (ABSEF).

Feedback on Economic Summit – Addressing our Population Challenge

2.0 SUMMARY

2.1 This report reports back the main points that arose during the Community Planning Partnership Economic Summit that was held on the 29th of October in the Queens hall, Dunoon. The event was attended by nearly 200 delegates drawn from the public, private and voluntary sectors who heard a range of distinguished speakers and contributors to the debate including the Secretary of State for Scotland, Alistair Carmichael and Cabinet Secretary for Finance and Sustainable Growth John Swinney, MSP, who was our key note speaker. The main focus of the Summit demonstrated what has already been achieved in Argyll and Bute, what was being planned and the need for genuine partnership working to tackle the issues we face and deliver sustainable economic growth for Argyll and Bute. The report goes on to identify the next steps and key actions arising out of the Summit.

3.0 RECOMMENDATIONS

3.1 To note the contents of this report, including the key messages of the summit, and move forward with the identified next steps and key actions identified in **Table 1.2** of this report to address the Summit's key messages identified in paragraph 4.1 including the implementation of the Argyll and Bute Sustainable Economic Forum (ABSEF).

4.0 DETAILS

4.1 Key messages

- Focus on working together to deliver our key economic priorities.
- Build on our strengths and opportunities through better promotion and marketing of our area both internally and externally.
- Establish a specific rural policy focus with detailed action plans for different areas of Argyll and Bute.
- Need for a rural growth fund to allow rural areas of Scotland to better compete with our cities and better realise development/economic opportunities.
- Establish the Argyll and Bute Sustainable Economic Forum (ABSEF) to help guide our strategic direction with the economy and addressing our population challenges.

- Main issues of concern are transport and digital connectivity, building housing to meet our needs, creation of additional employment opportunities including better paid jobs, better communication with businesses, facilitating community led regeneration and the further development of genuine partnership working.

- 4.2** The Summit consisted of a series of speeches and discussions that highlighted the issues we face, what we have done to address them, what is planned to tackle the challenges we face and what needs to be done to deliver economic growth and address our population challenges in terms of a falling and ageing population. A summary of the main points raised during the summit is detailed in Table 1.1.
- 4.3 The Summit also contained an expo with 15 stalls that showcased work that Council and our Community Planning Partners are collectively doing to help stimulate the economy and make Argyll and Bute a better place to work, invest, visit and live in. The expo helped facilitate networking between all the delegates at break out periods and another important feature of the event was the catering provided from Food from Argyll that helped draw attention to the outstanding food products that are currently available in Argyll and Bute and sent to many parts of the world.

Table 1.1

Name of person presenting	Title of presentation	Key points
Dick Walsh, Leader of Argyll and Bute Council	Overview/Argyll and Bute Context	<ul style="list-style-type: none"> • Current population projections highlight risks, especially with population size impacting on the distribution of grant from Scottish Government under the current model. • There are many examples of investment by the council including improving schools, housing and transport links. • Need a rural perspective on national issues, perhaps the creation of a rural growth fund from the Government or civil servant jobs created in Argyll and Bute.
Paul Connelly, Vice Chair of Argyll and Bute Community Planning Partnership	Overview/Argyll and Bute Context	<ul style="list-style-type: none"> • SOA was created in partnership and with engagement across Argyll and Bute. • Many examples of good partnership working to build on. • Although population change has been experienced differently across Argyll and Bute there is consensus in key priorities for improving the economy and growing the population, these are reflected in 6 SOA outcomes.
Dr Tracy	Doing Business in Argyll and	<ul style="list-style-type: none"> • Need to invest, need to build on all

Shimmield SAMS	Bute	<p>strengths in Argyll and Bute.</p> <ul style="list-style-type: none"> • Need more investment on transport connectivity, housing and digital.
Amanda Brown, Scottish Food and Drink	Doing Business in Argyll and Bute	<ul style="list-style-type: none"> • Need to build and grow high quality products. • Year of Food and Drink in 2015 is a key opportunity for Argyll and Bute.
James Sprint, Bute Fabrics	Doing Business in Argyll and Bute	<ul style="list-style-type: none"> • Location of his business a key strength in the market place. • To grow businesses need cash, and cash reduces when businesses grow. • Highlighted the benefits of procuring local services on Bute for the economy of the island even though this is often at extra cost.
Campbell Shirlaw, Loch Fyne Oysters	Doing Business in Argyll and Bute	<ul style="list-style-type: none"> • Public sector needs to understand local business better and communicate more regularly. • Business need to have conversations and integrate more with the local community to learn how to improve. • Housing is absolutely essential. • Need good mobile reception. • Freight costs in Scotland need to be addressed. • Need true partnership with community and government.
Alex Paterson, Chief Executive, HIE	Growth Opportunities/ Regional Perspective	<ul style="list-style-type: none"> • Need to build on existing business and realise new opportunities. • Need graduate opportunities for “reluctant leavers”. • Community Development/ grassroots growth is vitally important. • Better is measured by: <ul style="list-style-type: none"> ○ More high value jobs ○ Broadband take up rates ○ Travel times between key/main settlements • Ideas are needed and include: <ul style="list-style-type: none"> ○ Oban as a university town ○ Do more with broadband (in health, education, communication) ○ Consider changing established vehicular routes and potentially create a new east/ west route across Argyll from Dunoon to Lochgilphead. • Need to take a holistic approach.

		<ul style="list-style-type: none"> • Better profiling and promotion for Argyll and Bute. • Committed more senior staff resources to Argyll and Bute HIE.
Linda Hanna, Managing Director Strategy and Economics	Scottish Enterprise	<ul style="list-style-type: none"> • Scotland's success depends on the greater sum of the parts. • Need to identify specific areas in Argyll and Bute to focus on and build on the area's strengths.
Dr Mike Cantlay, Chairman VisitScotland	Tourism Growth in Argyll and Bute	<ul style="list-style-type: none"> • Need to build on the momentum from 2014 tourism "high point" through events such as the commonwealth games. • 2015 is Year of Food and Drink which opens up opportunities for Argyll and Bute. • Need to encourage developers to come and invest on identified sites (through development plan and supporting services) • Need to better understand our visitor economy. • Need to make tourism everyone's business in Argyll and Bute and a positive experience for communities.
Calum Ross, Vice Chair Argyll and the Isles Tourism Co-operative Ltd		
Alistair Carmichael, Secretary of State for Scotland		<ul style="list-style-type: none"> • Mr Carmichael called the event a "magnificent conversation." • Would like to pick up momentum of the day and work with Argyll and Bute to deliver economic prosperity. • Called for the Council to contribute to the Smith Commission on additional devolution powers that could benefit the Council including our island communities. • Should encourage young people to reach their potential and attend out of area education facilities if best for that young person. Key is attracting back. • Population growth is essential for economic opportunities.
Dr Jane Atterton, Manager and Policy Researcher, Scotland's Rural College (SRUC)	Academic Perspective	<ul style="list-style-type: none"> • Interesting statistical analysis highlighting, although with a cautionary note, that the vulnerable/ most deprived populations are prevalent in the south west of Scotland. • Dunoon and Campbeltown are two of the most vulnerable/ deprived towns in Scotland based on 4 indicators.

		<ul style="list-style-type: none"> • Key message Rural Scotland is different with a high level of self-employed that needs a specific policy response. • Challenges of fuel poverty, where statistics show: <ul style="list-style-type: none"> ○ 2 in 3 older people (over 65) in Argyll and Bute suffer fuel poverty. ○ 1 in 4 young people suffer fuel poverty.
Young person's panel	Chaired by Mark Stephen	<ul style="list-style-type: none"> • Good quality of life with strong family connections. • Good quality of life for those seeking specialist careers. • Low wages is a significant issue • Difficult to access affordable housing of the type needed by young people. • Questions over the sustainability of schools important factor in deciding whether to live there.
Ellen Morton, Depute Leader Argyll and Bute Council	Introducing Argyll and Bute Sustainable Economic Forum	<ul style="list-style-type: none"> • Need to make most of finite resources • Emphasised the need for partners to work together in a coordinated and focused way that makes things happen In Argyll and Bute with positive assistance from both the UK and Scottish Governments. • Announced the provision of a dedicated promotion and marketing budget to highlight compelling aspects of economic opportunity within Argyll and Bute. • Main announcement of the day to establish Argyll and Bute Sustainable Economic Forum (ABSEF) which will feed in to the CPP and inform where to prioritise.
John Swinney MSP, Cabinet Secretary for Finance and Sustainable Growth		<ul style="list-style-type: none"> • Welcomed the discussion today • Expressed caution in using population projections as these can often be wrong. • Focus should be on economic opportunities. • Referendum has left aspiration of individual communities being more in the driving seat and this needs to be followed through. • Removal of ring fencing gives local authorities flexibility to spend on their

		<p>priorities.</p> <ul style="list-style-type: none"> • Each area of Argyll and Bute will require a tailored plan to boost the local economy. • Community Planning Partnerships are now stronger and more focussed on delivery. • SOAs are making progress and Audit Commission is publishing a report on progress this year.
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5.1 Next Steps and key Actions

5.2 Taking account of the key messages from the Economic Summit there is a need now to move quickly forward with the next steps and key actions.

Table 1.2

Next Steps and Key Actions
Continue to implement the agreed key outcomes of the Community Planning Partnership Single Outcome Agreement and cross reference its action plan with the key messages coming out of the Economic Summit
Write to the Smith Commission and express the views of the Council and our island communities as per the request called for by the secretary of State for Scotland at the summit. (already been implemented)
Publish the speeches and key messages of the Economic Summit and place the edited video of the day on Argyll and Bute Council’s web site.
Establish an officer working group to take forward ABSEF with a first meeting scheduled in January 2015 with regular updates to the Leader of the Council and the Depute Leader.
Identify a promotion and marketing budget/resource to highlight current successes, our compelling economic assets and further economic/investment opportunities within Argyll and Bute
To continue to maximise external funding opportunities for Argyll and Bute provided targeted funds help address the identified key outcomes of the Single Outcome Agreement

5.0 CONCLUSION

5.1 The Summit was a highly successful event that attracted nearly 200 delegates drawn from a the public, private and voluntary sectors that helped identify a number of key messages that now require actions to be taken forward through genuine partnership working. The first speaker of the Summit was Council Leader Dick Walsh who highlighted the issues we were collectively facing and the investment the Council and our partners were already making. Councillor Walsh also highlighted a number of opportunities that could assist with Argyll and Bute’s economic growth including the establishment of a rural growth fund and relocating civil servant jobs to Argyll and Bute. Other speakers highlighted a number of issues from their own perspective with the main announcement of the day coming from Councillor Ellen Morton, Depute Leader of the council, who introduced the Argyll

and Bute Sustainable Economic Forum (ABSEF). ABSEF aims to give a strategic direction to driving forward economic growth and work will now commence in identifying initial Board members to help identify the specific remit of the forum. The Depute Leader Councillor Morton also emphasised the need for partners to work together in a coordinated fashion that makes things happen In Argyll and Bute with positive assistance from both the UK and Scottish Governments. It is intended that subject to Member agreement the listed next steps and key actions be taken forward to help implement the key messages of the summit.

6.0 IMPLICATIONS

6.1	Policy	This report supports the outcomes of the Single Outcome Agreement
6.2	Financial	None directly arising from this report
6.3	Legal	None
6.4	HR	None directly arising from this report
6.5	Equalities	None
6.6	Risk	There is a need to address the need to grow our economy and help address our population challenge and this remains a clearly identified risk for the Council
6.7	Customer Services	None

Executive Director of Development and Infrastructure

Policy Lead Ellen Morton

27 November 2014

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ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES****COMMITTEE****CHIEF EXECUTIVE****27 NOVEMBER 2014**

DELIVERING ON THE SINGLE OUTCOME AGREEMENT

1 EXECUTIVE SUMMARY

- 1.1 This report sets out key challenges facing the Council, summarises the Single Outcome Agreement (SOA) commitment and sets out the longer term budgetary outlook. Argyll and Bute faces a very challenging future. These challenges are multiple ranging from population, demographics, economic performance, employment base, investment needs and public sector funding reductions.
- 1.2 The Council and the Community Planning Partnership (CPP) have already recognised the economic and population challenges facing the area. The SOA sets out an overall objective and longer term outcomes to address the challenges facing Argyll and Bute. The outcomes will require commitment, action and investment.
- 1.3 Fiscal Affairs Scotland's analysis of longer term budget projections for Scotland indicate we are around half way through the programme of spending reductions and there will be further significant cuts in public spending. From 2015-16 to 2018-19 it is suggested that the average annual real terms cut in spending will be between 2.7% and 3.5%.
- 1.4 There are 4 options for addressing the challenges based around progressively moving from annual incremental budgeting to a longer term structured approach to balancing the budget to considering the investment needed to support economic growth and strategic infrastructure and finally supporting the above with an approach to investing for income.
- 1.5 Members note the background information, options and different approaches to addressing the key challenges, SOA commitment and budget outlook.
- 1.6 Members request officers to bring reports back to the December meeting of the Policy and Resources Committee that provide further information on the different approaches and set out an options appraisal in relation to the options.
- 1.7 Members are asked to note that officers are preparing plans to ensure members of the public and staff are able to express their views so these can be considered as the Council develops its approach to delivering on the SOA. Initially this is likely to involve providing information to raise awareness of the challenges and issues and seeking some high level feedback.

DELIVERING ON THE SINGLE OUTCOME AGREEMENT

2 INTRODUCTION

- 2.1 This report sets out key challenges facing the Council, summarises the SOA commitment and sets out the longer term budgetary outlook. It then outlines 4 options for addressing these various challenges based around progressively moving from annual incremental budgeting to a longer term structured approach to balancing the budget to considering the investment needed to support economic growth and strategic infrastructure and finally moves to supporting the above with an approach to investing for income.
- 2.2 The report is making members aware of the 4 options and related approaches. No decisions are required on a preferred option at this stage. Members are being asked to agree that further work is undertaken on each option and approach with more detailed reports being brought to the December meeting of Policy and Resources Committee along with an options appraisal.

3 RECOMMENDATIONS

- 3.1 Members note the background information in relation to key challenges, SOA commitment and budget outlook.
- 3.2 Members note the options and different approaches to addressing the key challenges, SOA commitment and budget outlook.
- 3.3 Members request officers to bring reports back to the December meeting of the Policy and Resources Committee that provide further information on the different approaches and set out an options appraisal in relation to the options.
- 3.4 Members are asked to note that officers are preparing plans to ensure members of the public and staff are able to express their views so these can be considered as the Council develops its approach to delivering on the SOA. Initially this is likely to involve providing information to raise awareness of the challenges and issues and seeking some high level feedback.

4 DETAIL

Key Challenges

- 4.1 Argyll and Bute was one of only 4 council areas in Scotland to suffer a reduction in population between the 2001 census and the 2011 census. Latest longer term population projections suggest a further reduction in population over the period to 2035. The proportion of older people in Argyll and Bute is already above the national average and the proportion of older people to people of normal working age is projected to increase significantly. The maritime change programme may see a significant transfer of naval staff and support staff to Faslane but the detail, timing, service implications and economic impact of this is not sufficiently clear.
- 4.2 There are a number of challenges relating to the economy and employment. Whilst there has been an improvement in Gross Value Added (GVA) over recent years GVA still lags behind the Scottish average in a number of key industrial sectors. Argyll and Bute has a relatively higher proportion of its population employed in the sectors of tourism, agriculture, forestry, fishing, public administration, education and health. Unemployment is generally below the Scottish average although the position varies from area to area and the dependence on seasonal or lower paid industries means average earnings in Argyll and Bute are lower than the Scottish average.
- 4.3 The Strategic Risk Register (SRR) sets out economic and population decline as the greatest risk facing Argyll and Bute. This picks up on the very significant issues identified in preparation of the SOA and through release of census data and population projections. In stark terms the economy in Argyll and Bute is underperforming and this combined with a reduced and reducing population represents a huge challenge to future prosperity, sustainability and viability.
- 4.4 The last few years have seen significant reductions in public sector spending as the UK Government seeks to bring public spending in line with income from taxes and control the level of public sector debt in relation to Gross Domestic Product (GDP). Forecasts suggest we are only around half way through the planned reductions in public spending and we will experience the same level of reductions in the period to 2018-19 as we have experienced since 2009-10.
- 4.5 Projections from 2015-16 to 2018-19 indicate an average annual fall in the Scottish Block based on the Barnett formula of 1.6% which equates to an average annual real terms reduction of 3.5%. Allowing for income from non domestic rates and council tax this real terms reduction falls to an average annual reduction of 2.7%. Beyond 2018-19 the Office for Budget Responsibility expects spending growth to return to more “normal” levels. Fiscal Affairs Scotland state the general picture of future austerity is likely to apply regardless of the political circumstances facing Scotland and regardless of the Smith Commission findings, at least until 2018-19.
- 4.6 In summary Argyll and Bute faces a very challenging future. These

challenges are multiple ranging from population, demographics, economic performance, employment base, investment needs and public sector funding reductions.

The Single Outcome Agreement

- 4.7 The Council and the CPP have already recognised the economic and population challenges facing the area. The SOA sets out an overall objective based on addressing or overcoming these challenges. The overall objective is supported by 6 longer term outcomes.
- 4.8 The overall objective of the SOA is:
- Argyll and Bute's economic success is built on a growing population.
- 4.9 The 6 long term outcomes are:
- The economy is diverse and thriving.
 - We have infrastructure that supports growth.
 - Education, skills and training maximises opportunities for all.
 - Children and young people have the best possible start.
 - People live active, healthier and independent lives.
 - People live in safer and stronger communities
- 4.10 The overall objective and longer term outcomes were developed to address the challenges set out above. They will not simply happen of their own accord but will require commitment, action and investment. The SOA is 10 year plan so the benefits will not arise for a number of years but steps need to be taken to support and deliver on the SOA now if we want to reap these benefits in the future.
- 4.11 The Council can support delivery of the SOA in a number of ways:
- How it delivers its services.
 - The priority given to particular services.
 - Capital expenditure and investment.
 - How it uses the significant powers available to it.
 - How it leads and supports partners across the CPP to support and deliver on the SOA.
 - Making a compelling case for support and investment in Argyll and Bute.

Budget Outlook

- 4.12 The Council agreed a 2 year budget strategy in November 2013 and February 2014. This will see budget savings of 1% for each of 2014-15 and 2015-16. At the end of this period the free balance on the General Fund Reserve is estimated to be in the order of £10m. This provides a significant resource to the Council. It is clear from the earlier comments in this report that significant budget challenges face the Council in the

period to 2018-19. With a budget strategy already agreed for 2015-16 the Council needs to focus on the period from 2016-17 and it has a 12 month planning window for that.

- 4.13 The publication by Fiscal Affairs Scotland of an analysis of the longer term budget projections for Scotland is clear that there will be further significant cuts in public spending in Scotland. From 2015-16 to 2018-19 it is suggested that the cash cut in resources will be 1.6% (3.5% in real terms and 2.7% after allowing for council tax and NDR). After 2018-19 it is projected that funding changes will be more in line with the normal growth eg matching inflation and cost increases. Any changes in Scottish funding will impact down to individual councils but will be affected by any protection of NHS or Council budgets, the relative population changes in individual councils and the impact of the floor mechanism.
- 4.14 The updated budget expenditure for 2015-16 is £243.7m.
- 4.15 With pay costs of around £140m then a 1% pay award would cost £1.4m per annum and a 2% pay award would cost £2.8m per annum. Over 5 year period a 1% pay award would add £7.0m to the Council's expenditure whilst a 2% pay award would add £14.0m.
- 4.16 Forecasting inflation over the medium term is challenging. The Bank of England target for inflation is 2% however the September consumer price index (CPI) was 1.2%. CPI is based on a basket of goods and services and whilst the actual level of price increases in an organisation will depend on the makeup of its cost base it is a useful general measure of inflation. Year to year the Council can consider the extent to which it allows for inflation on anything other than an unavoidable/inescapable basis but it is prudent to consider the medium/longer term impact of inflation. With non pay costs of around £100m then recurring inflation of 1% would cost £1.0m per annum and inflation of 2.5% would cost £2.5m per annum. Over a 5 year period inflation of 1% would add £5.0m to the Council's expenditure whilst inflation of 2.5% would add £12.5m.
- 4.17 Income from fees and charges that can be varied at the discretion of the Council is around £12m per annum. The Council may wish to increase these by more or less than the rate of inflation. The Council may wish to consider the service impact and impact on outcomes as well as the financial impact. Increases in fees and charges of 1% would increase income by £0.120m per annum and increases of 3% per annum would add £0.360m. Over 5 year period increases of 1% would reduce expenditure by £0.6m whilst increases of 3% would reduce expenditure by £1.8m.
- 4.18 The Council has experienced a variety of cost and demand pressures over the years. These have arisen from a range of sources. Cost and demand pressures can arise from new legislation, changes in Council

policy, an unavoidable increase in demand or cost of a service eg demographic changes or increased maintenance costs etc. The Council will want to review any necessity for cost and demand pressures each year. Looking to the longer term if no allowance is made for cost and demand pressures then obviously this would not add any additional costs to projected expenditure but should these arise they would need to be dealt with year to year. If £1m per annum was allowed for cost and demand pressures this would add £5m to the Council's expenditure over a 5 year period.

- 4.19 Funding is likely to reduce based on the overall public sector budget outlook – reductions are projected to be in the order of 1.6% per annum for period to 2018-19. It is likely this will be exacerbated in Argyll and Bute by the reducing population. Reductions of 2.7% for 2016-17 to 2018-19 followed by flat cash would see an overall reduction in funding of £20.0m over 5 years. Reductions of 1% for 2016-17 to 2018-19 followed by increases of 1% would see an overall reduction of £2.5m over 5 years.
- 4.20 Looking at the budget issues set out above gives a wide range of potential outcomes for the projected budget funding gap. The number of issues to be assessed over a 5 year period does lead to a significant range in the potential funding gap. In overall terms this could result in a cumulative funding gap of £10.2m to £50.9m – an average annual funding gap of between £2.04m to £10.18m.
- 4.21 The wide range of potential funding gaps helps to set out the extent to which relatively small movements in assumptions over a 5 year period can result in a significant change to the overall financial position of the Council. In trying to narrow down this range to a more likely scenario for planning purposes it is worth considering the latest forecast by Fiscal Affairs Scotland which suggests for the period 2015-16 to 2018-19 an average annual real terms reduction of 3.5% on the Scottish Barnett Block budget. After allowing for income from non domestic rates and council tax this real terms reduction falls to an average annual reduction of 2.7%. In cumulative terms then over 4 years this would equate to between a 14.0% and 10.2% reduction in expenditure. This would suggest a budget gap for the longer term of between £27m and £35m.

Options and Approaches

- 4.22 Four options have been identified for the Council to consider as a way forward for addressing the challenges and budget outlook set out above. The options build progressively from an annual incremental approach to budgeting through a structured longer term approach to identifying budget reductions through service choices to also considering proposals for investing for growth and development of a strategic infrastructure plan to finally adopting an approach that would also see the Council investing for income. The options are listed below

with a short explanation of each of the options and approaches in the paragraphs that follow. Members are not being asked to take a decision on each option or any of the approaches at this stage. The report is to make members aware of the options and approaches being considered and to seek member approval to investigate and report back to the December Policy and Resources Committee on each option and approach. An options appraisal would be completed as part of this investigation and reported back to members. There are 4 basic options or approaches to planning for the future and these are:

- Do minimum / do nothing type option based on minimum change, no strategic planning and annual review of corporate plans, service plan and budgets (annual planning budget cycle).
- Adopt a more structured approach to managing the budget challenge and service choices but without detail of investment for economic growth income and strategic infrastructure plan (longer term approach to budget cycle with prioritisation / choices).
- Adopt a more structured approach to managing the budget and service choices with a planned approach to investing for economic growth and a strategic infrastructure plan (longer term approach to budget cycle with prioritisation and investment plans for economic growth and strategic infrastructure).
- Adopt a more structured approach to managing the budget and service choices with a planned approach to investing for economic growth, a strategic infrastructure plan and investing for income (as above plus investing for income).

4.23 Option A would be similar to an incremental budgeting approach. There would be no longer term plan about how the Council was going to deliver on the SOA as corporate and service plans would be reviewed annually and there would be no strategic reallocations or reductions in budget as budgets would be adjusted up or down each year and savings identified annually.

4.24 Option B would see a more structured approach to managing the budget challenge. A longer term strategy would be developed to manage the financial position. Adopting a structured approach based on service choices would allow the Council to consider priorities. This would not specifically consider how the Council invests for economic growth, the infrastructure required to support that or how it uses its own resources and powers to invest for income.

4.25 Option C would see a more structured approach to managing the budget challenge. A longer term strategy would be developed to manage the financial position. Adopting a structured approach based on service choices would allow the Council to consider priorities. Developing an approach to investing for economic growth and a strategic infrastructure plan would set out how the Council planned to

support the SOA as well as balancing its budget over the longer term.

- 4.26 Option D would see a more structured approach to managing the budget challenge. A longer term strategy would be developed to manage the financial position. Adopting a structured approach based on service choices would allow the Council to consider priorities. Developing an approach to investing for economic growth and a strategic infrastructure plan would set out how the Council planned to support the SOA as well as balancing its budget over the longer term. In addition to all of these this option would also see the Council using the free balance in the General Fund to invest for income and where possible use this to establish an investment fund that could borrow to take forward projects that would generate an income stream and support the economy.

Service Choices

- 4.27 Service choices would be an approach that adopted a longer term structured approach to identifying members priorities in terms of services and the changes to budget as a result of that. It would be carried out in the context of the overall budget outlook set out above. Members would be involved at the stages where decisions are required which would be around initial selection of budget reductions; feedback of implications and confirmation of agreed option; sign off of the business plan (service, asset, HR and financial plans) for the revised service and implementation. This approach would also need a communications and engagement strategy.

Investing For Economic Growth

- 4.28 There is enormous economic potential in Argyll and Bute. This is recognised in the SOA. The challenge is how to turn that potential into a reality. There are 4 stages to this.
- Setting the agenda - This would set out background information on population and economy.
 - Securing commitment - Having established a clear case for economic development through the setting the agenda stage then securing commitment will focus on building a broad base of support for our case. This will include engaging with a wide range of stakeholders.
 - Policy and strategy into action - This element will focus on taking the case for which we have built a strong basis of support and developing of series of strategies, plans and measures and mapping out what we need to do to turn the economic potential into reality.
 - Resourcing - This will require significant resourcing – not just budget but application of effort and human resource. There are key aspects of this element in relation to marketing, promotion

and deal making; investing for income; provision of facilities, infrastructure, housing and how all of this relates to the ongoing day to day business of CPP partners. There is a need for involvement of all partners in the CPP. This stage also has strong linkages to investing for income, strategic infrastructure plan and service choices.

Strategic Infrastructure Plan

4.29 A Strategic Infrastructure Plan would be a long term document covering a 10 year period consistent with the SOA. It would set out how the Council ensured the right conditions and facilities are in place to support economic growth. Developing and resourcing the proposed Strategic Infrastructure Plan will allow Argyll and Bute to focus on the key economic goals to achieve a sustainable economy and identify the vital infrastructure that requires to be delivered to achieve these goals. It would address the following aspects:

- What key economic goals should Argyll and Bute be striving towards?
- What infrastructure projects are required as a priority to meet these economic goals?
- Where are these projects required in Argyll and Bute?
- When does the priority infrastructure need to be delivered?
- What will it cost and how can it be funded?
- Who will provide/maintain the priority infrastructure projects?

Investing For Income

4.30 Traditionally the Council has responded to these challenges by looking at a range of measures to reduce costs. This approach would consider options to increase income. The key issue in increasing income is to look at new income streams rather than looking to charge more for the same. This would include considering how to use the free balance on the General Fund and also how the impact of this could be maximised through prudential borrowing. This would also contribute to the SOA outcomes with the potential for this investment to create additional jobs and help stimulate the economy. It would also be used to lever in matched funding. The Council needs to give careful consideration to this approach as there are very clear risks and mitigation measures would need to be developed to manage these risks.

Next Steps

4.31 The Council is not in a position to come to a decision on which of the options and which of the approaches set out above to take forward. Before the Council takes a decision to move forward it will need further information on a number of matters.

- 4.32 The background information on the challenges and SOA will not change and whilst the budget outlook has been summarised in this report a more detailed set of budget forecasts will be prepared for December Policy and Resources Committee.
- 4.33 The variations between the options A to D relate to adoption of service choices, investing for economic growth, developing a strategic infrastructure plan and investing for income. This report seeks to make members aware of the options and each of the approaches and seek permission to investigate these in more detail and bring a report back to the December Policy and Resources Committee that sets out an options appraisal to assist members in determining the way forward.
- 4.34 All of the options have the potential for significant change. The key challenges, SOA commitments and budgetary outlook are all significant. Communications and engagement will be an important element of developing the approach to planning for delivery of the SOA. All 4 options will require a structured and considered approach to communications, consultation and engagement to ensure the people and communities of Argyll and Bute Council are well informed and have the opportunity to contribute to the way forward. Members are asked to note that officers are preparing plans to ensure members of the public and staff are able to express their views so these can be considered as the Council develops its approach to delivering on the SOA. Initially this is likely to involve providing information to raise awareness of the challenges and issues and seeking some high level feedback. A communications and engagement strategy will be developed for the December Policy and Resources Committee.

5 CONCLUSION

- 5.1 This report sets out 4 options and related approaches to support each options that would address to varying levels the key challenges, SOA commitments and longer term budgetary outlook facing the Council. It is proposed to complete an options appraisal on the 4 options and bring reports with more detail on the differing approaches to the December Policy and Resources Committee to allow members to give consideration to the way forward.

6. IMPLICATIONS

- 6.1 Policy – Whichever option is chosen there will be a range of policy issues that members need to consider in due course.
- 6.2 Financial – A high level longer term budgetary outlook is included in the report and this will continue to be refined.
- 6.3 Legal – Once an agreed option and set of approaches has been chosen the Council will need to bear in mind legal issues as it takes them forward.

- 6.4 HR – None directly in this report but whichever option is eventually selected there will without doubt be HR implications.
- 6.5 Equalities – None directly in this report but whichever option is eventually selected consideration will need to be given to any potential equalities implications.
- 6.6 Risk – All of the options and approaches (even do minimum/do nothing) will involve risks but also opportunities and the options appraisal will consider these in more detail.
- 6.7 Customer Service - None directly in this report but whichever option is eventually selected there will without doubt be customer service implications.

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Sally Loudon
Chief Executive
20 November 2014

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ARGYLL AND BUTE COUNCIL**Policy and Resources Committee****Customer Services****27 November 2014**

Employee Surveys 2014

1.0 EXECUTIVE SUMMARY

Argyll and Bute Council is facing a period of change. To maximise effectiveness in delivering the Single Outcome Agreement (SOA) over the next 10 years, the Council will have to continue to transform. This will mean ongoing change for our employees and we as an organisation must support them and prepare them to meet the challenges ahead.

This report provides the Policy and Resources Committee with the findings of various employee engagement activities undertaken throughout 2014 including surveys, focus groups and roadshows. Surveys are used as a method of employee engagement which allow us to form an understanding of our employees and their views on the Council as their employer, outlining areas which are important to them as well as providing information to allow us to make the improvements that are needed to meet the workforce challenges of the future and deliver for success.

The key findings are:

- Overall an improving trend in a wide range of factors from the 2009 and 2012 surveys
- Management development continues to be a priority
- Communication is improving, but needs to be better
- Employees are finding it increasingly difficult to manage their workload
- Employees wish to be involved more in the change process
- Our levels of response to engagement are average and we need to increase this

The action plan prepared from the information which we have gathered will inform our strategic approach to organisational change and development ensuring that our organisation and our workforce are aligned to the delivery of the SOA.

The recommendations are as follows:

- Note the importance of addressing employee engagement issues to ensure organisational resilience and success for the future;

- Note the content and findings of the report;
- Agree the development of a Corporate Action Plan;
- Agree that further analysis of detailed service and location information, including free text should be carried out;
- Note that a new Employee Engagement Strategy will be brought to Committee in March 2015

Employee Surveys 2014

2.0 INTRODUCTION

- 2.1.1 To maximise effectiveness in delivering the Single Outcome Agreement (SOA) over the next 10 years, the Council will have to continue to transform. This will mean ongoing change for our employees and we as an organisation must support them and prepare them to meet the challenges ahead.
- 2.1.2 This transformation will be underpinned by the principles established in the HR and OD Strategy that, to deliver quality services, the council must have the right people with the right skills, attitudes and behaviours; in the right place at the right time for the right cost. In order to provide best value in the services we deliver the Council will rely on high performing teams who are engaged and empowered to provide vital services to our communities.
- 2.1.3 Employee engagement is critical to organisational success and it has been evidenced widely (*Engage for Success 2014, Nail the Evidence 2012, Robertson Cooper 2010, Soane et al 2013*) that organisations with high levels of employee engagement are more productive, demonstrate higher levels of performance, have lower levels of absence and have greater resilience to change.
- 2.1.4 The use of surveys as a form of employee engagement has allowed us to form an understanding of our employees and their views on the Council as their employer. This has allowed us to focus on areas which are important to them as well as providing information to allow us to continue to meet the challenges of the future. We know that to meet the challenges of the future, we will need to build on the development of skills, attitudes and behaviours, while responding quickly to changing needs and new opportunities. The engagement activities carried out will inform our strategic approach to organisational change and development ensuring that our workforce efforts are aligned to the delivery of excellent Council services and building resilience in our organisation.

2.2 Employee Engagement 2014

2.2.1 In 2014, the council carried out a number of employee engagement activities as part of the process of gathering evidence to improve our approach to organisational development.

The activities carried out have been:

- Stress Audit and focus groups
- Short survey on employee morale
- Employee survey
- Strategic Management Team Roadshows

2.2.2 The key findings from these engagement activities are:

- Overall there are general improvements from 2009 and 2012 employee surveys;
- Employees have an interesting job (91% up from 88%), they get support for colleagues (88% up from 86%), they are treated with respect by colleagues (87% up from 86%) and enjoy their work (85% up from 82%)
- They are aware of council plans, with awareness of the Improvement Plan (78% up from 73%) and team plans (73% up from 55%) showing greatest improvement
- Employees are not as aware of the Single Outcome Agreement
- Awareness of methods of communication and where to find information about their work has improved
- Employees are increasingly finding it difficult to cope with the amount of work they are expected to do;
- Employees want more and better communication with their managers and more information on council decisions affecting their services;
- For those that have them, high value is placed on team meetings;
- Employees want more empowerment and control over their areas of work;
- Employees want to be involved earlier in change processes and to be able to feed in their views to management
- Morale is considered low by 42% who responded to the stress audit, which is comparable with organisations of a similar size;
- There are high levels of interest in receiving more information on health and wellbeing;
- The levels of response are average for the size of the organisation;
- Levels of engagement vary significantly amongst staff groups with low levels of male responses and low levels of responses from manual worker groups.

2.2.3 This report summarises the key findings of these engagement activities and sets out the highlight areas for improvement and action which will be developed in the Corporate Employee Survey Action Plan.

2.2.4 Further and more detailed analysis will be carried out on the totality of the data collected and specific improvement actions will be identified.

3.0 RECOMMENDATIONS

It is recommended that the Policy and Resources Committee:

- i. Note the importance of addressing employee engagement issues to ensure organisational resilience and success for the future;
- ii. Note the content and findings of the report;
- iii. Agree the development of a Corporate Employee Survey Action Plan;
- iv. Agree that further analysis of detailed service and location information, including free text should be carried out;
- v. Note that a new Employee Engagement Strategy will be brought to Committee in March 2015

4.0 DETAIL

4.0.1 The following surveys have been undertaken to help the Council gain a better understanding of the range of issues that contribute to employees' level of satisfaction with their working life. The use of surveys are important because it is one of the ways that employees working in all departments and in different locations can express their views on our Council – what we do well and where we need to improve. It also tells us something about how they, our employees, see our Council and the value they place on the work we do together. In order to maximise the response rate and reach all employees, the surveys were issued in electronic and in hard copy, sent directly to employees' homes. Response rates to surveys are an indicator of employee engagement and our response rates were average for the size and type of our organisation.

4.0.2 The Employee Survey and Stress Audits were undertaken by external companies which operate in strict confidence to encourage the greatest possible openness. Open feedback in a secure or anonymous environment is vital to identifying the real issues that we have to address.

4.0.3 In addition, a series of Roadshows and Focus Groups were run to allow us to engage further with employees in an open space which allowed for more fluid

feedback. This also gave hard to reach employees the opportunity to ensure that their voice was heard.

4.0.4 Further focus groups and engagement activities based on the more detailed analysis will be carried out for specific groups and areas.

4.1 Stress Audit

4.1.1 As part of our wellbeing agenda the Council is committed to providing a safe and healthy work experience for all employees. One priority within the scope of the wellbeing agenda is to tackle stress at work. In May 2014 a Stress Audit was issued to all employees of the Council. The survey was based on the Health & Safety Executive's Management Standards Indicator Tool for work related stress.

4.1.2 The purpose of the survey was to capture information of how stress and pressure at work was impacting on staff across the Council and identify areas for action given that stress accounted for almost a quarter of the Council's sickness absence in 2012/13. Over 1400 responses to the survey were received providing a response rate of 26%.

4.1.3 Following analysis of the information received the following actions were undertaken:

- Our findings were generally in line with other organisations of a similar size;
- Focus groups were held to allow employees to explore in more detail the key themes that came out of the survey data, feedback from the sessions is provided below;
- Corporate Stress Audit Action Plan prepared.

4.1.4 Stress Audit Focus Groups

The data from the Audit highlighted where there were positives and negatives from the employees' perspective. Benchmarking against other similar organisations which had completed the Work Positive survey tool indicated that the Council's findings were comparable to similar organisations in most areas.

4.1.5 Positives identified from the survey included a high proportion of staff who felt

- they have the skills to do their job (85%)
- they know how to go about getting the job done (94%)
- have a say over the way they work (70%)
- have adequate equipment to do their job (68%)

4.1.6 The survey provided the opportunity for respondents to provide free text responses indicating areas of pressure for them and over 2000 were received. Coupled with the survey data. Initial analysis of these responses outlined that there was a perception that morale in the organisation was relatively low and allowed key themes to be identified as potential areas for future action and improvement. These included:

- Managing demands in terms of workload- a sense of having to do more with less resource
- Management Support
- Communication and Consultation about change
- Relationships and conflict at work

4.1.7 While the survey itself was useful in identifying broad areas for further investigation it did not provide sufficient detail around what could be done to improve. Focus groups were set up in each of the Council's main areas to allow a more detailed look into these areas with a view to teasing out how we could change/ improve to better meet the expectations of our employees. Employees in each area were invited to attend focus groups which were split into specific staff groups as follows:

- Managers
- Administrative Staff
- Elementary Occupations
- Professionals
- Para Professionals/ Technical

4.1.8 The focus groups covered a number of areas including demands, communication, flexibility, support and relationships at work. It was evident from the focus groups that employees are keen to contribute their views and would like more opportunity to do so. The overarching theme which has emerged from the focus groups and has been evident throughout the other engagement activity that has been undertaken is that employees feel the need for greater support from management and there is a desire for more open, honest two way dialogue between employees and managers.

4.1.9 As was outlined in the survey data, issues around workload and demands in the context of decreasing resources were raised in the focus group discussions. However some employees linked these back to management suggesting employees may be more able to cope with demands if managers were more realistic about timescales particularly where approval is required by two or three levels of management or alternatively by giving employees the control to make some local or team level decisions without requiring approval.

4.1.10 There were positive comments around flexibility with some employees recognising the positive contribution of IT such as Video Conferencing and home working and the ability to work flexible hours. There was some desire expressed to see the hours of the flexi time scheme expanded to increase this flexibility. There were also some comments around issues with IT systems and it was acknowledged that the level of flexibility afforded to staff varied across services and teams.

4.1.11 The focus groups provided employees with the opportunity to think about what the Council as their employer could do to improve with regards to some of the issues that were brought up during the course of the discussions and some excellent suggestions were put forward and a number of these will be picked up in the Corporate Employee Action Plan. A summary of the suggestions are outlined below:

- Culture change (around expectation to work outwith hours)
- Joint Management and Staff Forum for discussion of issues
- Review of flexi time scheme
- Regular line manager meetings
- Improve PRD process and equality of access for all staff
- Develop an “App” for the hub to allow improved access
- Listen to staff ideas
- Train staff in making better use of the Hub
- Compulsory training for managers to include
 - Effective Communications (particularly where they manage geographically dispersed teams)
 - Recognising, challenging and dealing with conflict at work as it occurs
 - Stress Competencies

4.2 **Morale Survey**

4.2.1 A short morale survey was undertaken in June 2014 as outlined in the Audit Scotland Action plan requirement. The purpose of this survey was to specifically look at morale issues on the back of feedback received from both Audit Scotland and the Stress Survey.

4.2.2 The survey explicitly asked questions related to how happy employees were in their jobs and what morale was like as well as giving the opportunity for free text feedback. Although the response rate was low, the findings were in line with those contained within the Stress Survey.

4.2.3 Following detailed analysis of the information it was confirmed in the findings that there was a strong correlation between employees feeling positive about their job and feeling morale of their section was positive, to those who felt

negative about their job and also felt negative about morale within their section and, the underlying cause related to management and workload. These conclusions highlighted the need to further look at how the Council could improve the management practice and employee workload issues, which were also prevalent within the Stress Audit and the Employee Survey and thereafter prepare a detailed action plan to address the issues raised.

4.3 Employee Survey

4.3.1 Following on from the 2012 employee survey IBP were again selected through a tender exercise to carry out an employee survey. The survey had 1363 responses equating to 30% of the workforce, though this is down slightly from the 33% response rate of the 2012 survey, it is within the range of response rates achieved by other Local Authorities.

4.3.2 The 2014 survey was broadly the same as the 2012 with some additional questions relating to Healthy working lives and Gaelic. The benefit of consistent questions is that analysis of trends can be made in comparison to previous surveys.

4.3.3 The Key findings of the survey were:

- The ratings in the You and Your Work section have remained reasonably consistent with the 2012 survey.
- There are modest improvements in the extent to which people have had training and development in comparison to the 2012 survey.
- Some, though not all, of the communications indicators are showing modest improvement – typically a few percentage points though a 9% improvement in relation to team briefings.
- Awareness of the Hub has increased from 78% to 90%.
- General views of the Council as an employer are up very slightly.
- Continuation in peoples' priorities for improvement – training and development, consultation, communication.
- 21% would like to learn some Gaelic phrases to communicate with customers.
- High level of support for continued Christmas closure - 78%.

4.3.4 To explore the common themes in comparison to the stress audit and morale survey the area focussed on for analysis is **My Job** the comparisons from Employee Survey 2012 are shown in the table below:

Table One: Comparison with 2012 Survey on areas of highest agreement and disagreement:

Areas of strong agreement	2012	2014	Change
Having an interesting job	88%	91%	+3%
Getting support from colleagues	86%	88%	+2%
Being treated with respect by colleagues	86%	87%	+1%
Enjoying their work	82%	85%	+3%
Being clear about their duties	83%	83%	0%
Being treated with respect by line manager/supervisor	80%	83%	+3%
Areas of strong disagreement			
Being able to cope with amount of work they are expected to do	17%	25%	+8%
Receiving regular constructive feedback on their job	26%	25%	-1%
Having authority to make decisions needed to do their job properly	15%	16%	+1%
Line manager/supervisor ensuring support needed to do job well	12%	14%	+2%
Feeling work contribution is recognised	13%	14%	+1%

4.4 SMT Roadshow Events – November 2014

4.4.1 Employee engagement events were held in 6 locations across Argyll and Bute; Oban, Lochgilphead, Campbeltown, Helensburgh, Rothesay and Dunoon.

4.4.2 A cross section of employees from each area were invited to attend 2 hour sessions which featured a short presentation from the SMT followed by smaller focus group sessions where employees were asked to talk about the following:

- If they feel empowered at work (e.g. do they feel they are given the right support to do their job well)
- What people like about working for the Council,
- What people like about living in Argyll and Bute,
- What type of employer people want the Council to be; and
- Whether there is anything they would like to know more about that wasn't covered at the event.

4.4.3 In general, the events has been positive, employees on the whole feel empowered at work, they are happy with the level of communications they receive (excluding manual workers) and feel that the Council is a good employer (good Terms and Conditions – flexitime, holidays) and that living in Argyll and Bute offers a good quality of life. However there is scope for

improvement and specific actions have been identified, a number of which are listed below:

- Lync – More training required on functionality and etiquette
- Marketing of Argyll and Bute – different campaigns for different areas and different groups e.g. school leavers, young professionals, families
- Cascade Communications – more information on financial outlook
- Argyll and Bute Council as an employer – employees want us to be caring, supportive, transparent, use less consultants, offer more career progression opportunities and have a senior management team that are engaged at all levels of the organisation.

4.5 Common Themes across the Surveys

- 4.5.1 There are strong positives from the data gathered across the surveys. There is a general view that staff enjoy their work, with the Employee Survey showing an increase from 82 to 85% of staff who enjoy their job. The Employee Survey also demonstrates a modest positive trend in most indicators which is encouraging. As is an increase from 86% in 2012 to 90% of employees knowing what standards are expected of their work and believing that what they do is important to Council success up to 79% from 75%.
- 4.5.2 This links back to the Stress Audit where 85% of employees stated that they were clear of what was expected of them at work, whereas 78% stated that they understood how their work fitted into the overall aims of the organisation.
- 4.5.3 Having specifically assessed the levels of and trend in staff morale there is a strong correlation between the three surveys which shows that job satisfaction is high across all surveys. In the Stress Survey staff reinforce that they have the skills to do their job and know how to go about getting their job done; the morale survey outlined 60% of staff who were neutral to very happy in their job and the Employee Survey showed a slight improvement from 2012 figures in job satisfaction overall.
- 4.5.4 The Employee Survey included a number of questions which were asked earlier in the year in the Stress Survey and a slight improvement has been identified in the following areas:

Table Two: Survey Response Comparison- Improvements

Question	Stress Survey	Employee Survey
Respect from other employees	64%	87%
Supportive feedback from manager	34%	49%
Clear of what is expected at work	85%	90%

- 4.5.5 The morale survey clearly identify that there was a strong correlation between staff feeling positive about their job and feeling the morale of their section was positive. Similarly staff who felt negative about their job and felt negative about the morale in their section.
- 4.5.6 Significantly the three key areas of concern highlighted across all surveys are that low morale is affected by perceived increase in workload and a lack of support/communication with managers. The employee survey highlights: being able to cope with the amount of work they are expected to do (25%), receiving regular constructive feedback on their work (25%), having the authority to make the decisions needed to do their job properly (16%), line manager / supervisor ensuring support need to do job well (14%), and feeling that work contribution is recognised (14%) as the main areas for action. These results very much reflect the morale survey and stress audit results.

Table Three: Survey Comparison- Areas for action

Question	Stress Survey	Morale Survey	Employee Survey
Employees able to cope with amount of work	32%	30%	25%
Where my post links to Council success	78%	Not asked	79%
Management seeking views about changes	26%	Not asked	30%
Management communicating effectively with employees	59%	30%	30%

4.5.7 A comparison of the 2012 Employee Survey with the 2014 Employee Survey stated that there has been little overall change although a few modest improvements are apparent in some areas that were previously less well rated. The following areas have been identified as an area for improvement in 2014 Employee Survey Action Plan.

Table Four – Key Areas targeted for Improvement 2012 Employee Survey Action Plan

Employee Survey – Highest disagreement:	2014 %	2012 %	Difference
My Job: Being able to cope with the amount of work expected	25%	17%	-8%
My Training: Having had the agreed training and development needed to do the job	18%	20%	-2%
Communication: management Communicating effectively with employees	30%	29%	-1%

5. CONCLUSION

- 5.1 The information collated and analysed from the surveys has allowed us to form an understanding of our employees and their views on the Council as their employer, focussing on areas which are important to them as well as providing information to allow us to prepare to meet the challenges of the future.
- 5.2 The Employee Survey has allowed us to identify areas where we are improving and analyse trends from the previous survey which was completed in 2012. The Stress Audit was specifically carried out to identify pressure areas with a view to developing an action plan which would assist with mitigating stressors at work. The Morale survey and the SMT Roadshows have supported the views that have received through the comprehensive and independently carried out surveys.

- 5.3 A joint action plan will incorporate areas for improvement linked to analysis from all feedback received as detailed in section 3.
- 5.4 It should be noted that all the surveys mean nothing if it does not lead to action, so detailed feedback will now be carefully reviewed by topic and theme, but also by department, to produce a detailed action plan to make sure that we continue to improve.
- 5.5 Ensuring that these actions are delivered will contribute to improving our overall employee engagement, which will result in improved performance, lower absence and an organisation which is resilient to change and prepared for the future.

6.0 IMPLICATIONS

- 6.1 Policy: No issues directly from this paper, but some policies may require to be reviewed in light of the findings.
- 6.2 Financial : Realignment of communications, training, development to address the findings; further analysis of the collective data as well as carrying out further focus groups will be funded from the IHR Budget.
- 6.3 Legal: The council has a duty under the Health and Safety at work Act (1974) to provide a safe and healthy work environment. This duty includes taking action to mitigate the risk of work related stressors.
- 6.4 HR: Review of specific policies and procedures to support managers as well as additional roadshows. Engagement is essential to improving employee wellbeing and reducing absence.
- 6.5 Equalities: The stress audit and employee surveys were carried out in accordance with the council's equality duties. In order to ensure that as many employees as possible had access to the surveys, the stress audit and employee survey were provided in electronic and hard copy, which was sent to employees' home addresses.
- 6.6 Risk: Failure to communicate the results of the survey and implement action to mitigate workplace stressors where appropriate may risk a further reduction in staff morale. Failure to engage meaningfully with employees may result in inability to manage change effectively in the organisation.

6.7 Customer Service: Low levels of staff morale/ wellbeing have the potential to impact on the ability of employees to work to their full potential and may impact on the level of service received by our customers.

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