

Argyll and Bute Council
Comhairle Earra Ghaidheal agus Bhoid

Customer Services
Executive Director: Douglas Hendry



Kilmory, Lochgilphead, PA31 8RT
Tel: 01546 602127 Fax: 01546 604435
DX 599700 LOCHGILPHEAD
e.mail –douglas.hendry@argyll-bute.gov.uk

13 August 2015

NOTICE OF MEETING

A meeting of the **POLICY AND RESOURCES COMMITTEE** will be held in the **COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD** on **THURSDAY, 20 AUGUST 2015** at **11:00 AM**, which you are requested to attend.

[Note: There will be a Procurement Development Session prior to the meeting, from 10.00am to 11.00am, for all Members of the Policy and Resources Committee].

Douglas Hendry
Executive Director - Customer Services

BUSINESS

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST (IF ANY)**
3. **MINUTES**
 - (a) POLICY AND RESOURCES COMMITTEE HELD ON 14 MAY 2015 (Pages 1 - 8)
 - (b) SPECIAL POLICY AND RESOURCES COMMITTEE HELD ON 22 JUNE 2015 (Pages 9 - 12)
4. **FINANCIAL REPORTING 2015-16 SUMMARY**
Report by Interim Head of Strategic Finance (Pages 13 - 20)
5. **SERVICE CHOICES**
Report by Interim Head of Strategic Finance (Pages 21 - 36)
6. **PERFORMANCE REPORTING FQ1 2015-16**
Report by Executive Director – Customer Services (Pages 37 - 46)
7. **AUDIT SCOTLAND ACTION PLAN - UPDATE**
Report by Executive Director – Customer Services (Pages 47 - 62)

8. **LAND REFORM (SCOTLAND) BILL 2015**
Report by Executive Director – Customer Services (Pages 63 - 72)
9. **LOCAL GOVERNMENT BOUNDARY COMMISSION FOR SCOTLAND - PUBLIC CONSULTATION ON PROPOSED ELECTORAL WARDS**
Report by Executive Director – Customer Services (Pages 73 - 78)
10. **DISCRETIONARY HOUSING PAYMENTS POLICY UPDATE**
Report by Executive Director – Customer Services (Pages 79 - 84)
11. **COUNCIL TAX ON EMPTY PROPERTIES**
Report by Executive Director – Customer Services (Pages 85 - 90)
12. **CONSULTATION ON REGULATIONS AND GUIDANCE UNDER THE WELFARE FUNDS (SCOTLAND) ACT 2015**
Report by Executive Director – Customer Services (Pages 91 - 104)
13. **CONSULTATION ON PROPOSAL FOR A CYBER RESILIENCE STRATEGY FOR SCOTLAND**
Report by Executive Director – Customer Services (Pages 105 - 112)
14. **SMITH AGREEMENT INQUIRY: CALL FOR EVIDENCE FROM WELFARE REFORM COMMITTEE**
Report by Executive Director – Customer Services (Pages 113 - 120)
15. **PROCUREMENT AND COMMISSIONING STRATEGY 2015-2018**
Report by Executive Director – Customer Services (Pages 121 - 160)
16. **CORPORATE IMPROVEMENT STRATEGY**
Report by Executive Director – Customer Services (Pages 161 - 174)
17. **VOLUNTARY REDUNDANCY**
Report by Executive Director – Customer Services (Pages 175 - 180)
18. **HERMITAGE PARK, HELENSBURGH**
Report by Executive Director – Development and Infrastructure Services (Pages 181 - 194)
(Please note that the supporting documentation to this report is available in the Members Room)
19. **ROTHESAY TOWNSCAPE HERITAGE PHASE 2 STAGE ONE BID**
Report by Executive Director – Development and Infrastructure Services (Pages 195 - 202)
20. **UPDATE ON IMPLEMENTATION OF NEW POLICY - PAVEMENT CAFE LICENCES**
Recommendation by Environment, Development and Infrastructure Committee of 13 August 2015 and Report by Executive Director – Development and Infrastructure Services (to follow)
21. **POLICY AND RESOURCES COMMITTEE WORK PLAN** (Pages 203 - 208)

- E1 22. RESOURCING SERVICE CHOICES PROCESS - HR SERVICE**
Report by Executive Director – Customer Services (Pages 209 - 216)
- (a) APPENDIX 1 (Pages 217 - 224)
(b) APPENDIX 2 (Pages 225 - 226)
- E2 23. REQUEST FOR CASH FLOW LOAN BY SOUTH KINTYRE DEVELOPMENT TRUST**
Report by Head of Strategic Finance (Pages 227 - 232)
- E3 24. HELENSBURGH OFFICE ACCOMMODATION - UPDATE**
Report by Executive Director – Customer Services (Pages 233 - 238)
- E4 25. NEW SCHOOLS REDEVELOPMENT PROJECT**
Report by Executive Director – Community Services (Pages 239 - 260)
- E5 26. MAJOR CAPITAL REGENERATION PROJECT PROGRESS REPORT**
Report by Executive Director – Development and Infrastructure Services (An enlarged copy of Appendix B is available in the Members Room) (Pages 261 - 276)

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 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 4** Information relating to any particular applicant for, or recipient or former recipient of, any financial assistance provided by the authority.
- E3,E4,E5 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 Robin Currie
Councillor Donald Kelly
Councillor Iain MacLean
Councillor Aileen Morton
Councillor Gary Mulvaney

Councillor Rory Colville
Councillor Mary-Jean Devon
Councillor Roderick McCuish
Councillor Alistair MacDougall
Councillor Ellen Morton (Vice-Chair)
Councillor Douglas Philand

Councillor James Robb
Councillor Isobel Strong

Councillor Len Scoullar
Councillor Sandy Taylor

Contact: Hazel MacInnes Tel: 01546 604269

**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the COUNCIL
CHAMBER, KILMORY, LOCHGILPHEAD
on THURSDAY, 14 MAY 2015**

Present:

Councillor Dick Walsh (Chair)

Councillor Robin Currie	Councillor James Robb
Councillor Vivien Dance	Councillor Len Scoullar
Councillor Alistair MacDougall	Councillor Isobel Strong
Councillor Roderick McCuish	Councillor Sandy Taylor
Councillor Aileen Morton	Councillor Richard Trail
Councillor Douglas Philand	

Also Present:

Councillor Rory Colville	Councillor Mary Jean Devon
Councillor Donald MacMillan	Councillor Elaine Robertson

Attending:

Sally Loudon, Chief Executive
 Douglas Hendry, Executive Director – Customer Services
 Pippa Milne, Executive Director – Development and Infrastructure Services
 Jane Fowler, Head of Improvement and HR
 Kirsty Flanagan, Finance Manager
 Audrey Martin, Projects and Renewables Manager
 Adrian Jackson-Stark, Oban Lorn Arc Regeneration Project Manager
 Patricia O'Neill, Central Governance Manager

The Committee were advised that Councillor Donald Kelly had been admitted to hospital. The Committee asked that their best wishes be passed on to Councillor Kelly for a speedy recovery.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Donald Kelly, Duncan MacIntyre, Ellen Morton and Gary Mulvaney.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTES**(a) POLICY AND RESOURCES COMMITTEE HELD ON 19 MARCH 2015**

The Minutes of the Meeting of the Policy and Resources Committee held on 19 March 2015 were approved as a correct record.

(b) SPECIAL POLICY AND RESOURCES COMMITTEE HELD ON 2 APRIL 2015

The Minutes of the Special Meeting of the Policy and Resources Committee held on 2 April 2015 were approved as a correct record.

Councillor James Robb raised a point of order with regard to the Minutes of the

Project Board being made available to Members. The Executive Director of Customer Services advised that to facilitate workshops and the preparation of a recommendation, notes of a Project Board would be taken but these notes were not a formal record of the meeting and therefore would not be circulated to Members.

4. FINANCIAL REPORTING 2015-16

A report setting out proposed arrangements for financial reporting during 2015/16 was considered.

Decision

The Committee approved the arrangements for routine financial reporting during 2015/16 as detailed in the submitted report and appendix.

(Reference: Report by Interim Head of Strategic Finance dated 5 May 2015, submitted)

5. FINANCIAL QUARTER 4 PERFORMANCE REPORT 2014/15

The Committee considered the Customer Services departmental performance report with scorecards for Strategic Finance and Customer Services for FQ4 2014/15 (January-March 2015).

Decision

The Committee noted the performance report and scorecards as presented.

(Reference: Report by Executive Director – Customer Services dated 6 May 2015 and Performance report and Scorecards for FQ4, submitted)

6. CORPORATE PLAN 2015-17

The Committee considered a report which presented the draft Corporate Plan 2015-2017 for approval. The Chief Executive advised that the Plan was based on the Single Outcome Agreement which had been subject to extensive consultation.

Motion

That the Committee approve the draft Corporate Plan 2015-2017 for consideration by Council.

Moved Councillor Dick Walsh, seconded Councillor Aileen Morton.

Amendment

That the Committee notes the draft Corporate Plan, notes that it will be considered by the Council and requests that a process be put in place to allow Members to provide comment before the Council meeting.

Moved Councillor James Robb, seconded Councillor Sandy Taylor.

Decision

On a show of hands vote, the Motion was carried by 7 votes to 5 and the Committee resolved accordingly.

(Reference: Report by Executive Director – Customer Services dated May 2015 and Draft Corporate Plan, submitted)

7. FLOOD RISK MANAGEMENT POLICY

The Committee considered a recommendation from the Environment, Development and Infrastructure Committee held on 13 April 2015 which sought approval of a Flood Risk Management Policy as a Council Policy.

Decision

The Committee approved the Flood Risk Management Policy for consideration by the Council.

(Reference: Recommendation from the Environment, Development and Infrastructure Committee held on 13 April 2015 and report by Executive Director – Development and Infrastructure Services dated March 2015, submitted)

8. COAST PROTECTION POLICY

The Committee considered a recommendation from the Environment, Development and Infrastructure Committee held on 13 April 2015 which sought approval of a Coast Protection Policy as a Council Policy.

Decision

The Committee approved the Coast Protection Policy for consideration by the Council.

(Reference: Recommendation from the Environment, Development and Infrastructure Committee held on 13 April 2015 and report by Executive Director – Development and Infrastructure Services dated March 2015, submitted)

9. REVIEW OF THE ARGYLL AND BUTE GUIDANCE ON COMMUNITY BENEFITS FROM ONSHORE RENEWABLE ENERGY

Following the agreement by the Committee at their meeting on 5 February 2015, a period of consultation was held in relation to the draft framework on Community Benefits from Onshore Renewable Energy. The Committee considered a report advising of changes proposed as a result of the consultation and requesting that the revised guidance be approved.

Decision

The Committee –

1. Noted the content of the report and the consultation and review process which had been undertaken.
2. Approved the updated guidance which was contained at Appendix 2 to the submitted report.

(Reference: Report by Executive Director – Development and Infrastructure Services dated May 2015, submitted)

10. CONSULTATION: GOOD PRACTICE PRINCIPLES FOR SHARED OWNERSHIP OF ONSHORE RENEWABLE ENERGY DEVELOPMENTS

The Committee considered a report detailing a proposed response to a consultation on the Scottish Government draft document ‘Good Practice Principles for Shared Ownership of Onshore Renewable Energy Developments’.

Decision

The Committee –

1. Noted the content of the report.
2. Approved the consultation response as attached at Appendix 1 to the submitted report.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 13 April 2015, submitted)

11. POLICY AND RESOURCES COMMITTEE WORK PLAN

The Policy and Resources Committee Workplan was before the Committee for consideration.

Decision

The Committee noted the up to date work plan as at May 2015.

(Reference: Policy and Resources Committee Work Plan dated May 2015, submitted)

12. OBAN CHORD - OBAN NORTH PIER MARITIME QUARTER - UPDATE AND REQUEST FOR FUNDING

The Committee considered a recommendation from the Oban, Lorn and the Isles Area Committee held on 15 April 2015 with regard to the drawdown of funding to support the delivery of the Oban North Pier Maritime Quarter.

Decision

The Committee endorsed the draw down of £45,000 funding to implement the development stage of the interim step ashore solution for 2016.

(Reference: Recommendation from Oban, Lorn and the Isles Area Committee held on 15 April 2015 and report by Executive Director – Development and Infrastructure Services dated April 2015, submitted)

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 8&9; 8&9; 8&9; 4; 4; 12; and 8&9 respectively of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

13. LORN ARC TAX INCREMENTAL FINANCING (TIF) ASSET PROJECT 5 - OBAN NORTH PIER EXTENSION - START UP REPORT

The Committee considered a recommendation from the Oban, Lorn and the Isles Area Committee held on 15 April 2015 with regard to the drawdown of funding for the development of a full business case for Lorn Arc Project 5 – Oban North Pier Extension.

Decision

The Committee

1. Approved the drawdown of borrowing for a total of up to £560K for the development of a full business case for Lorn Arc Project 5.
2. Noted that the full business case would be reported to a future Committee before moving to implementation stage.

(Reference: Recommendation from Oban, Lorn and the Isles Area Committee held on 15 April 2015 and report by Executive Director – Development and Infrastructure Services dated April 2015, submitted)

14. LORN ARC TIF ASSET PROJECT NO.9 - OBAN AND THE ISLES BUSINESS PARK: ACCESS ROAD ENABLEMENT FULL BUSINESS CASE

The Committee considered a recommendation from the Oban, Lorn and the Isles Area Committee held on 1 May 2015 in respect of the full business case for Lorn Arc TIF Asset Project 9 – Oban and the Isles Business Park: Access Road Enablement.

Decision

The Committee agreed the recommendation from the Oban, Lorn and the Isles Area Committee and as contained at paragraph 3.1 of the submitted report.

(Reference: Recommendation from the Oban, Lorn and the Isles Area Committee held on 1 May 2015 and report by Executive Director – Development and Infrastructure Services dated 23 April 2015, submitted)

15. OBAN CHORD - OBAN WATERFRONT PUBLIC REALM PHASE 2: NORTH PIER TO STATION SQUARE INCLUDING GEORGE STREET AND QUEEN'S PARK PLACE - UPDATED COST REPORT

The Committee considered a recommendation from the Oban, Lorn and the Isles Area Committee held on 15 April 2015 in respect of an updated cost report for Oban CHORD Oban Waterfront Phase 2: North Pier to Station Square including George Street and Queen's Park Place.

Decision

The Committee agreed the recommendation from the Oban, Lorn and the Isles Area Committee and as contained at paragraph 3.1 of the submitted report.

(Reference: Recommendation from the Oban, Lorn and the Isles Area Committee held on 15 April 2015 and report by Executive Director – Development and Infrastructure Services dated April 2015, submitted)

16. ASSESSMENT OF EXTERNAL FINANCIAL REQUEST -THE PICTURE HOUSE, CAMPBELTOWN

The Committee considered a report from the Mid Argyll, Kintyre and the Islands Area Committee in respect of a request for financial assistance from The Picture House, Campbeltown.

Decision

Approved the recommendation by the Mid Argyll, Kintyre and the Islands Area Committee as detailed at paragraph 3.1 of the submitted report.

(Reference: Report by Mid Argyll, Kintyre and the Islands Area Committee held on 8 April 2015 and report by Executive Director – Development and Infrastructure Services dated 12 March 2015, submitted)

17. ASSESSMENT OF EXTERNAL FINANCIAL REQUEST - KILMAHEW/ST PETER'S

The Committee considered a report in respect of a request for financial assistance from the Kilmahew/St Peter's Project.

Decision

The Committee agreed the recommendations as detailed at paragraphs 3.1 to 3.3 of the submitted report.

(Reference: Report by Executive Director – Development and Infrastructure Services dated April 2015, submitted)

18. LOCAL GOVERNMENT BOUNDARY COMMISSION PROPOSAL FOR ARGYLL AND BUTE

The Chair advised that the Short Life Working Group on the Local Government Boundary Commission Review 2015 had met on 11 May 2015 where they had

considered a number of different models. At that meeting it was agreed to adjourn the meeting to 22 May 2015 to allow officers to look at further models and report back to the Group.

In light of this, the Chair proposed and the Committee agreed, to adjourn consideration of this item until 26 May 2015.

19. HELENSBURGH OFFICE PROJECT UPDATE

A report providing an update with regard to the Helensburgh Office Project was considered.

Decision

The Committee noted the recommendations as detailed at paragraph 3.1 (a) to (e) contained within the submitted report.

(Reference: Reference: Report by Executive Director – Customer Services dated 5 May 2015, submitted)

The Chair adjourned the meeting at this point.

The Policy and Resources Committee reconvened on Tuesday 26 May 2015 at 10.30am in Committee Room 1, Kilmory, Lochgilphead.

Present: Councillor Dick Walsh (Chair)
Councillor Roderick McCuish
Councillor Douglas Philand
Councillor James Robb
Councillor Len Scoullar
Councillor Isobel Strong
Councillor Sandy Taylor
Councillor Richard Trail

Also Present: Councillor Elaine Robertson

Attending: Charles Reppke, Head of Governance and Law
Patricia O'Neill, Central Governance Manager
Graham Whitefield, GIS Manager

20. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Robin Currie, Vivien Dance, Donald Kelly, Alistair MacDougall, Duncan MacIntyre, Aileen Morton and Ellen Morton.

21. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

The Committee resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for the following item of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraph 12 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

22. CONTINUE CONSIDERATION OF LOCAL GOVERNMENT BOUNDARY COMMISSION PROPOSALS FOR ARGYLL AND BUTE

The Committee considered a report which outlined recommendations by the Short Life Working Group which had been set up to consider the Local Government Boundary Commission's proposals in detail.

Decision

The Committee agreed to delegate to the Head of Governance and Law in consultation with the Chair of the Policy and Resources Committee to prepare a response to the Local Government Boundary Commission on the basis that the Council were opposed in principle to the ward structure as presented by the Commission, however, the Council would attach to the response a technical submission as discussed at the Policy and Resources Committee which seeks to address matters relating to polling district boundaries and which proposes a more administrative convenient set of arrangements to minimise the impact of the proposals. The response to the Local Government Boundary Commission would be circulated to members of the Policy and Resources Committee and Short Life Working Group.

(Reference: Supplementary Pack 1 containing report by Executive Director – Customer Services and appendices dated 24 May 2015, tabled)

**MINUTES of SPECIAL MEETING of POLICY AND RESOURCES COMMITTEE held in the
COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD
on MONDAY, 22 JUNE 2015**

Present: Councillor Dick Walsh (Chair)

Councillor Rory Colville	Councillor Ellen Morton
Councillor Robin Currie	Councillor Douglas Philand
Councillor Mary-Jean Devon	Councillor James Robb
Councillor Roderick McCuish	Councillor Len Scoullar
Councillor Alistair MacDougall	Councillor Isobel Strong
Councillor Aileen Morton	Councillor Sandy Taylor

Also Present: Councillor Richard Trail

Attending: Sally Loudon, Chief Executive
Douglas Hendry, Executive Director – Customer Services
Cleland Sneddon, Executive Director – Community Services
Pippa Milne, Executive Director – Development and Infrastructure Services
Patricia O'Neill, Central Governance Manager
Stephen Barratt, Interim Head of Strategic Finance
Kirsty Flanagan, Finance Manager
Fergus Murray, Head of Economic Development and Strategic Transportation
Jim Robb, Head of Adult Care
Judy Orr, Head of Customer and Support Services
Nicola Williams, Audit Scotland

The Council Leader presented a Quaich to Jim Robb, Head of Adult Care to mark his retirement from the Council and from Local Government. He thanked him for his hard work and his many years of service; and wished him all the best for the future. Mr Robb accepted the Quaich with thanks and gave a short speech.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Donald Kelly, Iain MacLean and Gary Mulvaney.

2. DECLARATIONS OF INTEREST

There were none intimated.

(a) BUDGETARY OUTLOOK

At their meeting on 18 December 2014 the Committee had considered a report on the revenue budgetary outlook covering the period 2016/17 to 2020/21. The Committee considered a report which provided an update on the position and advised that further updates would be provided during the year.

Decision

The Committee agreed to recommend to Council –

1. To note the assumptions as set out in the report resulting in a revised budgetary outlook.
2. To agree to amend the policy on Council Tax on empty homes. It was the original intention that the additional income would be allocated to Area Committees; it is now recommended that this be retained to help support overall Council spending plans.
3. To note the advice in paragraph 4.2.15; based on the current budgetary outlook and for planning purposes, that Members consider moving forward with overall savings targets of around £9m in both 2016-17 and 2017-18.

Councillor James Robb who had moved an amendment which failed to find a seconder requested that his dissent be recorded from the foregoing decision.

(Reference: Report by Interim Head of Strategic Finance dated 11 June 2015, submitted)

(b) **SERVICE CHOICES**

The Committee considered a report advising on the progress of Service Choices. The report which advised of further work that was proposed following a members seminar held on 5 June 2015 and that this; along with savings targets, would be brought back to the meeting of the Policy and Resources Committee on 20 August 2015. The report also advised of proposals for Social Work Services.

Motion

That the Committee agree to recommend to Council that –

1. Members note the progress being made on service choices through the Project Board and Members Seminar. Members further note that feedback results from the Members Seminar will be considered by the Project Board with proposals on service targets being brought back to the Policy and Resources Committee on 20 August 2015.
2. Members agree that Social Work Services be subject to an integrated approach with further work required to set targets over the 3 year Strategic Plan.

Moved Councillor Dick Walsh, seconded Councillor Ellen Morton.

Amendment

That the Committee –

1. Note the report.
2. Note the additional requirement to agree a budget to transfer to the Integrated Joint Board as per paragraph 4.2.2 of the report.

Moved Councillor James Robb, seconded Councillor Sandy Taylor.

Decision

On a show of hands vote the Motion was carried by 10 votes to 2 and the Committee resolved accordingly.

(Reference: Report by Interim Head of Strategic Finance dated 10 June 2015, submitted)

4. ECONOMIC DEVELOPMENT AND STRATEGIC TRANSPORTATION SERVICE RESTRUCTURE

The Committee considered a report outlining the proposed restructuring of the Economic Development and Strategic Transportation Service.

Decision

The Committee agreed to recommend to the Council that they -

1. Support the proposed revised structure of the Economic Development and Strategic Transport Service as identified in appendix one to the report by the Executive Director and
2. Approve the allocation of additional resources as identified in appendix two to the report by the Executive Director and also as detailed at paragraph 4.1 of the report.

Councillor James Robb who had moved an amendment which failed to find a seconder requested that his dissent be recorded from the foregoing decision.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 22 June 2015, submitted)

This page is intentionally left blank

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES COMMITTEE****STRATEGIC FINANCE****20 AUGUST 2015**

EXECUTIVE SUMMARY**FINANCIAL REPORT MONITORING PACK – JUNE 2015**

1. INTRODUCTION

1.1 This report provides a summary of the financial monitoring reports as at the end of June 2015. As agreed at Policy and Resources Committee on 14 May 2015, the individual reports are noted as web links should Members wish to read the detail. There are five detailed reports summarised in this Executive Summary:

- Revenue Budget Monitoring Report as at 30 June 2015
- Monitoring of Financial Risks
- Reserves and Balances
- Capital Plan Monitoring Report as at 30 June 2015
- Treasury Monitoring Report as at 30 June 2015

The web link to the detailed reports is noted below:

<http://www.argyll-bute.gov.uk/financial-monitoring>

2. DETAIL**2.1 Revenue Budget Monitoring Report**

2.1.1 This report provides a summary of the current revenue budget monitoring position to ensure net expenditure is contained within budget. It provides corporate and departmental information with comparisons on a forecast outturn and a year to date basis.

2.1.2 The projected year end outturn at 30 June 2015 is an overall underspend of £0.950m. The underspends are in relation to School and Public Transport (£450k) due to procurement savings and lower inflation increases and Council Tax Empty Home income (£500k) that will now be transferred back into the General Fund.

2.1.3 An objective and subjective summary of the overall Council position as at 30 June 2015 is attached as Appendix 1.

2.2 Monitoring of Financial Risks

2.2.1 This report outlines the process and approach developed in carrying out a financial risks analysis and provides an update on the current assessment of financial risks.

2.2.2 There are a number of Council wide risks identified. All have been assessed as remote or unlikely with the exception of the auto enrolment into the pension scheme which impacts on employers superannuation. The majority of staff will not be auto enrolled until 2017 and the estimated worst case financial impact has been built into the medium term budget outlook.

2.2.3 There are currently 58 departmental risks totalling £7.944m. Only 11 of the risks are categorised as likely, with a potential impact of £2.447m, and no risks have been categorised as almost certain. These will continue to be monitored and action taken to mitigate or manage these risks.

2.2.4 The top 3 risks in terms of their likely financial impact are noted in the table below.

SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	LIKELIHOOD	FINANCIAL IMPACT £000
Adult Care	Increased complexity of care packages - Older People, Physical Disability, Learning Disability and Mental Health	Level of service demand remains at current commitment or increases due to needs becoming more complex.	3	950
Roads and Amenity Services	Winter Maintenance	Adverse weather conditions which require greater than budgeted number of gritting runs.	4	700
Adult Care	Growth in Older People population	Growth in elderly population exceeds expectation reflected in Demand Pressure thereby putting increased demand on services.	3	700

2.3 Reserves and Balances

2.3.1 This report summarises the overall level of reserves and balances and monitors the spending of the earmarked reserves, providing detailed information on the unspent budget earmarked balances.

2.3.2 The Council has usable reserves of £50.531m. Most of these are earmarked for specific purposes. The General Fund contingency level remains at 1.5% of net expenditure. There is currently an estimated surplus over contingency of £13.278m and this is being directed towards the delivery of the Single Outcome Agreement.

2.4 Capital Plan Monitoring Report

2.4.1 Capital Plan Monitoring Report – this report provides a summary of the current capital plan monitoring position. Information is provided in terms of monitoring year to date budget, current full year budget, future years total budget and funding and non-financial in terms of project performance.

2.4.2 Year to date expenditure is ahead of budget by £0.082m. The forecast outturn for the year is a reduction in expenditure of £9.216m mainly as a result of Strategic Change projects which are expected to slip into future years. There are 3 projects classed as off track.

2.4.3 An overall summary of Gross Capital Expenditure Council as at 30 June

2015 is attached as Appendix 2.

2.5 Treasury Monitoring Report

- 2.5.1 This report provides information on the current levels and recent transactions in relation to the capital financing limit, total borrowing, temporary borrowing and long term borrowing and investments.
- 2.5.2 There have been no significant new borrowings in the period to 30 June 2015. External Loans have been repaid in the period to 30 June 2015 amounting to £12.9m.
- 2.5.3 Borrowing is estimated to be around £23.6m below the capital financing requirement for the period to 31 March 2016. This reflects the approach taken to minimise surplus cash on deposit in order to avoid overdue exposure to investment/credit worthiness risks. However, if it becomes clear that longer term interest rates are likely to increase significantly the position will be reviewed to ensure the Council locks in funding at low interest rates.
- 2.5.4 Investments at 30 June were £56.7m with a return for the last quarter of 0.656% compared to the average 7 day rate of 0.363%.

3. RECOMMENDATIONS

- 3.1 Members to note the revenue budget monitoring report as at 30 June 2015
- 3.2 Members to note the current assessment of the Council's financial risks.
- 3.3 Members to note the overall level of reserves and balances and note the monitoring of the earmarked reserves.
- 3.4 Members to note the capital plan monitoring report as at 30 June 2015
- 3.5 Members to note the treasury monitoring report as at 30 June 2015.

4. IMPLICATIONS

- 4.1 Policy – None.
- 4.2 Financial - Outlines the revenue and capital monitoring for 2015-16 as at 30 June 2015.
- 4.3 Legal - None.
- 4.4 HR - None.
- 4.5 Equalities - None.
- 4.6 Risk - Details of financial risks are included within the

report.

4.7 Customer Service - None.

Policy Lead for Finance: Councillor Dick Walsh

**Steve Barrett
Interim Head of Strategic Finance
10 August 2015**

**For further information please contact Kirsty Flanagan, Finance Manager
Departmental Support on 01546 604268 or Peter Cupples, Finance Manager
Corporate Support on 01546 604183**

Appendices:

Appendix 1 – Revenue Budget Monitoring overall Council position as at 30 June 2015.

Appendix 2 – Gross Capital Expenditure Council as at 30 June 2015.

OBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AT 30 JUNE 2015

	YEAR TO DATE POSITION			CURRENT PROJECTED FINAL OUTTURN				
	YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	Variance %	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	Variance %
<u>Departmental Budgets</u>								
Chief Executives	479	568	(89)	(18.58%)	2,186	2,186	0	0.00%
Community Services	17,349	17,677	(328)	(1.89%)	82,882	82,882	0	0.00%
Integration Services	10,233	10,221	12	0.12%	56,928	56,928	0	0.00%
Customer Services	9,888	9,226	662	6.69%	39,693	39,243	450	1.13%
Development and Infrastructure Services	5,134	5,063	71	1.38%	31,618	31,618	0	0.00%
Total Departmental Budgets	43,083	42,755	328	0.76%	213,307	212,857	450	0.21%
<u>Non-Departmental Budgets</u>								
Other Operating Income and Expenditure	928	584	344	37.07%	4,659	4,159	500	10.73%
Joint Boards	337	320	17	5.04%	1,350	1,350	0	0.00%
Non-Controllable Costs	(11)	(47)	36	100.00%	25,817	25,817	0	0.00%
Total Non-Departmental Budgets	1,254	857	397	31.66%	31,826	31,326	500	1.57%
TOTAL NET EXPENDITURE	44,337	43,612	725	1.64%	245,133	244,183	950	0.39%
<u>Financed By</u>								
Aggregate External Finance	(47,301)	(47,301)	0	0.00%	(203,485)	(203,485)	0	0.00%
Local Tax Requirement	(13,435)	(13,435)	0	0.00%	(40,900)	(40,900)	0	0.00%
Contributions to General Fund	0	0	0	0.00%	154	154	0	0.00%
Supplementary Estimates	0	0	0	0.00%	(10)	(10)	0	0.00%
Earmarked Reserves	0	0	0	0.00%	(892)	(892)	0	0.00%
Total Funding	(60,736)	(60,736)	0	0.00%	(245,133)	(245,133)	0	0.00%
Deficit/(Surplus) for Period	(16,399)	(17,124)	725		0	(950)	950	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

SUBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AT 30 JUNE 2015

Subjective Category	YEAR TO DATE POSITION			CURRENT PROJECTED FINAL OUTTURN				
	YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	Variance %	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	Variance %
Employee Expenses	29,966	29,138	828	2.76%	137,050	137,050	0	0.00%
Premises Related Expenditure	1,775	1,786	(11)	(0.62%)	16,588	16,588	0	0.00%
Supplies and Services	3,196	3,689	(493)	(15.43%)	21,583	21,083	500	2.32%
Transport Related Expenditure	3,123	2,793	330	10.57%	20,996	20,996	0	0.00%
Third Party Payments	26,860	26,878	(18)	(0.07%)	124,870	124,420	450	0.36%
Capital Financing	0	(1,096)	1,096	0.00%	20,407	20,407	0	0.00%
TOTAL EXPENDITURE	64,920	63,188	1,732	2.67%	341,495	340,545	950	0.28%
Income	81,319	80,312	1,007	1.24%	341,495	341,495	0	0.00%
Deficit/(Surplus) for Period	(16,399)	(17,124)	725		0	(950)	950	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget. An explanation is given for any variance which exceeds £50,000 or 10%.

Appendix 2
30 June 2015

ARGYLL AND BUTE COUNCIL - CAPITAL PLAN MONITORING REPORT - OVERALL COUNCIL

FINANCIAL SUMMARY - GROSS EXPENDITURE

	Current Financial Year To Date			Full Year This Financial Year			Total Project Costs		
	Budget £000s	Actual £000s	Variance £000s	Budget £000s	Actual £000s	Variance £000s	Budget £000s	Forecast £000s	Variance £000s
Area Committee Expenditure - Asset Sustainability	0	0	0	44	0	44	69	25	44
Asset Sustainability Projects									
Customer Services	423	440	(17)	5,620	6,089	(469)	56,456	57,019	(563)
Development & Infrastructure Services	1,059	1,084	(25)	5,813	6,121	(308)	39,639	39,637	2
Asset Sustainability Total	1,482	1,524	(42)	11,433	12,210	(777)	96,095	96,656	(561)
Service Development Projects									
Customer Services	226	222	4	3,455	2,049	1,406	13,744	14,027	(283)
Development & Infrastructure Services	1	45	(44)	1,631	1,633	(2)	7,671	7,673	(2)
Service Development Total	227	267	(40)	5,086	3,682	1,404	21,415	21,700	(285)
Strategic Change Projects									
Campbeltown Schools Redevelopment	1	1	0	2,798	1,700	1,098	9,127	8,029	1,098
Dunoon Primary	1	1	0	686	688	(2)	3,921	3,923	(2)
Replacement of Oban High	1	1	0	4,973	3,354	1,619	13,159	11,540	1,619
Kilm Primary School	0	0	0	2,547	1,706	841	6,500	6,494	6
Carbon Management - Education	0	0	0	0	0	0	25	25	0
Carbon Management - Non Education	0	0	0	50	50	0	100	100	0
Carbon Management Business Cases	0	0	0	117	117	0	261	261	0
NPDO Schools Solar PV Panel Installations	2	2	0	941	913	28	944	944	0
Non NPDO Schools Solar PV Panel Installations	7	7	0	109	109	0	488	488	0
Carbon Management Fuel Conversions	0	0	0	38	38	0	145	145	0
Carbon Management Capital Property Works 2015/16	9	9	0	19	19	0	20	20	0
Carbon Management Capital Property Works 2016/17	0	0	0	0	0	0	19	19	0
Islay HS/Bowmore PS Carbon Management	0	0	0	17	17	0	726	726	0
Carbon Management Capital Property Works	0	0	0	156	156	0	1,033	1,033	0
Kilmory Biomass Carbon Management	0	0	0	27	27	0	209	209	0
Oil to Gas Heating Conversions	0	0	0	8	8	0	35	35	0
Campbeltown and Rothesay Rationalisation	0	0	0	568	459	109	568	568	0
Campbeltown Office Rationalisation	0	0	0	1,926	1,746	180	11,489	11,489	0
Helensburgh Office Rationalisation	1,090	1,089	1	(97)	8	(105)	270	375	(105)
Mid Argyll Offices Reorganisation	0	1	(1)	10	10	0	10	10	0
Tiree Shared Offices	0	0	0	844	300	544	12,115	11,571	544
Kintyre Renewables Hub	85	85	0	(186)	123	(309)	1,050	1,359	(309)
Helensburgh Depot Rationalisation	34	34	0	1,124	902	222	7,330	7,230	100
CHORD - Helensburgh	57	57	0	2,185	1,305	880	4,786	4,786	0
CHORD - Campbeltown	639	639	0	3,775	679	3,096	9,570	9,570	0
CHORD - Dunoon	57	57	0	3,651	2,658	993	6,560	6,560	0
CHORD - Oban	207	207	0	950	300	650	3,120	3,120	0
CHORD - Rothesay	0	0	0	315	300	15	9,827	9,812	15
Helensburgh Waterfront Development	9	9	0	163	163	0	238	238	0
TIF - Lorn/Kirk Road	2	2	0	560	560	0	560	560	0
TIF - North Pier Extension	0	0	0	34	528	(494)	590	590	0
TIF - Oban Airport Business Park	22	22	0	2,318	2,518	(200)	2,830	2,830	0
OBC for Dunoon Pier	160	160	0	290	260	30	300	270	30
Pier Upgrades	0	0	0	0	0	0	0	0	0
Strategic Change Total	2,383	2,383	0	30,916	22,371	8,545	107,925	104,929	2,996
TOTAL	4,092	4,174	(82)	47,479	38,263	9,216	225,504	223,310	2,194

This page is intentionally left blank

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES COMMITTEE****STRATEGIC FINANCE****20 AUGUST 2015**

SERVICE CHOICES

1. EXECUTIVE SUMMARY

- 1.1 Service Choices is the approach adopted by the Council to plan for the estimated funding reductions and to align the available resources to Member's priorities. A Project Board was established tasked with producing options for consideration and recommendation to Council with a view to producing a balanced budget.
- 1.2 Progress is being made through the Project Board and feedback from the Member's Workshop on 5 June has been considered. The report to the Policy and Resources Committee on 22 June envisaged that service targets would be brought to the meeting on 20 August. The Project Board have since recommended that all options are progressed to enable headroom for choice.
- 1.3 The Project Board considered the savings options under three categories:
1. Management/Operational – savings options that have no policy or HR implications and can be taken forward as part of normal business, without any further approval.
 2. Policy Options – savings options that would require a decision from Members. Where there were alternative options; those which gained the most support at the Member's workshop were included in this category.
 3. Other Alternative Options – alternative savings options that received lesser support at the Members workshop to those included within the Policy Options category. These would, therefore, progress no further.
- 1.4 It is recommended that:
- Category 1 Management/Operational options where there are no policy or HR implications are noted and will be delivered as part of normal business.
 - Category 2 Policy Options are all progressed through to Stage 3 with further consideration of these options prior to consultation.
 - Category 3 residual Alternative Options are not progressed at this stage. They are alternative options which received less Member support at the Workshop on 5 June.

- 1.5 The Policy and Resources Committee on 22 June agreed that Integrated Health and Social Care should be subject to an integrated approach to developing proposals. The recommendation is to set an indicative target range of savings of 4% to 6% for Social Work Services. This is in line with the average percentage reduction applied across other Council services included within Service Choices and provides a degree of flexibility in developing options, until confirmation of the financial settlement is received.

- 1.6 The Project Board will continue their work on progressing Service Choices and there will be engagement with all Members in a further Member's Workshop planned for 14 September, prior to decisions at October Council on savings options to go out to public consultation.

SERVICE CHOICES

2. INTRODUCTION

- 2.1 Service Choices is the approach adopted by the Council to plan for the estimated funding reductions and to align the available resources to Member's priorities. A Project Board was established tasked with producing options for consideration and recommendation to Council with a view to producing a balanced budget to be approved by Council in February 2016.
- 2.2 This report updates Members on the progress to date with the Service Choices process and outlines the recommendations from the Project Board on the way forward with the Service Choices process over the coming months.

3. RECOMMENDATIONS

- 3.1 Members to note the progress being made on Service Choices through the Project Board, with feedback from the Member's Workshop of 5 June being taken on board and informing actions and work going forward.
- 3.2 The report to the Policy and Resources Committee on 22 June envisaged that service targets would be brought to the meeting on 20 August. The Project Board of the 30 June considered the savings options and now recommend the following which Members are asked to approve:
- Category 1 Management/Operational options where there are no policy or HR implications are noted and will be delivered as part of normal business.
 - Category 2 Policy Options are all progressed through to Stage 3 with further consideration of these options prior to consultation.
 - Category 3 Other Alternative Options are not progressed at this stage as they are alternative to the options already being further developed in Category 2.
- 3.3 Members to endorse the Project Board recommendation that for planning purposes an indicative target range of savings of 4% to 6% is applied to Social Work Services. This is in line with the average percentage reduction applied across other Council services included within Service Choices and provides a degree of flexibility in developing options, until confirmation of

the financial settlement is received. The final decision on the reduction will require approval by Council.

4. DETAIL

4.1 Background

4.1.1 The Policy and Resources Committee on 22 June 2015 was asked to note the progress made with the Service Choices process through the Project Board and Member's Workshop. A recommendation was accepted that feedback from the Member's Workshop on 5 June 2015 was to be considered by the Project Board with proposals on savings targets being brought back to Policy and Resources Committee on 20 August 2015.

4.1.2 The Member's Workshop on 5 June 2015 was an introduction for all Members on the options being considered and Members were asked to indicate preferences on the savings options. This feedback has been considered by the Project Board and will be used as the Service Choices process moves forward.

4.2 Option Categories

4.2.1 The Project Board split the savings options into three categories:

1. Management/Operational – savings options that have no policy or HR implications and can be taken forward as part of normal business, without any further approval.
2. Policy Options – savings options that would require a decision from Members. Where there were alternative options; those which gained the most support at the Member's workshop were included in this category.
3. Other Alternative Options – alternative savings options that received lesser support at the Members workshop to those included within the Policy Options category. These would, therefore, progress no further.

4.2.2 The Management/Operational category includes savings which have no policy or HR implications and are categorised in this way as they are assumed to be able to be taken in the normal course of business. These options are for noting by Members and are detailed within Appendix 1. They amount to £1.094m in 2016-17 rising to £1.145m in 2017-18. Services will not be required to complete Stage 3 templates for these options.

4.2.3 The Policy Options will all be taken forward into Stage 3 Options Development and services will have to prepare Stage 3 Options Development templates for submission to the Policy and Resources Committee and Council meeting in October. A copy of the Stage 3 template is included within Appendix 2. Where there were alternative

options, the Project Board considered that the options with the most support from Members at the Workshop should be taken forward.

- 4.2.4 The Other Alternative Options are policy options which are alternative to those already included within the Policy Options category. The Project Board considered that the options that received lesser support from Members at the Workshop should not be progressed at this stage.

4.3 Integrated Health and Social Care

- 4.3.1 The Policy and Resources Committee on 22 June 2015 agreed that Social Work Services should be subject to an integrated approach to developing proposals to ensure scope for greater efficiency, allowing for targets to be set over the 3 year Strategic Plan from the perspective of aggregated funding from both the Council and Health services. The approach was further agreed at Council on 25 June 2015.

- 4.3.2 There is a requirement for Social Work Services to contribute to the Councils overall budget gap. Based on the current budget outlook the average savings required from Council service packages subject to a budget reduction is 6.17%. The Project Board recommendation is to set an indicative target range of savings of 4% to 6% for Social Work services in both 2016-17 and 2017-18. This is in line with the percentage reduction applied across other Council services included within Service Choices and provides a degree of flexibility in developing options, until confirmation of the financial settlement is received.

- 4.3.3 A target allocated of less than 6.17% would be a decision to provide an element of protection to Social Work services. The savings target with a range of between 4% and 6% is outlined below:

- 4% - £2.250m
- 5% - £2.813m
- 6% - £3.376m

The Council budget gap in 2018-19 is likely to be less than the first two years so there may be a requirement to give a different target across the three year period.

- 4.3.4 It is recommended that an indicative target saving of 4% to 6% is communicated to the Integration Joint Board as an indication of a range of the level of savings required to allow them to start planning and developing options for delivery of the required savings.

4.4 Budget Outlook

- 4.4.1 A report updating the revenue budget outlook for 2016-17 to 2020-21 was presented at the Policy and Resources Committee on 22 June 2015. Based on the narrower range of best and worst case scenarios the budget gap across these years is estimated to be between £21.7m and £26.0m.

The budget gap is weighted to the first two years, with a budget gap of up to £18.4m by 2017-18.

- 4.4.2 The Policy and Resources Committee agreed to note the advice within the Budget Outlook report on 22 June 2015 that for planning purposes Members should consider moving forward with savings targets of £9m in both 2016-17 and 2017-18.
- 4.4.3 There have been no changes to the budget outlook since the update on 22 June 2015. The most significant issue affecting the outlook remains to be the Scottish Government funding. UK Government are set to announce 5 year spending plans on 25 November and it is still the Scottish Government’s intention to issue local government figures before Christmas.
- 4.4.4 The table below summarises the current position in terms of the estimated budget gap, based on the management/operational savings already identified and the policy option savings that are progressing through to Stage 3. Savings in respect of Social Work have been illustrated in the table at 5% (mid-point of 4%-6% range). This is purely for illustrative purposes and does not indicate a preferred savings target. Also noted in the table is the Economic Development Investment which was part of the Service Choices process and was agreed at the Policy and Resources Committee on 22 June 2015. The table illustrates that at this stage, there are more savings identified than required.

	2016/17	2017/18
	£'000	£'000
Management/Operational Savings	1,094	1,145
Policy Options	9,169	12,912
Health and Social Care Savings (5% mid-point)	2,813	5,626
Economic Development Investment	(286)	(286)
Total Available Options	12,790	19,397
Savings Target	(9,000)	(18,000)
Savings Over Target	3,790	1,397*

*It should be noted that there is a separate report entitled “Resourcing Service Choices Process – Improvement and HR”, which recommends that their Year 2 savings are profiled to Year 3. If this recommendation is approved this would defer savings of £0.353m in 2017-18 to 2018-19 resulting in the savings over target in 2017-18 being reduced to £1.044m.

- 4.4.5 Based on the current budget outlook, proceeding with all of the current options would deliver excess savings over the target. This allows headroom for choice, both before and after consultation. It also allows for any risks that are identified as part of the Stage 3 options development to be taken into consideration and further, it allows for negative variation in the budgetary outlook.
- 4.4.6 There will inevitably be staff reductions to achieve the level of savings

required over the next 5 years, and at this stage no estimate has been included in the budget outlook for severance costs.

4.4.7 The budget outlook position is kept under continual review and any changes will be reported to Members.

4.5 Timeline

4.5.1 There are a number of key dates and decision points for Service Choices leading up to the Council budget meeting in February 2016. These are summarised in the table below:

Date	Meeting	Purpose
20 August	P&R Committee	Consider report on Service Choices that sets out the way forward for Stage 3 and agree indicative savings targets for Social Work.
7 September	Project Board	Ongoing work – Initial review of Stage 3 templates.
14 September	Member’s Workshop	Review of Stage 3 options.
8 October	Special P&R Committee	Make recommendations to Council on options to proceed to public consultation
22 October	Special Council	Agree options to proceed to public consultation.
Oct – Dec	Consultation	Seek views on savings options
January 2016	Special P&R Committee	Receive consultation feedback and recommend proposals to Council
11 Feb 2016	Council – Budget Meeting	Determine the budget

5. CONCLUSION

- 5.1 Progress with Service Choices is being made through the Project Board and feedback from the Member's Workshop on 5 June has been considered. The Project Board has recommended a way forward to allow services to complete Stage 3 Options Development which will allow for more detailed information to be provided to Members at the Policy and Resources Committee and Council meetings in October.
- 5.2 Agreeing an indicative target range of savings of 4% to 6% for Integrated Health and Social Care at this stage will allow the Integrated Joint Board to start planning on this basis and develop options to deliver their allocation of the required savings.
- 5.3 There is a planned Member's Workshop on 14 September to give an opportunity to engage all Members in the options being developed.

6. IMPLICATIONS

- 6.1 Policy – None from this report but Service Choices will determine policy in a number of service areas.
- 6.2 Financial – Supports balancing the budget over 2016-17 and 2017-18.
- 6.3 Legal – None at this stage.
- 6.4 HR – None at this stage but Service Choices will have an impact on staff.
- 6.5 Equalities – None at this stage but savings proposals will need to consider equalities.
- 6.6 Risk – None at this stage but savings proposals will need to consider risk.
- 6.7 Customer Service – None at this stage but savings proposals will need to consider customer service.

Policy Lead for Strategic Finance: Councillor Dick Walsh

Steve Barrett
Interim Head of Strategic Finance
30 July 2015

**For further information please contact Kirsty Flanagan, Finance Manager
Departmental Support on 01546 604268.**

APPENDICES

- Appendix 1 – Management/Operational Savings Options
- Appendix 2 – Stage 3 Options Development Template

Appendix 1

Management/Operational Savings

Department	Service	Service Package	Ref	Description of Option	Yr1 Budget Reduction £000	Yr1 FTE Reduction	Yr2 Budget Reduction £000	Yr2 FTE Reduction	Future Years Budget Reduction £000	Future Years FTE Reduction
Chief Executives Unit	Strategic Finance	Strategic Finance	SF01B	Reduce travel and subsistence budgets	5	0.0	5	0.0	5	0.0
Chief Executives Unit	Strategic Finance	Strategic Finance	SF01C	Review Internal Audit Strategic Partnership	15	0.0	15	0.0	15	0.0
Chief Executives Unit	Strategic Finance	Strategic Finance	SF01D	Increase finance recharge to Loans Fund	9	0.0	9	0.0	9	0.0
Chief Executives Unit	Strategic Finance	Strategic Finance	SF01E	Recharge of officer time to the TIF project.	10	0.0	10	0.0	10	0.0
Community Services	Education	Education Support HQ and Repairs/Janitorial Services	EDUC05b	Removal / reduction of various small central budgets including reduction in postages, hospitality, furniture and fittings, subscriptions to publications.	41	0.0	41	0.0	41	0.0
Community Services	Education	Education Support HQ and Repairs/Janitorial Services	EDUC05f	Removal of budget for School Estates Management.	30	0.0	30	0.0	30	0.0
Community Services	Education	Psychological Services	EDUC12c	A 7% reduction in the total budget of the Specialist Activities. (as this budget is routinely underspent it is recommended that a 50% saving is made)	6	0.0	6	0.0	6	0.0
Customer Services	Customer and Support Services	Customer Service Centres (CSC) and Registration	CSS01g	One off savings in 2017-18	0	0.0	51	0.0	0	0.0
Customer Services	Customer and Support Services	Customer Service Centres (CSC) and Registration	CSS01h	Blue Badge Additional Income	10	0.0	10	0.0	10	0.0
Customer Services	Customer and Support Services	Customer Service Centres (CSC) and Registration	CSS01i	Registration Ceremonies Additional Income	15	0.0	15	0.0	15	0.0
Customer Services	Customer and Support Services	Customer Service Centres (CSC) and Registration	CSS01h	Miscellaneous Budget reductions - training, fixtures & fittings, consultancy etc	7	0.0	7	0.0	7	0.0
Customer Services	Customer and Support Services	Revenues and Benefits	CSS02a	Reduction in sheriff officer commission for council tax	21	0.0	21	0.0	21	0.0
Customer Services	Customer and Support Services	Revenues and Benefits	CSS02b	Reduction in sheriff officer commission for NDR	17	0.0	17	0.0	17	0.0
Customer Services	Customer and Support Services	Revenues and Benefits	CSS02e	30% saving on travel costs	5	0.0	5	0.0	5	0.0
Customer Services	Customer and Support Services	Revenues and Benefits	CSS02f	End maintenance on Northgate adapters	15	0.0	15	0.0	15	0.0
Customer Services	Customer and Support Services	Creditors	CSS03d	More creditors training done via lync & online reducing travel costs	1	0.0	1	0.0	1	0.0

Appendix 1

Management/Operational Savings

Department	Service	Service Package	Ref	Description of Option	Yr1 Budget Reduction £000	Yr1 FTE Reduction	Yr2 Budget Reduction £000	Yr2 FTE Reduction	Future Years Budget Reduction £000	Future Years FTE Reduction
Customer Services	Customer and Support Services	Creditors	CSS03e	Reduction in training budget	3.5	0.0	3.5	0.0	3.5	0.0
Customer Services	Customer and Support Services	Information Technology	CSS04a	Disconnection of telephone lines no longer required	30	0.0	30	0.0	30	0.0
Customer Services	Customer and Support Services	Information Technology	CSS04c	Remove the IT Disaster recovery Contract	27	0.0	27	0.0	27	0.0
Customer Services	Customer and Support Services	Information Technology	CSS04d	Net additional income from a shared services partnership with Highland Council to deliver a Microsoft Lync environment for both Councils	50	0.0	50	0.0	50	0.0
Customer Services	Facility Services	Catering	FS01E	Remove surplus funding for P1-3 Free Meals.	118	0.0	118	0.0	118	0.0
Customer Services	Facility Services	Property	FS03N	Remove the uncommitted budget allocated for enabling work associated with Workforce Deployment contracts.	44	0.0	44	0.0	44	0.0
Customer Services	Facility Services	School and Public Transport	FS04C	As a result of the successful implementation of the transport sourcing strategy, remove the element of the School and Public Transport budget not required based on current contracts.	451	0.0	451	0.0	451	0.0
Customer Services	Facility Services	School and Public Transport	FS04D	As a result of the benefits arising from the introduction of fuel efficient vehicles and related driver training, 20% reduction to Fuel budget for Pool Cars and Pupil Transport	41	0.0	41	0.0	41	0.0
Customer Services	Facility Services	School and Public Transport	FS04E	As a result of the continuing reduction in the age of the light vehicle fleet, 30% reduction to external hire charge budget for back-up vehicles	21	0.0	21	0.0	21	0.0
Development and Infrastructure Services	Planning and Regulatory Services	Development Management	PRS02a	Increase Planning Fee Revenue Budget. Use increased statutory planning fee income to offset savings targets. Income exceeded budget by £65k and £115k in the previous 2 financial years and Scottish Government is openly examining future increases in fees. An increase in budget of £100k based on previous years outturn is conservative estimate particularly in the growth agenda outlined in LDP. The £100k increase will be split - £80k aligned to Development Management and £20k to Planning Policy.	80	0.0	80	0.0	80	0.0
Development and Infrastructure Services	Planning and Regulatory Services	Development Policy	PRS03a	Reduction in GIS provision by reducing licenses for number of desktops and changing software.	7	0.0	7	0.0	7	0.0

Management/Operational Savings

Department	Service	Service Package	Ref	Description of Option	Yr1 Budget Reduction £000	Yr1 FTE Reduction	Yr2 Budget Reduction £000	Yr2 FTE Reduction	Future Years Budget Reduction £000	Future Years FTE Reduction
Development and Infrastructure Services	Planning and Regulatory Services	Regulatory Services	PRS04b	Rationalisation of our on-line and other subscriptions across Regulatory Services relating to the provision of and access to technical advice, guidance, case law and statutes	10	0.0	10	0.0	10	0.0
Development and Infrastructure Services	Planning and Regulatory Services	Regulatory Services	PRS04d	Realise savings by releasing underspend in the tobacco control budget which funds the age-related sales activities and tobacco enforcement work.	5	0.0	5	0.0	5	0.0
					1,094	0.0	1,145	0.0	1,094	0.0

SERVICE CHOICES – STAGE 3 – OPTIONS DEVELOPMENT																																															
SERVICE PACKAGE OVERVIEW																																															
Department:				Service:																																											
Service Package:				Service Package Reference:																																											
Savings Target: %				Target Value: £'000																																											
1	Introduction/Overview																																														
1.1	<i>This section should provide a description of the service package as previously included in Stage 1 and Stage 2 templates.</i>																																														
2	Service Package Baseline Information																																														
2.1	<p><i>This section is provided to allow some key information on the service to be provided and should include information like:</i></p> <ul style="list-style-type: none"> • <i>A summary of any statutory and legislative requirements.</i> • <i>Information on the current approach to service delivery.</i> • <i>Information on current resources - money, staff and assets. Where available revenue information should be provided for current year (budget) and the previous two years (actual).</i> 																																														
3	Performance (including Benchmarking)																																														
3.1	<i>Information on what the service activity currently achieves in terms of performance. This section should highlight benchmarking for the service area relevant to the service package. Graphical representation would be best with supporting narrative.</i>																																														
4	Future Challenges																																														
4.1	<i>This section to identify future challenges relevant to the savings proposals. This may be similar to information in the Stage 1 template.</i>																																														
5	Summary of Options																																														
5.1	<p><i>The savings options for this service package are summarised in the table below with more detailed information contained in the individual option templates:</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Option Reference</th> <th colspan="2" style="text-align: center;">2016-17</th> <th colspan="2" style="text-align: center;">2017-18</th> <th colspan="2" style="text-align: center;">Future Years</th> </tr> <tr> <th style="text-align: center;">£'000</th> <th style="text-align: center;">FTE</th> <th style="text-align: center;">£'000</th> <th style="text-align: center;">FTE</th> <th style="text-align: center;">£'000</th> <th style="text-align: center;">FTE</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>Management/Operational</td> <td> </td> <td style="text-align: center;">0</td> <td> </td> <td style="text-align: center;">0</td> <td> </td> <td style="text-align: center;">0</td> </tr> <tr> <td>TOTAL</td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p><i>Management/operational savings are not required to produce an options template as these savings do have no policy or HR implications.</i></p>						Option Reference	2016-17		2017-18		Future Years		£'000	FTE	£'000	FTE	£'000	FTE															Management/Operational		0		0		0	TOTAL						
Option Reference	2016-17		2017-18		Future Years																																										
	£'000	FTE	£'000	FTE	£'000	FTE																																									
Management/Operational		0		0		0																																									
TOTAL																																															

6.	Employee Engagement
6.1	<i>Briefly outline employee engagement to date.</i>

Service Package:		Service Package Reference:			
Savings Option:		Savings Option Reference:			
<p>Description of Savings Option: <i>This section should provide a brief description of the savings option as previously included on Stage 2 templates. Table should also be included to show savings and any FTE reduction profile.</i></p>					
2016-17		2017-18		Future Years	
£'000	FTE	£'000	FTE	£'000	FTE
<p>Impact on Service Delivery: <i>Description of the impact on service delivery of the proposed option. This should focus on service outcomes and key deliverables/objectives. It should be noted when the saving can be delivered from and any lead in times.</i></p>					
<p>Actions Required to Deliver on Saving: <i>Outline actions required to deliver on saving, including indicative timeline for actions, section should also highlight any barriers which could have an impact on the timescale.</i></p>					
<p>Impact on Staff: <i>Outline impact on staff including FTE and Headcount reduction and how this will be achieved eg reduced hours, redundancy, removal of vacant posts.</i></p>					
<p>Risks: <i>Outline implications of the proposed option on key strategic and operational risks as together with any risks in terms of Health and Safety.</i></p>					
<p>Statutory Requirements: <i>Outline implications of the proposed option on statutory requirements.</i></p>					
<p>Third Sector/Partnerships: <i>Outline impact where the service is delivered by another party or the option will affect other involved in the supply chain for the service.</i></p>					
<p>External Funding: <i>Outline implications of the proposed option on External Funding, include all sources of funding including grants and contributions, fees and charges etc.</i></p>					

Impact on Assets:

Outline implications for capital expenditure or plans to stop using existing assets.

Additional Investment:

For options which require additional investment to deliver, ie. Spend to Save proposals, outline the level of investment required whether revenue or capital, the timing of this and any proposals to fund these costs.

Equality Impact Assessment:

- *Is an Equality Impact Assessment Required? Yes/No*
- *Has an Equality Impact Assessment been carried out? Yes/No – If required and EQIA is not completed, explanation should be entered.*
- *What was the outcome of the EQIA?*

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES
COMMITTEE

CUSTOMER SERVICES

20 AUGUST 2015

PERFORMANCE REPORT FQ1 2015-16

1.0 EXECUTIVE SUMMARY

- 1.1 The Council's Planning and Performance Management Framework sets out the process for presentation of the council's quarterly performance reports.
- 1.2 This paper presents the Policy and Resources Committee with the Customer Services departmental performance report with the scorecards for Strategic Finance and Customer Services for FQ1 2015-16 (April - June 2015).
- 1.3 It is recommended that the Policy and Resources Committee reviews the scorecards as presented and agrees the removal of the now redundant measure 'Actual audit days as % of planned' from the Strategic Finance scorecard. Revised performance indicators for internal audit will be proposed to the Audit Committee, in the first instance, at its September 2015 meeting.

PERFORMANCE REPORT FQ1 2015-16

2.0 INTRODUCTION

- 2.1 The Planning and Performance Management Framework sets out the process for presentation of the council’s quarterly performance reports.
- 2.2 This paper presents the Policy and Resources Committee with the Customer Services departmental performance report with the scorecards for Strategic Finance and Customer Services for FQ1 2015-16 (April – June 2015).

3.0 RECOMMENDATIONS

3.1 It is recommended that the Committee reviews the scorecards as presented and agrees the removal of the now redundant measure ‘Actual audit days as % of planned’ from the Strategic Finance scorecard. Revised performance indicators for internal audit will be proposed to the Audit Committee, in the first instance, at its September 2015 meeting.

4.0 DETAIL

4.1 The performance scorecard for the Customer Services department was extracted from the Council’s Pyramid performance management system and is comprised of key performance indicators incorporating the four services that make up Customer Services. Likewise the scorecard for Strategic Finance comprises the key performance indicators for this service.

5.0 IMPLICATIONS

5.1	Policy	None
5.2	Financial	None
5.3	Legal	The Council has a duty to deliver best value under the Local Government Scotland Act 2003.
5.4	HR	None
5.5	Equalities	None
5.6	Risk	Ensuring performance is effectively scrutinised by members reduces reputational risk to the council.
5.7	Customer Service	None

Douglas Hendry, Executive Director – Customer Services

For further information contact:

Jane Fowler, Head of Improvement and HR

Steve Barrett, Head of Strategic Finance

Key Successes

1. Boundary Commission review Council response agreed and submitted
2. UK Parliamentary Election completed successfully
3. Judicial review for Loch Etive dismissed, Council decision notice upheld as valid, expenses to be recovered from Pursuer
4. The external surveillance audit of the catering quality management system identified no non-conformances together with several areas of good practice.
5. DWP wish to extend the Local Support Services Trial by further 3 months to end of November 2015.
6. Bid for Fraud and Error Maintenance Fund was successful and now starting to hit target thresholds for benefit savings.

Key Challenges

1. Work progressing on submission of Customer Excellence Award evidence for Governance and Law
2. Triennial Review of Civic Government licences taking place this summer
3. Delay to completion of Helensburgh Office Rationalisation Project
4. Managers continue to address both short term and long term absence in the Catering and Cleaning service
5. Work underway on Service Choices submissions
6. To finalise order for Scottish Wide Area Network in July, and achieve anticipated savings for Service Choices and the move into detailed implementation planning phase

Action Points to address the Challenges

- 1 Experienced team in place to prepare evidence for submission
- 2 Team have prepared a plan to deal with the volume of applications and maintain close liaison with key consultees
- 3 Practical completion has been granted by the consultant project manager, however there are still substantial matters requiring resolution before a certificate of occupation can be granted. Day to day scrutiny of on-site progress is being maintained by full-time clerk of works and the Projects Architectural Team are visiting the site twice weekly to agree any outstanding details/finishes and offer observations to be attended to by the contractor
- 4 Absence management is prioritised, and attendance review meetings are scheduled to tie in with other work in the localities to maximise efficiency
- 5 Key staff working on the necessary elements to make timeous submission of reports
- 6 Continue engagement with PathfinderNorth and Capita and service departments to determine best technology based on bandwidths being used and proposed prices, and finalise order by end of July. Commence implementation planning.

Making A&B a place people choose to live

SOA Outcome - People live active, healthier and independent lives	Success Measures	5	A
	On track	4	→

SOA Outcome - People live in safer and stronger communities	Success Measures	60	A
	On track	47	→

SOA Outcome - Children and young people have the best possible start	Success Measures	7	
	On track	6	

Making A&B a place people choose to learn

SOA Outcome - Education, skills and training maximises opportunities for all	Success Measures		
	On track		

Making A&B a place people choose to work

SOA Outcome - The economy is diverse and thriving	Success Measures	15	A
	On track	7	→

SOA Outcome - We have infrastructure that supports sustainable growth	Success Measures		
	On track		

Making it happen

Supporting Outcome - Service Delivery Enablers	Success Measures	54	A
	On track	42	→



Making Argyll and Bute a place people choose, to live, learn, work and do business

IMPROVEMENT					Status	Trend
Improvement Plan Outcomes CU	Total No	Off track	On track	Complete		
	63	29	32	2		
CARP Customer Services	Total No	Off track	Due	Complete	G	
	4	0	4	4		
Customer Service CU		Number of consultations			0	
Customer Charter	A ↓	Stage 1 complaints	89 %	G ↑		
Customer satisfaction	88 % G ↑	Stage 2 complaints	100 %	G →		
Customer Services Audit Recommendations	R	Overdue	Due in future	Future - off target		
		3 ↓	21 ↑	0 →		
CU Average Demand Risk	Score	6	Appetite	6		→
CU Average Supply Risk	Score	6	Appetite	6		→

Customer Services Scorecard 2015-16

FQ1 15/16

[Click for Full Outcomes](#)

P Priorities for 2015-17: Customer Services

RESOURCES

People	Benchmark	Target	Actual	Status	Trend
Sickness absence CU		1.88 Days	2.03 Days	R	↑
PRDs % complete		90 %	80 %	R	
Financial/		Budget	Forecast		
Finance Revenue totals CU		£K 39,693	£K 39,243	R	↑
Capital forecasts - current year CU		£K 23,968	£K 19,263	R	↓
Capital forecasts - total project CU		£K 119,249	£K 117,479	R	↓
Efficiency Savings CU	Actions on track Savings	Target	Actual		
		6	6		
		£K 241	£K 241	G	↑
Asset Management - Customer Services 2015-16				G	

Customer Services Scorecard 2015-16

FQ1 15/16

Click for Full Scorecard

SOA Outcome - The economy is diverse and thriving			
CS02 Businesses supported in claiming Non Domestic Rates relief	Success Measures	1	G
	On track	1	→
CS03 Maximise opportunities for SME's to sell to the Council ...	Success Measures	4	A
	On track	3	↑
CS05 Increased value is delivered from procurement ...	Success Measures	5	R
	On track	0	↓
GL10 Timely provision of Liquor Licences & Civic Government Licences to the public	Success Measures	5	A
	On track	3	↓

SOA Outcome - Children and young people have the best possible start			
FS01 Children are healthier because nutritionally balanced school meals are available ...	Success Measures	6	G
	On track	6	→
GL06 The best interests of children at risk are promoted	Success Measures	1	
	On track		

SOA Outcome - People live active, healthier and independent lives			
CS01 Benefits paid promptly whilst minimising fraud	Success Measures	5	A
	On track	4	→

SOA Outcome - People live in safer and stronger communities			
FS02 Communities are safer ... through improved facilities	Success Measures	9	A
	On track	8	→
FS03 We contribute to the sustainability of the local area	Success Measures	6	G
	On track	6	→
FS04 School & public transport meets the needs of communities	Success Measures	3	G
	On track	3	→
GL01 Framework to support democratic decision making	Success Measures	12	A
	On track	9	→
GL02 Council compliance with governance & info arrangements	Success Measures	5	
	On track	2	
GL04 Improve quality of life & safety of residents & visitors	Success Measures	3	R
	On track	1	↓
GL07 Community Councils are supported	Success Measures	5	A
	On track	3	→
GL08 Provision of high quality, timely legal advice	Success Measures	2	G
	On track	2	→
GL11 Communities and employees are prepared to deal with major incidents	Success Measures	3	G
	On track	3	→
IH01 We recognise and tackle discrimination and promote equality	Success Measures	3	G
	On track	3	→
IH02 Managers are enabled to manage health and safety effectively	Success Measures	8	A
	On track	7	→
IH05 The Gaelic language is supported and promoted	Success Measures	1	R
	On track	0	→

Supporting Outcome - Service Delivery Enablers			
CS04 Income from local taxes and sundry debtors is maximised ...	Success Measures	5	A
	On track	4	→
CS06 IT applications & infrastructure available ... and meet business needs	Success Measures	8	G
	On track	8	↑
CS07 Customers can access council services more easily ... service quality	Success Measures	11	A
	On track	7	→
GL03 Members enabled to deal with their caseload	Success Measures	1	R
	On track	0	↓
GL05 Electors enabled to participate in the democratic process	Success Measures	2	G
	On track	2	
GL09 Provision of high quality ... legal documentation	Success Measures	2	G
	On track	2	↑
IH03 Staff are supported to scrutinise performance and deliver continuous improvement ...	Success Measures	11	A
	On track	9	
IH04 Our customers and employees are informed and engaged	Success Measures	7	R
	On track	3	↓
IH06 Employees have skills/attitudes to deliver efficient/effective services	Success Measures	7	G
	On track	7	

Departmental performance report for Strategic Finance	Period - April to June 2015
<p>Key Successes</p> <ul style="list-style-type: none"> • Service is expected to be delivered within the allocated revenue budget for 2015-16 with full savings allocation achieved • Unaudited accounts delivered on time and approved by Council by 30 June 2015 • Revised suite of reports for revenue, capital and treasury monitoring approved by the Policy and Resources Committee with the first full reporting period being for June 2015 • Preparation for Health and Social Care Integration underway with Community Services finance team split in preparation • Routine budget monitoring reports issued to budget holders quickly, with Q1 reports being issued in 1 day instead of the target 4 • Investment returns for Q1 are 0.639% which is higher than the target 0.364% • 100% of planned audits completed with 100% of actions being accepted by management • Launched Association of Accounting Technicians (AAT) training programme with students commencing training in September 2015 	
<p>Key Challenges</p> <ol style="list-style-type: none"> 1. To take forward service improvement plan in conjunction with delivering ongoing service delivery and service demands of the Service Choices process. Service Improvement Plan is showing as complete for 5 actions with 10 others on track. 2. CIPFA Financial Management Model not scheduled to be carried out during 2015-16 3. Service user satisfaction survey reports 74% satisfaction against 76% target and public audit forum satisfaction rating is 77% compared to a target of 80% 4. Annual report on risk register is not on track 5. One audit recommendation overdue in relation to the Strategic Risk Register and the reporting of risk 	
<p>Action Points to address the Challenges</p> <ol style="list-style-type: none"> 1. Engagement by Strategic Finance Management Team in delivering action plans to address service improvements, actions have been delegated to appropriate managers and plans are being developed to ensure delivery. 2. Review of CIPFA FM model is underway to ensure appropriate use. Actions included within Service Improvement Plan to review how Customer feedback and satisfaction is obtained 3. No specific actions to address, but feedback from Customer satisfaction is being reviewed as part of the service improvement plan 4. Report delayed due to other priorities, annual report will be considered by SMT in August 2015 prior to submission to Committee 5. Audit recommendation will be actioned by 31 August 2015 	

Strategic Finance Scorecard 2015-16

FQ1 15/16

Click for full Outcomes

SF01 Effective planning, reporting and management of finance ...	Links to Enablers ABC 7	A ➔
SF02 Assurance...that financial and management controls are operating effectively	Links to Enablers ABC 7	G ⬆️

Corporate Support Team Scorecard

Departmental Support Team Scorecard

Internal Audit Team Scorecard

RESOURCES

People	Benchmark	Target	Actual	Status Trend
Sickness absence SF		1.9 Days	0.9 Days	G ⬆️
PRDs SF		90 %	86 %	R ⬇️
Financial	Budget	Forecast		
Finance Revenue totals SF	£K 1,907	£K 1,907	G ⬆️	
Capital forecasts - current year SF	£K 0	£K 0		
Capital forecasts - total project SF	£K 0	£K 0		
Efficiency Savings SF	Actions on track Savings	Target	Actual	G ⬆️
		1	1	
		£K 22	£K 22	

IMPROVEMENT

					Status Trend	
SF Service Improvement Plan 2015-16	Actions	Total No	Off track	On track	Complete	A
		15	0	10	5	
Strategic Finance Audit Recommendations	R	Overdue	Due in future	Future - off target		➔
		1 ⬇️	2 ⬇️	0		
CARP Strategic Finance		Total No	Off track	Due	Complete	G
		1	0	1	1	
Customer Service SF	Number of consultations				0	
Customer Charter	Stage 1 complaints		100 %	G	➔	
Customer satisfaction 69 %	R ⬇️	Stage 2 complaints		100 %	G	➔
SF Average Demand Risk	Score	9	Appetite	9	➔	
SF Average Supply Risk	Score	8	Appetite	8	➔	

SF01 Effective planning, reporting and management of finance ...		Links to Enablers ABC 7	A			
SF01 Council Finances Managed Effectively - Net	£	Budget	£ 1,664,564	↑	% rating public audit forum - practice	Actual 70 %
		Forecast	£ 1,664,564	↑		Target 70 %
Unaudited Accounts Summarised Report by 30 June	Status	Complete	↑	↑	% rating public audit forum - satisfaction	Benchmark 80 %
	Target	Complete				Actual 77 %
Annual accounts prepared on time and without qualification	Status	Yes	↑	↑	SF user satisfaction survey - quarterly	Target 80 %
	Target	Yes				Benchmark 80 %
Audited Accounts Summary Report by 15 October	Status	On track	↑	↑	% investment returns	Actual 74 %
	Target					Target 76 %
Budget Summary Report by 31 March	Status	On track	↑	↑	Average loans fund rate	Benchmark 76 %
	Target					Actual 0.639 %
Summary Financial Report - Quarterly	Status	On track	↑	↑	Rate for new long term loans	Target 0.364 %
	Target	On track				Benchmark 0.364 %
Budget Preparation Timetable	Status	On track	↑	↑	Annual treasury assessment against good practice	Actual 5.500 %
	Target					Target 5.500 %
Medium Term Financial Strategy Review Regularly	Status	On track	↑	↑	Annual review of treasury management practice statements	Benchmark 4.400 %
	Target	On track				Actual 0.000 %
Budget Monitoring Process	Status	On track	↑	↑	Annual review of risk management policy etc - by 31 March	Target 4.500 %
	Target	On track				Benchmark
No of days to distribute monthly routine reports to budget holders	Actual	1.0 Days	↑	↑	Risks are incorporated in service plans	Actual 90 %
	Target	4.0 Days				Target 90 %
% of direct expenditure fully costed with perf measures	Benchmark	4.0 Days				Benchmark 90 %
	Actual	100.0 %	↑	↑	Annual report on risk registers	Actual 100 %
CIPFA FM Assessment	Target	100.0 %				Target 100 %
	Status	Delayed not rescheduled	↑	↑	Quarterly report on risk registers	Benchmark 100 %
	Target	On track				Actual Yes
						Target Yes
						Benchmark Yes
						Actual Yes
						Target Yes
						Benchmark Yes
						Status Not on track
						Target Complete
						Status On track
						Target On track

Strategic Finance Scorecard 2015-16		Click for full Scorecard	
FQ1 15/16			
SF02 Assurance...that financial and management controls are operating effectively		Links to Enablers ABC 7	↑
SF02 Internal Audit - Net	£	Budget	£ 241,951
		Forecast	£ 241,951
Audit risk assessment prepared by 31 January	Status	On track	↑
	Target		
Annual audit plan approved by 31 March	Status	On track	↑
	Target		
% of audits completed compared to planned	Actual	100 %	↑
	Target	100 %	↑
Actual audit days as % of planned	Benchmark	100 %	↑
	Actual	to be removed	
% of audit recommendations accepted.	Benchmark	90 %	↑
	Actual	100 %	↑
Annual Assessment of IA Good Practice	Target	100 %	↑
	Benchmark	100 %	↑
Internal Audit Client Feedback Survey	Actual	90	↑
	Target	90	↑
	Latest	100 %	↑
	Target	100 %	↑
	Benchmark	100 %	↑

This page is intentionally left blank

ARGYLL AND BUTE COUNCIL POLICY AND RESOURCES COMMITTEE
CUSTOMER SERVICES 20 AUGUST 2015

**AUDIT SCOTLAND/ACCOUNTS COMMISSION
ACTION PLAN UPDATE**

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides members with an update on the Audit Scotland action plan, which was most recently approved by Members at the full Council in September 2014, following a visit from Audit Scotland in April last year. This follows on from the previous update which was provided to the Policy and Resources Committee in February 2015.
- 1.2 The majority of actions within the action plan are complete, with the remainder on track as per the agreed timescales.
- 1.3 Members will be aware that Audit Scotland are currently undertaking further work with the Council, to assess progress in the areas highlighted by the Accounts Commission in its findings in July 2014, with particular focus upon the effectiveness of political management arrangements, scrutiny, and roles and relationships, including between members and officers. As part of the audit work they will be speaking to a range of stakeholders, including elected members, council employees, community groups, MSPs and the local MP.
- 1.4 It is anticipated that Audit Scotland will conclude their site work by end August and will publish a report on their findings by the end of 2015. As per the process adopted for previous audit work, a report will be prepared for Members detailing the findings and any proposed actions for endorsement.

2.0 RECOMMENDATIONS

Members are asked to;

- 2.1 Note the contents of this report and action plan update at appendix 1.

20 July 2015

**Douglas Hendry
Executive Director of Customer Services**

This page is intentionally left blank

ARGYLL AND BUTE COUNCIL - ACTION PLAN - AUDIT SCOTLAND STATUTORY REPORT

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
	This is the main heading for improvement		This is what we are going to do	This is when it will be completed	This is how we will decide if we have been successful	This is what we will use to decide if we have been successful	These are the people responsible for leading this	This is what we have achieved to date		
1 Standards		1	Refresh Standards Commission training with input from Commissioners Office	Mar-14	Refresh training on standards and behaviour input from Commissioner's office	Training Programme and record of attendance	C Reppke	Members Seminar on 3rd March with input from Commissioner for Ethical Standards in Public Life	Complete	Update for P&R 20 August 2015 There has been a general improvement in member behaviour and fewer issues are being raised/dealt with by Officers. Council meetings are also more business like in nature and meetings/agendae are shorter. As per previous practice, a survey was undertaken with members in 2014/15 to establish their views, and a further one scheduled for this year. Protocol in place and the role of the Monitoring Officer has been reaffirmed, which has contributed to the overall improvement in member behaviour. Firmer action has been taken in respect of member behaviours, which has resulted in referrals to the Standards Commission. In addition, a new Trainee Solicitor has been recruited, and one of their key duties will be to support the work of the Monitoring Officer. In addition to the training for Officers, Annex 2 of the Financial and Security Regulations part of the Constitution contains the Public Interest Disclosure Policy, which sets out the process to enable employees and others to report instances of wrong doing, improper conduct or other failures of a substantive nature. This information is held on the HUB/Website.
1 Standards		2	Monitoring Officer revised operating protocol	Jan-14	Develop protocol for Monitoring officer / Elected Members adhere to Code of Conduct	Protocol/ related documentation approved by Council and available for use	D Hendry	Tabled at SLWG PMAs Dec 2013. Discussed at Members Seminar 3rd March	Complete - Protocol approved by Council January 2014 and included in Members Seminar on 3rd March.	
1 Standards		3	Revised guidance/training to officers on responding to unacceptable behaviours	Mar-14	Successful delivery of training for officers on identifying and reporting unacceptable behaviours	Training course materials and record of attendance	C Reppke	Meeting between Officers and Commissioner on 3rd March provided basis for scoping out seminar session. Development session presented at COSO 21st March 2014.	Complete - presentation/ guidance on COSO pages of the HUB.	

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update for P&R 20 August 2015
1	Standards	4	Reinforce the roles and responsibilities of Elected Members	Mar-14	Seminar to ensure all elected members understand their roles and responsibilities as a member, in line with Code of Conduct	Seminar Programme and record of attendance	C Reppke	Roles and responsibilities for Policy Leads endorsed at Council in January 2014. Code of Conduct training incorporated into Seminar on 3rd March. Attendance records kept for all seminars. Seminars held to clarify the differing roles of members/officers.	Complete	There has been a general improvement in member behaviour and fewer issues are being raised/dealt with by Officers. The approach to seminars is being revisited, taking account of member feedback. Currently, they are being held on a monthly basis, however, a more flexible/targeted approach is being developed which will allow delivery at Area Committees, PPSL, Service Committees etc... An exercise will be undertaken to identify those Councillors who have not attended the various seminars held to date, with a view to providing additional sessions/one to one training to fill the gap.
1	Standards	5	Reinforce the processes/procedures for dealing with private and confidential correspondence	Mar-14	Seminar to ensure all elected members deal appropriately with private and confidential correspondence and do not release to the press/ others	Seminar Programme and record of attendance	C Reppke	Incorporated into Seminar on 3rd March. Attendance records kept for all seminars.	Complete	Seminar held, and as per 4 above, an exercise will be undertaken to identify those Councillors who have not attended the various seminars held to date, with a view to providing additional sessions/one to one training to fill the gap. There are still ongoing issues with one or two members potentially leaking information and work is ongoing to obtain evidence in support of this. Where this is possible, referrals will be made to the standards commission.
1	Standards	6	Group discipline and leadership	Ongoing	Group leaders and groups collectively ensure proper conduct of their respective group members	Regular review at Group Leaders meetings	Group Leaders/All members		Complete - protocols for group behaviour have been adopted	Political groupings have been reformed and signed up to a statement of intent, which has provided stability and a clear understanding of expected behaviours.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update for P&R 20 August 2015
1	Standards	7	Reinforce the role of officers as professional advisors	Mar-14	Seminar to ensure members recognise and understand the role of officers as professional advisors	Seminar Programme and record of attendance	C Reppke	Incorporated into Seminar on 3rd March.	Complete	There has been a general improvement in member behaviour and fewer issues are being raised/dealt with by Officers. The approach to seminars is being revisited, taking account of member feedback. Currently, they are being held on a monthly basis, however, a more flexible/targeted approach is being developed which will allow delivery at Area Committees, PPSL, Service Committees etc... An exercise will be undertaken to identify those Councillors who have not attended the various seminars held to date, with a view to providing additional sessions/one to one training to fill the gap.
1	Standards	8	Revised guidance from Monitoring Officer for Senior Officers on managing expectations	Apr-14	Senior Officers are better informed and clearly understand their role and responsibilities	Guidance note prepared and issued	D Hendry		Complete	Protocol in place and the role of the Monitoring Officer has been reaffirmed, which has contributed to the overall improvement in member behaviour. Firmer action has been taken in respect of member behaviours, which has resulted in referrals to the Standards Commission. In addition, a new Trainee Solicitor has been recruited, and one of their key duties will be to support the work of the Monitoring Officer. Information available on the HUB.
1	Standards	9	Review progress, assess impact and identify further improvements	Dec-14	Review completed	Report summarising outcome of review and setting out impact and further improvements	S Loudon		Complete	Review meeting undertaken on 12/11/14. Action plan updated to reflect discussions and, together with a covering report, and was presented to Policy and Resources Committee in February 2015.
2	Governance structures & process	10	Revise Political Management Arrangements to Improve scrutiny and decision making	Apr -14 -	Committee structure set out by SLWG	Council approve new Political Management Arrangements	D Hendry	Revised Political Management Arrangements approved at Council in January 2014 to come into effect in April 2014.	Complete	New committee structure in place and clear statement on terms of reference for each developed. Committee membership aligned to member knowledge and experience.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update for P&R 20 August 2015
2	Governance structures & process	11	Clarity on roles of area committees and central committees and clear statement on terms of reference for each	Apr-14	Successful implementation of new Political Management Arrangements	Copy of terms of reference for each committee as approved by Council	C Reppke		Complete.	Terms of reference incorporated into standing orders/constitution. Development days held for each committee and forward action/work plans developed. Feedback from members has been positive and felt that the development days provided a common understanding on the role of the new committees and the interaction with other committees.
2	Governance structures & process	12	Align members knowledge, experience, and interests with senior members roles	Oct/Dec -13	Develop criteria and introduce process for nominations to senior roles and committees	Audit trail of returns from councillors	Leader of Council	All members invited to express interest in key committees and highlight experience and knowledge. Returns were tabled at Council in January 2014.	Complete	Process followed. Letters issued to members inviting interest. Returns collated and evaluated. Copies of correspondence available. In addition CPD provides evidence of further upskilling within the term of the Council.
2	Governance structures & process	13	Establish staffing resources and operating procedures to support new PMA	Apr-14	New staffing structure operational	New structure implemented	D Hendry		Complete	All posts filled and operational.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update for P&R 20 August 2015
2	Governance structures & process	14	Development day for membership of each committee	Jun-14	Shared understanding of the key issues to be considered by each committee over the next year	Development day held and plan in place	C Reppke/ Policy Leads	All development days have taken place and work ongoing in respect of actions arising.	Complete	Development days held for all new committees. The Audit Committee held a development day on 30th May and agreed an action plan. PRS Development day held on 26th August. The session was facilitated by CIPFA and senior officers from Customer Services. Also in attendance was Chair/members of the committee, Council Leader, Chair of Audit committee, members of SMT, and the chief internal auditor. An additional session was held on 24 October which focused on Effective Questioning on Scrutiny. Feedback from members following the development day was positive and they felt that their expectations had been met in terms of clarifying their scrutiny role, relationship between PRS and audit committee, focus on key strategic issues etc. Each of the committee work plans will be tabled at the PRS to enable them to proactively identify areas to fulfil their distinguished scrutiny role (couple of key areas each year). Arrangements will also be put in place to submit a report to the PRS in Feb 2015 in regard to the proposals from the Independent Chair (covering potential vice chair, changes to constitution etc...). The work of the PRS over the next 9 months will be monitored to demonstrate key decision making.
2	Governance structures & process	15	Develop work plan / forward agenda planning to try and identify key issues to be dealt with by each committee	Jun-14	Work plan and forward agenda planner agreed	Copy of work plan and forward agenda planner	C Reppke/ Policy Leads		Complete	Terms of reference incorporated into standing orders/constitution. Development days held for each committee and forward action/work plans have been developed. Audit Committee and Community Services work plans going to December meetings. Feedback from members has been positive and felt that the development days provided a common understanding on the role of the new committees and the interaction with other committees.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
									Update for P&R 20 August 2015	
2	Governance structures & process	16	Development day for PRS Committee members	Jun-14	Shared understanding of the key issues to be considered by PRS Committee over the next year	Development day held and plan in place	C Reppke, J Fowler & PRSC Chair		Complete - PRS Development day held on 26th August.	Terms of reference incorporated into standing orders/constitution. Development days held for each committee and forward action/work plans developed. Feedback from members has been positive and felt that the development days provided a common understanding on the role of the new committees and the interaction with other committees. Each of the committee work plans will be tabled at the PRS to enable them to proactively identify areas to fulfil their distinguished scrutiny role (couple of key areas each year). Arrangements will also be put in place to submit a report to the PRS in Feb 2015 in regard to the proposals from the Independent Chair (covering potential vice chair, changes to constitution etc...). The work of the PRS over the next 9 months will be monitored to demonstrate key decision making.
2	Governance structures & process	17	PRS Committee Work plan agreed	Jun-14	Work plan and forward agenda planner agreed	Committee minutes	PRS Committee/C Reppke/J Fowler		Complete	Development days held for each committee and forward action/work plans developed. Report on the outcome of the PRS development day was tabled at the PRS on 20 November 2014. The work plan was approved at this meeting, together with a specific number of improvement actions which are being taken forward by the Committee. One of these is to audit the performance review activity of other Council committees to ensure an appropriate balance between the review of performance and the scrutiny functions of the PRS committee. Each of the committee work plans will be tabled at the PRS to enable them to proactively identify areas to fulfil their scrutiny role (couple of key areas each year). Arrangements will also be put in place to submit a report to the PRS in Feb 2015 in regard to the proposals from the Independent Chair (covering potential vice chair, changes to constitution etc...). The work of the PRS over the next 9 months will be monitored to demonstrate key decision making.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
Update for P&R 20 August 2015										
2	Governance structures & process	18	Revise report format to address Members feedback (e.g. including justification for recommendations)	Mar-14	Extend executive summary in report to assist Members understanding	New report template and sample of reports	D Hendry		Complete. Revised report format developed and issued to senior managers/ members. Guidance posted on HUB. A	Report template in operation. Template and guidance issued to Officers and available on HUB. Generally positive feedback, however some members have expressed concerns about the use of the executive summary. As part of the annual member survey (as per action 1) specific questions will be included in respect of the new reporting template, the results of which will inform the establishment of a member sounding board thereafter. First meeting of the Sounding Board held and second meeting being scheduled (anticipated this will be in August 2015).
2	Governance structures & process	19	Chief Executive Appraisal process annualised	Dec-13	Appraisal completed annually	Sign off by Leader/ Depute Leader / Leader of Opposition	D Walsh/S Loudon	Complete	Complete	In place - next appraisal scheduled for 12/20 January 2015 facilitated by Sir Neil McIntosh.
2	Governance structures & process	20	Monitor impact on staff morale via staff survey	Nov-14	Assess current levels of and trend in staff morale	Survey issued in June 14 with results/ analysis available November 14	J Fowler	Complete	Complete	Stress survey and annual employee survey complete, together with SMT Roadshows. Employee focus groups undertaken, and results collated/analysed. Report to policy and Resources Committee on 27 November 2014 setting out the key findings of employee engagement activities in 2014, proposals to develop a corporate action plan, and a new Employee Engagement Strategy drafted by March 2015.
2	Governance structures & process	21	Explore opportunities to broaden/improve engagement with local communities via media platforms	Dec-14	Increase number of followers on Council Social Media sites by 20% / Corporate Facebook page developed to enable interactive engagement with Council (Jun-14) and Revised Social Media Policy approved (Dec-14)	Update report to Policy and Resources Committee 30/10/14	J Fowler		Complete	Corporate facebook launched on 30 June 2014, and following a low key launch to primarily elected members/employees it has approx 300 followers. Following the success of the initial launch, the SMT agreed to increase its profile at their meeting held on 24 November 2014. As at end FQ2 (Sept) the number of followers on facebook has increased by almost 30% and twitter by 55%+. The figures continue to rise and as at end FQ3 the total number of facebook likes across all pages was 7784 and twitter followers was 7294. The revised Social Media Policy was tabled at SMT on 24 November, and went to the Policy and Resources Committee on 18 December 2014.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update for P&R 20 August 2015
2	Governance structures & process	22	Further scrutiny/review of local community planning processes and area community planning groups/ partnerships	Oct-14	Review undertaken and outcome considered by CPP	Report on outcome of review and proposed changes	D MacVicar		Complete	Area Community Planning Groups considered and agreed the locality governance review proposals during the September 2014 round of meetings. The terms of reference and the phased approach to localising the SOA were agreed. These reports were also considered, along with full partnership review documents, at the CPP Management Committee on 31 October 2014.
2	Governance structures & process	23	Report to Council on member training undertaken and attendance	Ongoing	Implement a new format of report on elected member training	Report to Policy and Resources Committee	C Reppke/ J Fowler		Complete	Report tabled at the Policy and Resources Committee on 21 August detailing training activity since August 2013 and proposals for the next years programme, taking account of the Elected Member Survey responses and discussion at development days. Discussions are ongoing with regard to the development of the forthcoming programme.
2	Governance structures & process	24	Review progress, assess impact and identify further improvements	Dec-14	Review completed	Report summarising outcome of review and setting out impact and further improvements	S Loudon		Complete	Review meeting undertaken on 12/11/14. Action plan updated to reflect discussions and, together with a covering report, will be presented to Policy and Resources Committee in February 2015.
3	Training & Development	25	Full participation/ Implementation of Elected Member Development Programme, including; Improvement Service Programme, Peer Mentoring Programme, competency based training, scrutiny role training, masterclasses on key leadership/ strategic issues	Nov-14	Members engaged in Elected Member Development Programme	Training Plans signed off by all members	Group Leaders/All members		Ongoing	To date 28/36 Elected Members currently signed up to CPD Framework. This incorporates either a self assessment or 360 approach to support identification of development needs. Twenty three PDPs are in progress/complete. This action will be taken forward on an ongoing basis as some members will be at different stages of development and participation e.g.some new members.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update for P&R 20 August 2015
3	Training & Development	26	Review progress, assess impact and identify further improvements	Dec-15	Review completed	Report summarising outcome of review and setting out impact and further improvements	S Loudon		scheduled for December 2015.	On track
4	Policy Development Support	27	Seminar programme to address key policy areas - to be delivered centrally and at area committees where appropriate	Aug-14	Deliver seminar programme with full member participation as appropriate	Seminar Programme and record of attendance	T O'Neill		Complete	Programme of Seminars in place and running. Record of attendance maintained and schedule of seminar dates agreed to April 2015. The approach to seminars is being reviewed, taking account of member feedback. Currently, they are being held on a monthly basis, however, a more flexible/targeted approach is being developed which will allow delivery at Area Committees, PPSL, Service Committees etc... An exercise will be undertaken to identify those Councillors who have not attended the various seminars held to date, with a view to providing additional sessions/one to one training to fill the gap.
4	Policy Development Support	28	Council create working groups to examine long term challenges and strategic issues facing Argyll and Bute as and when required	Ongoing	Regular review of need for working groups by Council (or other committees)	Minute of Council (or other committees)	C Reppke	Governance arrangements to support are in place.	In progress/ongoing	Provision has been made within the constitution to allow members to submit proposals to the Council in regard to the establishment of a SLWG. At present an Argyll Islands task Force Short Life Working Group is in operation. The creation of this SLWG was agreed at Council in January 2014 to investigate and to take forward key actions and to meet with the Scottish and UK Government to present its own case in regard to our islands and their needs and to seek support and commitment. Meetings of the SLWG have taken place in April, May, June, August, and a further meeting is scheduled for December 2014. A further SLWGs have been set up for the Local Government Boundary Commission Review 2015
4	Policy Development Support	29	SOA Delivery Plans to be finalised	Jun-14	Clear Strategic planning/ direction	SOA delivery plans	J Fowler / D MacVicar	Development session for Elected Members on SOA held on 17th March which included representation from key Community Planning Partners.	Complete	Delivery plans signed off by Council and Scottish Government in June 2014. Outline of delivery of the SOA considered at Policy and Resources on 27 November 2014 and detailed paper will be submitted to Policy and Resources on 18 December 2014. Outline will be discussed at CPP COG thereafter detail will be discussed.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update for P&R 20 August 2015
4	Policy Development Support	30	Align resources and services to SOA outcomes and delivery plans.	Ongoing but review March 15	Clear links drawn between SOA delivery plans and Council services and resources	Reports in relation to SOA progress, service planning and budget	J Fowler/D MacVicar/B West		Complete	Delivery plans signed off by Council and Scottish Government in June 2014.
4	Policy Development Support	31	Corporate priorities and service plans updated to reflect alignment of resources and service to SOA outcomes and delivery plans.	Ongoing but review March 15	Clear links drawn between SOA delivery plans and Council services and resources	Reports in relation to SOA progress, service planning and budget	J Fowler/D MacVicar/B West		Complete	All service plans have been reviewed and realigned to the 6 SOA outcomes. A further outcome on council only services that support frontline delivery of SOA outcomes has been developed. Corporate priorities are therefore now aligned to the SOA.
4	Policy Development Support	32	Chief Executive Leaders Briefing	On going	Meeting with Leader/Depute Leader and Opposition Leader	Confirmation that meeting takes place	S Loudon	Meetings in place.	Complete	Monthly meetings (excluding July recess) held with Leader/Depute Leader/Leader of Opposition. Separate monthly meetings also held with Leader of Opposition. Action notes taken at each meeting.
4	Policy Development Support	33	Review progress, assess impact and identify further improvements	Dec-15	Review completed	Report summarising outcome of review and setting out impact and further improvements	S Loudon		scheduled for December 2015	On track
ADDITIONAL ACTIONS TO TAKE ACCOUNT OF FOLLOW UP REPORT JULY 2014										
Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update for P&R 20 August 2015

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
	This is the main heading for improvement		This is what we are going to do	This is when it will be completed	This is how we will decide if we have been successful	This is what we will use to decide if we have been successful	These are the people responsible for leading this	This is what we have achieved to date		
	Political Management Arrangements	34	Evaluate effectiveness of PMAs and identify any changes or improvements required.	Sep-15	Evaluation completed, report and action plan prepared and considered by Council	Report to Council and minute of meeting	C Reppke	Ongoing monitoring	On track	Effectiveness of the PMAs will be monitored on an ongoing basis, and a report is being prepared for the Council meeting in September 2015.
	Political Management Arrangements	35	Ensure that the new PMAs are fully implemented and Councillors/Officers have a clear and common understanding in practice of the roles and responsibilities of each committee, sub group and individual role	Oct-14	Delivery of training events, seminars and development days for each committee	Record of training events, seminars and development days	C Reppke		Complete - with conclusion of the development day process. Ongoing monitoring of effectiveness will continue as normal business.	Development days held for each committee and forward action/work plans developed. Feedback from members has been positive and felt that the development days provided a common understanding on the role of the new committees and the interaction with other committees. The approach to seminars is being revisited, taking account of member feedback. Currently, they are being held on a monthly basis, however, a more flexible/targeted approach is being developed which will allow delivery at Area Committees, PPSL, Service Committees etc... An exercise will be undertaken to identify those Councillors who have not attended the various seminars held to date, with a view to providing additional sessions/one to one training to fill the gap.
	Roles/ relationships	36	Ensure there is good communication and information flows across committees, groups and those with lead roles in the political management and governance framework.	ongoing	Delivery of political briefings / review of agendas / adherence to group protocols /	Regular review at policy leads meetings			Ongoing	All elected members have access to all committee papers. Each political group meets on a regular basis to consider issues. the Chief Executive holds monthly meetings (excluding July recess) with Leader/Depute Leader/Leader of Opposition. Separate monthly meetings also held with Leader of Opposition. Action notes taken at each meeting. Policy Lead meetings have been held on a monthly basis since June 2014, and SMOG meetings have also been reintroduced since August 2014. Policy Lead and shadow Policy Leads briefings also take place.

Update for P&R 20 August 2015

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
									Update for P&R 20 August 2015	
	Roles/ relationships	37	Support and encourage councillors to increase their engagement in training and development opportunities.	Jun-15	Review of current training programme and uptake of Councillor Development Plans then prepare plans for further training/ development.	Report on outcome of review and report setting out further proposals for training and development	C Reppke	Sounding Board to be established to support review	Regular updates from Gov and Law to IHR in regard to members training needs and provision aligned with officer training as appropriate.	Programme of Seminars in place and running. Record of attendance maintained and schedule of seminar dates agreed to April 2015. The approach to seminars is being reviewed, taking account of member feedback. Currently, they are being held on a monthly basis, however, a more flexible/targeted approach is being developed which will allow delivery at Area Committees, PPSL, Service Committees etc... An exercise will be undertaken to identify those Councillors who have not attended the various seminars held to date, with a view to providing additional sessions/one to one training to fill the gap.Revised approach to delivery of seminar and development opportunities has been developed for Chief Executive and discussion with Group Leaders. Proposed approach includes reduction of number of seminars and links training and development more closely to Committee remits. First meeting of sounding board held and second currently being scheduled (anticipated for August 2015 following recess).

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
									Update for P&R 20 August 2015	
Scrutiny	38		Ensure that scrutiny arrangements are strengthened through the new committees and by improving the contribution of councillors to effective governance and accountability through the Audit and PRS Committees	Aug-15	Delivery of development days/ arrange for PRS Committee to visit another Local Authority	Regular meetings with PRS independent chair. Review the effectiveness of additional scrutiny at Strategic committees and at Area committees. Scorecards scrutinised at all strategic committees.	C Reppke	Performance scorecards are now reviewed at all strategic committees from Aug 2014. All strategic committee development days included discussion on performance review and scrutiny, including the performance management system, reporting structure/ presentation of information and roles/responsibilities. This was a core element of the discussions at the PRS Committee development day in terms of relationships with other committees/roles and responsibilities.	in place and ongoing	Scorecards are reviewed by Area Committees and Strategic Committees as well as PRS Committee. The development days for all committees considered the role of elected members in effective scrutiny. The Chair of the Audit Committee and Chief Internal Auditor as well as the Council Leader participated in the PRS Development Day along with Committee members and contributed to the development of a scrutiny plan. Members attendance at PRS and Audit Committees has improved. The Chair of the Audit Committee presented the Audit Committee annual report to a meeting of the full council. The PRS Committee are developing a scrutiny plan so that a structured approach to scrutiny in addition to review of performance scorecards can take place. Liaison between the chairs of the PRS and Audit Committee will lead to more informed and co-ordinated approach to performance monitoring, risk management, audit and scrutiny and how these are considered and driven forward by PRS and Audit Committee. This work will be supported by additional training and development for all members to enhance their capacity to undertake an effective scrutiny role and a plan for this will be developed by officers.
Scrutiny	39			Oct-15	Review of Planning and Performance Management Framework (PPMF) to clarify scrutiny role of members	approval of revised PPMF	J Fowler		Complete	PPMF review paper to SMT 14 July 2014. A session with Heads of Service was held on 22 August 2014 and a further report tabled at Customer Services DMT/SMT on 13 October. Revised PPMF approved at PRS on 21 November 2014. All committee development days included a session on the roles of elected members in performance review and scrutiny. PRS Committee development day was held on 26 Aug and further developed the scrutiny role for members involved in the PRS. The Chair of the Audit Committee attended as did the Chief Internal Auditor to inform the discussion and clarify roles and responsibilities between the two committees. All feedback was collated and fed into the revised PPMF.

Stage	Improvement Issue	Ref	Actions	Timeline	Target/ Success measure	Evidence	Responsible Person(s)	Progress Update	Current Status	
										Update for P&R 20 August 2015
	Leadership and staff development	40	Ensure the SMT makes progress with its leadership and team development arrangements.	Mar-15	Delivery of Chief Officer Leadership Development Programme	Progress with delivery of programme and feedback on quality of programme. Delivery of outcomes of sessions with Roger Paine.	J Fowler	Presentation to SMT by range of suitable providers scheduled for 14 August 2014.	Complete	The COG Leadership Programme is in place and progressing well, and continues to receive positive feedback. Individual coaching sessions continue to take place with Chief Officers. A masterclass for the leadership team took place in May and development of themes from this day have been taken forward via COG and a recent COSO event in June.
	Leadership and staff development	41	Ensure SMT has a shared understanding of the key strategic and leadership issues facing the Council	Jul-15	Facilitated sessions on key challenges and shared understanding of future shape of organisation.	SMT Sessions with Roger Paine held on 6 and 7 July 2014.	SMT	Complete	Complete	Action plan developed from Roger Paine sessions tabled at SMT on a monthly basis to monitor progress. Discussion paper tabled at SMT on 17 and 24 November in regard to the development of the SMT, specifically agenda, frequency and themes.
	Leadership and staff development	42	Ensure SMT has arrangements in place for individualised support and challenge	Dec-14	Facilitated sessions scheduled on a regular basis for each member of the SMT.	Record of meetings held with external support	SMT	Complete	Complete	Arrangements currently in place and operational for the Chief Executive and the Executive Director of Customer Services. Executive Directors of Community Services and DIS have put in place arrangements for mentor/coaching, with first meetings still to be scheduled.
	Leadership and staff development	43	Ensure operational leadership of the Council is as well equipped as possible for the challenges ahead	ongoing	Delivery of Argyll and Bute Manager Programme	Progress with Argyll and Bute Manager Training and feedback on training	J Fowler		Ongoing	The third cohort of managers started the programme in April 2015. There are now currently 209 managers enrolled on the programme, between all 3 cohorts. Cohort 1 started the programme in September 2013 and 10% completed the programme within 12 months. The remaining managers in Cohort 1 are expected to complete all courses within the next quarter (FQ2 2015/16) which is within the 18-24 month period proposed for completion. Satisfaction with the Argyll and Bute Manager programme is currently 88% which is above the benchmark target of 80%. IHR are working with providers to develop the leadership element of this programme and it is anticipated this will be rolled out later this year.

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES
COMMITTEE****CUSTOMER SERVICES****20TH AUGUST 2015**

LAND REFORM (SCOTLAND) BILL 2015

1.0 EXECUTIVE SUMMARY

- 1.1 The Land Reform (Scotland) Bill was introduced to the Scottish Parliament on 22nd June 2015. The Bill is intended to be the flagship piece of legislation in the Scottish Government's land reform programme. The Bill will be subject to the usual 3 stage parliamentary procedure (i.e. consideration by the full parliament and the relevant committees). Therefore the provisions as commented on in this report may be subject to change. It is understood that the Scottish Government wish to see the Bill enacted prior to the next Scottish Parliament election in 2016.
- 1.2 The Bill represents a further advance in community ownership in Scotland and seeks to ensure that additional restrictions are made on private land ownership. The Bill contains provisions inter alia relating to the formation of a Scottish Land Commission, information about the control of land, community engagement, the right to buy to further sustainable development, common good land and access rights.
- 1.3 There are a number of provisions contained in the Bill which, if enacted, may have significant implications for the Council, particularly with regard to the right to buy land to further sustainable development, community engagement, access rights and path codes, common good land and changes in valuation for non-domestic rates purposes of shootings and deer forests.
- 1.4 It should be noted that a number of the measures that were proposed preceding the Bill's introduction have not made it into the Bill including:
- 1.3.1 Restriction on foreign ownership – there are no provisions which limit or restrict foreign owners from owning land in Scotland which was an objective of the Land Reform Review Group [LRRG]. The LRRG ultimately recommended that it should be incompetent for any legal entity not registered in a member state of the EU to register title to land in the register of Scotland in order to improve traceability and accountability in the public interest. Instead of this policy, the Bill contains provisions in relation to information about those who control land.
- 1.3.2 There is no upper limit on the amount of land that may be owned by a private owner or single beneficial interest. In response to the LRRG's

recommendation the Scottish Government indicated the requirement for significant evidence in order to ensure ECHR compliance in terms of Article 1, Protocol 1. It may be considered that the view of the Scottish Government was that such a proposal would be contrary to ECHR requirements.

- 1.5 It should be noted that much of the detail of the Bill remains to be established by regulations. It is clear that there is a continuing trend for the detail in primary legislation to be established by secondary legislation in the form of regulations enacted by the Scottish Ministers. There is potential for the level of scrutiny of secondary legislation to be less rigorous than full parliamentary scrutiny. This is especially prescient where a single party has an outright majority.
- 1.7 The Scottish Parliament have issued 2 separate Calls for Evidence from both the Rural Affairs Committee, which has the closing date of 14th August, and the Finance Committee, with a closing date in September.
- 1.6 This report outlines some of the main provisions contained within the Bill and identifies some potential implications for the Council in respect of these. It should be noted that this report does not concentrate on all aspects of the Bill but those which are germane to the local authority.

Recommendations

- 1.7 It is recommended that Members note the content of this report.
- 1.8 It is recommended that Members make representations to the Scottish Government in relation to the provisions contained within the Bill and decide on the nature and content of those representations.

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES
COMMITTEE

CUSTOMER SERVICES

20TH AUGUST 2015

LAND REFORM (SCOTLAND) BILL 2015

2.0 INTRODUCTION

- 2.1 The Land Reform (Scotland) Bill was introduced to the Scottish Parliament on 22nd June 2015. The Bill is intended to be the flagship piece of legislation in the Scottish Government's land reform programme. The Bill will be subject to the usual 3 stage parliamentary procedure (i.e. consideration by the full parliament and the relevant committees). Therefore the provisions as commented on in this report may be subject to change. It is understood that the Scottish Government wish to see the Bill enacted prior to the next Scottish Parliament election in 2016.
- 2.2 The Bill represents a further advance in community ownership in Scotland and seeks to ensure that additional restrictions are made on private land ownership. The Bill contains provisions inter alia relating to the formation of a Scottish Land Commission, information about the control of land, community engagement, the right to buy to further sustainable development, common good land and access rights.
- 2.3 There are a number of provisions contained in the Bill which, if enacted, may have significant implications for the Council, particularly with regard to the right to buy land to further sustainable development, community engagement, access rights and path codes, common good land and changes in valuation for non-domestic rates purposes of shootings and deer forests.
- 2.4 It should be noted that a number of the measures that were proposed preceding the Bill's introduction have not made it into the Bill including:
- 2.4.1 Restriction on foreign ownership – there are no provisions which limit or restrict foreign owners from owning land in Scotland which was an objective of the Land Reform Review Group [LRRG]. The LRRG ultimately recommended that it should be incompetent for any legal entity not registered in a member state of the EU to register title to land in the register of Scotland in order to improve traceability and accountability in the public interest. Instead of this policy, the Bill contains provisions in relation to information about those who control land.
- 2.4.2 There is no upper limit on the amount of land that may be owned by a private owner or single beneficial interest. In response to the LRRG's

recommendation the Scottish Government indicated the requirement for significant evidence in order to ensure ECHR compliance in terms of Article 1, Protocol 1. It may be considered that the view of the Scottish Government was that such a proposal would be contrary to ECHR requirements.

- 2.5 It should be noted that much of the detail of the Bill remains to be established by regulations. It is clear that there is a continuing trend for the detail in primary legislation to be established by secondary legislation in the form of regulations enacted by the Scottish Ministers. There is potential for the level of scrutiny of secondary legislation to be less rigorous than full parliamentary scrutiny. This is especially prescient where a single party has an outright majority.
- 2.6 The Scottish Parliament have issued 2 separate Calls for Evidence from both the Rural Affairs Committee, which has the closing date of 14th August, and the Finance Committee, with a closing date in September.
- 2.7 This report outlines some of the main provisions contained within the Bill and identifies some potential implications for the Council in respect of these. It should be noted that this report does not concentrate on all aspects of the Bill but those which are germane to the local authority.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Members note the content of this report
- 3.2 It is recommended that Members make representations to the Scottish Government in relation to the provisions contained within the Bill and decide on the nature and content of those representations.

4.0 DETAIL – THE CONTENT OF THE BILL

Land Rights and Responsibilities Statement

- 4.1 Part 1 of the Bill requires Scottish Ministers to prepare a land rights and responsibilities statement outlining their objectives for land reform. They will be required to do this not later than 12 months following this part of the Bill coming into force and will be required to review this, and publish a new statement every 5 years.
- 4.2 It is not possible to comment further on any possible implications for the Council in the absence of any such statement.

Scottish Land Commission

- 4.3 Part 2 of the Bill contains provision for establishing a Scottish Land Commission, which will compose of five Land Commissioners together with the Tenant Farming Commissioner and is to have wide ranging functions on “*any matter relating to land in Scotland*” including but not limited to reviewing law and policy, recommending changes in the law and policy and gathering evidence. The Scottish Ministers are to be responsible for appointing the Land Commissioners.

- 4.4 It is clear the Scottish Land Commission will have a remit to deliver an ambitious land reform agenda and this may have implications for the Council. However, prior to the Commission being operational it is difficult to comment further on what the implications might be. Broadly, removing some of the issues relating to land ownership in Scotland from direct political activity or influence may be considered advantageous. However, there is significant potential for the Commission to regularly introduce new measures or reform, and consequently, a risk of a continually evolving and confusing legal environment in so far as it relates to Scottish land law.

Information about the Control of Land

- 4.5 Part 3 of the Bill contains provisions relating to information about the control of land. It should be noted that while much of the detail in relation to these provisions remains to be determined and will be provided by secondary legislation, there are two aspects to these provisions:
- 4.6 The Bill provides for a right of access to information on *persons in control of land*, however does not provide a definition. The provisions also make reference to a person requiring to be *affected* by that land. The term affected is not defined, however it seems likely that there will be a requirement to establish an identifiable link to between the person and the land. This being the case, the provisions do not allow any member of the public to obtain ownership details. However, there appear to be no provisions within the Bill which prohibit information being passed on to third parties and nor does the Bill place a limit on who it may be passed to.
- 4.7 In addition, a new power to be held by the Registers of Scotland will enable the Keeper to request information about those in control of land. The provisions also contain a power to request information relating to individuals having a controlling interest in land. It is presumed that should the Keeper receive such information, it would come into the public domain. It should be noted, however that the Bill does not appear to contain provisions compelling parties subject to such a request to comply with it.
- 4.8 As the detail of these provisions will be provided by secondary legislation it is not currently possible to comment on the implications for the Council.

Community Engagement

- 4.9 Part 4 of the Bill states that Scottish Ministers must issue guidance about engaging communities in decisions relating to land which may affect communities. The guidance must have regard to the desirability of furthering the achievement of sustainable development, set out the types of land and types of decision in relation to which community engagement should be carried out, the circumstances in which persons with control over land should carry out community engagement and the ways in which community engagement should be carried out.

- 4.10 The detail of such guidance will only be known if and when the Scottish Ministers issue said guidance. Therefore it is not possible to comment on these provisions substantively. It is considered that the guidance should include information about the types of land and decisions whereby community engagement should be carried out, a definition of what constitutes a community, the circumstances in which persons in control of land should engage with the community, and the ways in which such engagement should be carried out (e.g. consultation or community involvement).
- 4.11 The policy note accompanying the Bill sets out potentially significant consequences in relation to an owner of land failing to comply with the guidance. It states at 166-168 that failure to comply could be a factor that Scottish Ministers would consider as part of the evidence provided by a community body to support an application for the right to buy land to further sustainable development, as it may assist in evidencing why the transfer of the land to the community body is the only way of achieving the desired benefit to the community; failure to comply could also affect future awards of land related grants. There are clearly potential implications for the Council in relation to failure to comply with future guidance issued.
- 4.12 It should be noted that Guidance is not law and cannot legally be enforced while the Bill, which will be the law, currently contains nothing relating to the consequences of failing to comply with any guidance issued. If the intention of Scottish Ministers is for there to be serious/significant consequences for failing to comply with community engagement guidance then this should be set out in the legislation.
- 4.13 Additionally, further clarity is required on what is meant by engage with the community and the consequences, if any, of a land owner ignoring the wishes of those they had engaged.

The Right to Buy Land to Further Sustainable Development

- 4.14 Part 5 of the Bill contains an extension of the existing community right to buy to a right to buy land to “further sustainable development”. This is a new form of right to buy in addition to the existing Community Right to Buy and Crofting Community Right to Buy introduced by the Land Reform (Scotland) Act 2003 and the new Community Right to Buy Abandoned or Neglected Land (introduced by the Community Empowerment Bill).
- 4.15 These provisions apply to all types of Scottish land and property both urban and rural. The land that may be bought is termed “*eligible land*” and can comprise any land unless it falls under the exclusions contained in the Bill. Land that falls under these exclusions includes an individual’s home (except where occupied by a tenant); land pertaining to an individual’s home as may be set out in regulations by the Scottish Ministers; croft land; land owned by the Crown; and any other land the Scottish Ministers may set out in secondary legislation.
- 4.16 Therefore, the Scottish Ministers will have substantial discretion to decide, in effect, how large an area of garden or policy ground should be excluded and

also what, if any, other types of land should be exempt. The Bill also provides that the Scottish Ministers may prescribe the buildings and structures that are to be treated as a “*home*” and the types of occupation to be treated as a tenancy.

- 4.17 The right to buy also includes salmon fishings and mineral rights however, these can only be bought where *the community body is also applying, or has applied, to buy the land to which [they] relate, or the application is made during the relevant period*. Mineral rights do not include rights to oil, coal, gas, gold or silver.
- 4.18 The right to buy may only be exercised by a community body (or a nominated third party) with the consent of the Scottish Ministers. The right may be exercised in relation to an owner’s interest and a tenant’s interest in the same land but separate applications for consent are required and they may be decided differently. Accordingly, you could have a situation where the community body becomes the landlord of a current tenant.
- 4.19 There are provisions relating to the constitution of community bodies for the purpose of exercising the right to buy and also a requirement for the Registers of Scotland to keep a Register of Land for Sustainable Development containing details and information relating to the proposed exercise of the right to buy.
- 4.20 It is significant that the new right to buy can be utilised even where the landowner does not want to sell as long as the statutory procedure is followed. The Bill allows a hostile right to buy if sustainable development conditions are met. The Bill attempts to provide some explanation of the meaning of sustainable development. It states that *.....transfer of land is likely to further the achievement of sustainable development in relation to the land if: the transfer of the land is in the public interest, the transfer of the land is likely to result in significant benefit to the relevant community...to which the application relates and is the only practical way of achieving the significant benefit and; not granting consent to the transfer is likely to result in significant harm to that community*.
- 4.21 There are significant implications for the Council in relation to the forced transfer/sale of land. The provisions within the Bill which seek to establish an absolute right to buy for Sustainable Development for Community Bodies are a material change to property owning rights that currently exist in the UK. There is potential conflict with existing property law and Article 1, Protocol 1 of the European Convention on Human Rights which guarantees the right to property.
- 4.22 It should be noted that what constitutes ‘*sustainable development*’ is unclear from the wording in the Bill. Although the Bill provides for sustainable development conditions that need to be met in respect of right to buy, an actual definition of “*sustainable development*” is absent. Before issuing the guidance, it is considered that the Scottish Ministers should consult such persons or organisations as they consider appropriate. There is potential for the meaning to change over time, and such ambiguity is likely to be an obstacle to long term investment in the rural economy by landowners who will be unclear as to whether their plans will be deemed ‘*sustainable*’. This has implications for the future economic health of Argyll and Bute and the Council.

- 4.23 In addition a Community Body may also nominate a third party purchaser and there is a lack of clarity about who can be a third party purchaser and on what terms they are able to purchase land on behalf of a community body.

Re-introduction of Sporting Rates

- 4.24 Part 6 of the Bill proposes an end to the non-domestic rates exemptions for shootings and deer forests. Properties are to be valued as at 1st April 2015 with the proposed change taking effect on 1st April 2017. The Scottish Government forecast that this will potentially generate revenues of £4m each year, although that figure is before reliefs are applied.
- 4.25 It will be necessary for each local authority to value each shoot and then attend to the relevant accounting. It would then be necessary to establish which shoots are exempt because of existing reliefs (for example the Scottish Government anticipate that a high number of small scale shoots will qualify for the Small Business Bonus Scheme). There is a high possibility of valuation appeals.
- 4.26 Once all relevant costs are taken into account, and once the exemptions are subtracted from the headline figure of £4m each year, the cost/benefit analysis of imposing rates is possibly not something that will generate significant additional resource for the Scottish Government. The Bill's reintroduction of Sporting Rates will potentially have a negative impact on fragile rural economies including Argyll and Bute. Indeed the rural sector as a whole is already economically fragile and has little capacity for an increased tax burden.

Common Good Land

- 4.26 At present the local authority can only dispose of such land after obtaining the consent of the Court of Session or the Sherriff. The Bill amends S75 of the Local Government (Scotland) Act 1973 and extends this power to cases where the local authority wishes to appropriate common good land for another purpose.
- 4.27 It is considered that this measure is introduced as a result of concerns which arose from *Portobello Park Action Group Association v City of Edinburgh Council 2012 SLT 1994* where it was held by the Court of Session that the local authority were not acting lawfully in appropriating part of a park to build a school. As was highlighted in the LRRG report the *Land of Scotland and the Common Good*, the Law Society of Scotland commented that there [was] currently no mechanism whatsoever for the appropriation by an authority of inalienable property for a necessary public purpose. The introduction of this amendment puts in place such a statutory mechanism thereby removing a barrier to effective use of common good land.

Access Rights - Core Paths

- 4.28 The Land Reform (Scotland) Act 2003 made provisions for the creation of a core paths plan within each local authority area. Part 9 of the Bill contains provisions

to amend the 2003 Act to provide for the review and amendment of the core paths plan if the Scottish Ministers direct them to do so, or if it is considered appropriate to do so for the purpose of ensuring that the core paths plan continues to give the public reasonable access throughout their area.

- 4.29 The 2003 Act will be amended to insert S20A setting out the procedure for review and amendment of core path plans and the notification and consultation requirements. It should be noted that where there is an objection, the local authority must not adopt the amended plan unless directed to do so by the Scottish Ministers. Where an objection remains, Ministers cannot make a such a direction without a public inquiry first being held into whether the amended plan will be sufficient for the purpose of giving the public reasonable access throughout the local authority area.
- 4.30 There are implications for the Council relating to amending the core path plans in terms of the notifications requirements and the procedure where objections remain unwithdrawn to any proposed amendments where the power to determine whether any proposed change should be adopted is transferred to the Scottish Ministers.

Other Measures

- 4.31 The Bill introduces a range of provisions which will have an impact on Agricultural holdings including inter alia, the appointment of a Tenant Farming Commissioner (TFC) who will be a member of The Scottish Land Commission, the creation of a new "Modern Limited Duration Tenancy" (MLDT), the removal of the requirement for a tenant to register an interest in land in order to activate the pre-emptive right to buy, provisions relating to fair rent, assignation and succession, compensation for tenants improvements and improvements by landlords.
- 4.32 There are also provisions in the Bill relating to the management of deer which allows for Scottish Natural Heritage to be given powers to require deer management plans and an additional role for Deer panels promoting community involvement in deer management.
- 4.33 It is not considered that these provisions will have a significant impact on the Council.

5.0 CONCLUSION

- 5.1 The Land Reform Bill provides a wide range of provisions in relation a number of areas of land ownership and community rights. It is likely that a number of these will have implications for the Council for example in the forced sale of land and further layers of regulation and bureaucracy in relation to access rights and community engagement.
- 5.2 Although the implications as set out above have been identified, there is a lack of clarity surrounding the detail of many of the provisions in the Bill where only outline measures are currently known. Scottish Ministers are required to set -

out further legislation in due course and it may be that further implications arise as regulations are developed. Additionally, while there is parliamentary scrutiny of the Scottish Government, it is of concern that the level of scrutiny of secondary legislation is not always as rigorous as full parliamentary scrutiny. This is especially prescient where the government has an outright majority.

- 10.3 In addition, the Bill fails to clarify concepts such as *community ownership* and *sustainable development* which have the potential to have a significant impact on all local authority areas. The Council will be required consider the various community rights to buy land in terms of the management of their estate, while there is further significant potential for potential purchasers of land in the local authority area to buy elsewhere.
- 10.4 It should be noted however that the Bill contains no provisions relating to limiting foreign ownership of land or placing limits on the amount of land which could be owned. It is clear that there was significant potential for such policies to be contrary to ECHR Article 1, Protocol 1.
- 10.4 The Bill will present present both opportunities and challenges for the communities of Argyll and Bute. The Bill has the potential to further empower local communities to take ownership of and develop opportunities for their community. However, for this to be successful these proposals should be supported by a robust sustainable business plan.

6.0 IMPLICATIONS

6.1 Policy - None

6.2 Financial - None

6.3 Legal – Potential future legal implications contained within Land Reform (Scotland) Bill.

6.4 HR - None

6.5 Equalities - None

6.6 Risk - None

6.7 Customer Service - None

Executive Director of Customer Services

For further information contact: Michael Nicol, 01546 604468

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES
COMMITTEE****CUSTOMER SERVICES****20TH AUGUST 2015**

**LOCAL GOVERNMENT BOUNDARY COMMISSION FOR SCOTLAND – PUBLIC
CONSULTATION ON PROPOSED ELECTORAL WARDS**

1.0 EXECUTIVE SUMMARY

This report provides members with an update on the Local Government Boundary Commission (LGBC) for Scotland's Fifth Review of Electoral Arrangements.

The LGBC started its Fifth Review of Electoral Arrangements on 21st February 2014. The first phase of this review looked at councillor numbers for each Scottish local authority and the public consultation for this stage ended on 21st August 2014.

The current (and second) phase relates to ward boundaries. This phase commenced with a two-month statutory consultation with all Scottish local authorities, concluding in May 2015.

The Council considered a report on the proposals at the April meeting when it agreed to establish a Short Life Working Group and in light of the response timescale to delegate the final determination of the response and any proposed adjustments to the Policy and Resources Committee. A formal response was sent to the LGBC advising that the council was opposed to the proposed changes on a variety of grounds which are outlined later in the report. It did however submit a technical submission which sought to address matters relating to polling district boundaries and proposed a more administratively convenient set of arrangements to minimise the impact of the proposals.

Following consultation with local authorities, the LGBC launched its 12-week public consultation on 30th July 2015. This consultation concludes on Thursday 22nd October 2015 and the commission expects to submit its final recommendations on council ward boundaries to Scottish Ministers by May 2016.

This report provides members with an outline of Argyll and Bute Council's engagement with the local authority consultation phase, details of the council's official response, the public consultation arrangements, and the next stages in the LGBC Fifth Electoral Review process. Members are asked to:

- a) note the contents of the report
- b) support community engagement activity to encourage a wide response to the Public Consultation.
- c) agree to maintain the Council's objection in principle to the proposals notwithstanding the submission of a technical response
- d) consider whether they wish the council to make any further response during the current public consultation on the LGBC council ward proposals.

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES
COMMITTEE

CUSTOMER SERVICES

20TH AUGUST 2015

**LOCAL GOVERNMENT BOUNDARY COMMISSION FOR SCOTLAND – PUBLIC
CONSULTATION ON PROPOSED ELECTORAL WARDS**

2.0 INTRODUCTION

2.1 This report provides members with an update on the Local Government Boundary Commission for Scotland (LGBC) Fifth Review of Electoral Arrangements and the implications for the Argyll and Bute local authority area. It includes an outline of the process followed by the council in developing its official response which was to oppose the proposals in principle and make a technical submission which sought to address matters relating to polling district boundaries and proposed a more administratively convenient set of arrangements to minimize the impact of the LGBC proposals.

3.0 RECOMMENDATIONS

3.1 Members are invited to:

- a) note the contents of the report
- b) support community engagement activity to encourage a wide response to the Public Consultation.
- c) agree to maintain the Council's objection in principle to the proposals notwithstanding the submission of a technical response
- d) consider whether they wish the council to make any further response during the current public consultation on the LGBC council ward proposals.

4.0 DETAIL

4.1 The LGBC started its Fifth Review of Electoral Arrangements on 21st February 2014.

4.2 The first phase of this review looked at councillor numbers for each Scottish local authority and the public consultation for this stage ended on 21st August 2014. For Argyll and Bute, the LGBC proposed a reduction in councillor numbers from 36 to 33.

4.3 Following this first review phase, the LGBC embarked on phase 2 of the Fifth Electoral Review, looking at proposals for ward boundaries. This started with a two-month statutory consultation with all Scottish local authorities running from February to April 2014.

- 4.4 At its meeting on 23rd April 2015 the council considered a report on the LGBC proposals and agreed to establish a Short Life Working Group, its membership comprising the Leader, Leader of the Opposition, eight members from the Administration and four from the Opposition. This report was considered as an exempt item under paragraph 12 of Schedule 7A of the Local Government (Scotland) Act 1973, as were subsequent reports outlined below, for the reason that they relate to 'action to be taken in connection with the determination of any matter affecting the authority'. It was acknowledged that the LGBC were initially consulting with Local Authorities on an individual basis and that this would be immediately followed by a wider public consultation. This report therefore includes some matters which members may have considered before, but which are included here for background information.
- 4.5 The Short Life Working Group on Local Government Boundary Commission Review 2015 (SLWG) met for the first time on 11th May. Members discussed the proposals bearing the following factors in mind:
- Each councillor should represent the same number of electors as closely as possible, bearing in mind the LGBC's proposed figure of 2,000 with an acceptable adjustment of more or less than 10%;
 - This should be balanced with retaining natural communities and local ties within a challenging geographic area;
 - The number of councillors to represent a ward is set by legislation.
- 4.6 Members proposed a number of alternatives to the LGBC proposals and asked officers to draw these up and present them in map form for further discussion. This included alternative proposals for wards which would include elector numbers in excess of the LGBC's proposed 2000 limit, and which would exceed the acceptable adjustment level of 10% as outlined at 4.5.
- 4.7 The SLWG met again on 22nd May and agreed to make a recommendation to an adjourned meeting of the Policy and Resources Committee on Tuesday 26th May 2015 so that the council could make its formal response.
- 4.8 The recommendations of the SLWG were issued to all Elected Members on 25th May and on consideration by the Policy and Resources Committee it was agreed to delegate to the Head of Governance and Law in consultation with the Chair of the Policy and Resources Committee to prepare a response to the Local Government Boundary Commission on the basis that the Council were opposed in principle to the ward structure as presented by the Commission, however, the Council would attach to the response a technical submission as discussed at the Policy and Resources Committee which sought to address matters relating to polling district boundaries and which proposed a more administrative convenient set of arrangements to minimise the impact of the proposals.

- 4.9 The council made its formal response to the LGBC on 8th June 2015 opposing the proposals. The extract below outlines the reasons behind the council's approach:

"The Council is not assured of the ability of the LGBC proposals to best serve communities in that they do not adequately address representation in the islands, or the rurality and sparsity issues faced by Argyll and Bute. The key reasons for the Council's opposition to the proposed ward boundaries are as follows:

- There is significant concern at the impact these proposals will have on existing communities which will see a number of major changes to the current arrangements, which will lead to the break-up of existing community connections and cohesion and which the Council believes very strongly will be the subject of much public outcry and concern, when you consult with them later this summer.
- There is concern that the proposals will make it more difficult for communities to be represented due to the problems of travel on and off islands, the lack of regular public transport links across all or at least some of the new wards and the difficulty of attending community council meetings which are generally held in the evening when transport options are at their most limited. This will mean that candidates standing for election in 2017 will be disadvantaged if they aren't able to drive or easily stay away from home overnight because of family commitments.
- There are very substantial distances to be travelled within a number of wards and this will be more challenging during the winter months when adverse weather can make travel difficult and somewhat risky.
- The Council previously made representation on the complexity of representing rural and island communities and the additional burden this places on elected representatives, and it is believed that these proposals will increase the challenge of representing communities and making sure that each has parity of access to elected members.
- The Council believes that these proposals will not be well received by those communities that will be adversely affected by the proposed changes and this reaction is likely to be widespread given that all but one of the existing Council wards has been altered by your [the LGBC] proposals."

The response to the Local Government Boundary Commission was circulated to members of the Policy and Resources Committee and Short Life Working Group.

- 4.10 On 30th July 2015, the LGBC published its proposals for all Scottish local authority ward boundaries. For Argyll and Bute, it proposes an electoral arrangement for 33 councillors representing seven three-member wards and three four-member wards, reducing the number of wards in the area by one and councillor numbers by three. The detail of the proposals is as follows:

- Adopt suggestions from Argyll and Bute Council to improve polling district boundary alignment and provide a more administratively convenient set of arrangements;
- Improve overall forecast parity;
- Address forecast disparities in ward 8 (Isle of Bute);
- Decrease the number of councillors in the Oban North and Lorn ward by one;
- Increase the number of councillors in the Dunoon ward by one;
- Make changes to ward boundaries in Kintyre, Argyll, Cowal and Lomond;
- Make no changes to ward 4 (Oban South and the Isles);
- Rename Isle of Bute ward to 'Bute' but make no changes to other ward names;
- Place the Loch Lomond and Trossachs National Park area that overlies the council area within a single ward.

4.11 From 30th July 2015 the LGBC has commenced a twelve-week period of public consultation on its proposals, seeking views from local communities. People can respond to this consultation through the LGBC website and information about the consultation has also been published on the council's website. The closing date for contributions is 22nd October 2015. The LGBC anticipates that it will report its recommendations to Scottish ministers by May 2016.

The LGBC consultation information can be found at http://www.lgbc-scotland.gov.uk/reviews/5th_electoral/argyll_and_bute/ while the council has information at <http://www.argyll-bute.gov.uk/consultations/public-consultation-proposals-ward-boundaries>

5.0 CONCLUSION

- 5.1 The council has made a technical response to the Local Government Boundary Commission for Scotland expressing its opposition to the proposals for Argyll and Bute council wards on various grounds. This follows consideration by the Short Life Working Group established for this purpose and further reports to the council's Policy and Resources Committee. With the public consultation now underway the Council can make further representations on the matter should it so choose. The matter may also be raised with COSLA. When the LGBC make its conclusions, there is no statutory appeal against its recommendations. The only possibility for challenge at that stage is through a judicial review and it is believed that some Scottish Local Authorities are considering this possibility.
- 5.2 Members of the Policy and Resources Committee are invited to note this update, including the fact that a public consultation is now under way, and to support community engagement activity to encourage a wide response to the Public Consultation. They are also invited to agree to maintain the Council's objection in principle to the proposals notwithstanding the submission of a technical response and to consider what, if any, further response they may wish the council to make during the consultation.

6.0 IMPLICATIONS

- 6.1 Policy: The Council will have concerns about the impact of the boundary review particularly where it has not been able to retain existing community ties and/or significant increases in the geographical size of wards.
- 6.2 Financial: None
- 6.3 Legal: None
- 6.4 HR: None
- 6.5 Equalities: Proposal requires to have regard to equality of access of representation.
- 6.6 Risk: None
- 6.7 Customer Service: Members of the public have been provided with information through the council's normal channels so that they are able to participate in the LGBC public consultation.

Executive Director of Customer Services

4th August 2015

For further information contact: Charles Reppke, Head of Governance and Law, Kilmory (telephone: 01546 604192)

APPENDICES

None

ARGYLL AND BUTE COUNCIL
CUSTOMER SERVICES

POLICY & RESOURCES COMMITTEE
20 AUGUST 2015

DISCRETIONARY HOUSING PAYMENTS POLICY UPDATE

1.0 EXECUTIVE SUMMARY

- 1.1 In March 2013 Council approved a policy for awarding Discretionary Housing Payments (DHP) to claimants in receipt of Housing Benefit (HB) and who are deemed to be in high, medium or low levels of hardship. The policy was updated in August 2014 in line with direction from the Scottish Government to allow DHPs to be paid to all under-occupancy cases irrespective of whether they would otherwise be considered as high, medium or low priority and for this change to be backdated to 1 April 2014. All other cases continue to be subject to an assessment of hardship which includes a financial assessment.
- 1.2 There is now a need to update the policy again following a decision made in the High Court in England, Hardy, R (on the application of) v Sandwell Metropolitan Borough Council [2015] EWHC 890 (Admin) (30 March 2015) that has an impact on the way we assess DHP claims for those in receipt of Disability Living Allowance (DLA).
- 1.3 Additionally, experience has shown that the policy needs to be tighter in respect of payments made to claimants in respect of rent deposits or rent payments in advance in order to ensure that such support does not encourage a claimant to move to a property which they are unable to afford on an ongoing basis.
- 1.4 The committee is asked to approve the proposed amendments to the DHP policy which address these two concerns.

DISCRETIONARY HOUSING PAYMENTS POLICY UPDATE

2.0 INTRODUCTION

- 2.1 In March 2013 Council approved a policy for awarding Discretionary Housing Payments (DHP) to claimants in receipt of Housing Benefit (HB) and who are deemed to be in high, medium or low levels of hardship. The policy was updated in August 2014 to allow DHPs to be paid to all under-occupancy cases irrespective of whether they would otherwise be considered as high, medium or low priority and for this change to be backdated to 1 April 2014.
- 2.2 There is now a need to update the policy following a decision made in the High Court in England, Hardy, R (on the application of) v Sandwell Metropolitan Borough Council [2015] EWHC 890 (Admin) (30 March 2015) that has an impact on the way we assess DHP claims for those in receipt of Disability Living Allowance (DLA).
- 2.3 Additionally, experience has shown that the policy needs to be tighter in respect of payments made to claimants in respect of rent deposits or rent payments in advance in order to ensure that such support does not encourage a claimant to move to a property which they are unable to afford on an ongoing basis.

3.0 RECOMMENDATIONS

- 3.1 Policy & Resources Committee approves the proposed amendment to the policy for awarding DHP attached at Appendix 1.

4.0 DETAIL

- 4.1 In March 2013 Council approved a policy for awarding Discretionary Housing Payments (DHP) to claimants in receipt of Housing Benefit (HB) and who are deemed to be in high, medium or low levels of hardship. The policy was updated in August 2014 to allow DHPs to be paid to all under-occupancy cases irrespective of whether they would otherwise be considered as high, medium or low priority and for this change to be backdated to 1 April 2014. This followed a letter from Margaret Burgess, Minister for Housing and Welfare to local authority Chief Executives on 28 March 2014 about the measures that the Scottish Government is taking to mitigate under-occupancy restrictions in the social rented sector in 2014/15.
- 4.2 The Scottish Government has provided additional resources of £65,991 in 2015/2016 and a further award is expected soon to help mitigate the impact of under-occupancy provisions in the social rented sector. These monies, on top of £138,368 carried forward from 2014/2015, will be used to continue to award DHP to a similar range of cases as supported in 2014/15. On a monthly basis, the SMT considers what priority of cases we can afford to support based on budget available, and are currently supporting medium and high priority cases. It is hoped to support this priority throughout 2015/16 in the same way as we supported such cases in 2014/15.

- 4.3 There is now a need to update the policy to reflect a decision made in the High Court in England, Hardy, R (on the application of) v Sandwell Metropolitan Borough Council [2015] EWHC 890 (Admin) (30 March 2015) that has an impact on the way we assess DHP claims for those in receipt of Disability Living Allowance (DLA).
- 4.4 The decision relates specifically to the way in which the income and expenditure of a claimant who is in receipt of the care component of DLA is assessed in relation to determining the level of hardship that a claimant is facing. In the High Court case, the claimant was aggrieved that Sandwell Metropolitan Borough Council (SMBC) had not disregarded his income from the care component of DLA when assessing his claim for DHP. This income is paid to disabled claimants in order to allow them to pay for the care that they need to support them to live with their disability. The high court decision effectively states that this is not lawful and that DLA income should be disregarded for this purpose.
- 4.5 Our practice, as at SMBC and 75% of other local authority policies, was to include the care component of DLA as income, and also include the expenditure associated with it, such as care costs. The issue arises when a claimant does not use DLA income specifically to purchase care because they rely on friends and family. They therefore were deemed to have excess income over expenditure which could go to cover any shortfall in housing costs. This outcome was deemed discriminatory as the DLA income was purely intended to assist with disability and should not be used for housing costs.
- 4.6 The Council's practice has been changed immediately following the SMBC case. The proposed amendment to the policy is to reflect this revised practice and to specify that we will disregard the income for the care component of DLA and also disregard any additional expenditure incurred by the claimant in relation to their disability. This would bring the policy into line with the High Court decision.
- 4.7 The impact of this decision means that the budget for DHP is under more pressure. There is still uncertainty as to the totality of funding available for 2015/16, and as we have to support more disabled cases in future as explained above, SMT reviewed the priority for cases which we are able to support in April 2015 and agreed to amend the definition of medium hardship. This was set as an excess of income over essential expenditure from September 2013 to February 2014 of £30 (single), £60 (couple) and £90 (family). In March 2014 it was widened, as we were underspending at that time, to £40 (single), £80 (couple) and £120 (family). In April 2015 SMT revised this down to £30 (single), £50 (couple of family of 2), and £80 (family of 3 or more). This recognised the additional budgetary pressures and that many expenses do not increase proportionately for a larger household.
- 4.8 It is also proposed to clarify the policy in respect of payment of DHP to cover rent in advance and rent deposits. There is a need to clarify the policy to ensure that DHP is not paid which would encourage a claimant to move to a property which they are unable to afford on an ongoing basis. The wording in the policy has been tightened to avoid this and to reduce the risk of challenge in any such cases.

5.0 CONCLUSIONS

- 5.1 This paper asks Policy & Resources Committee to approve the updating of the DHP policy to disregard the care component of DLA in the assessment of financial hardship to reflect the practice in place since April 2015 as a result of the SMBC case. The other proposed amendment to the policy is to tighten the rules in relation to applying for DHP for rent in advance and rent deposits in respect of future applications.

6.0 IMPLICATIONS

- 6.1 Policy: This proposes a change to the policy for awarding DHP.
- 6.2 Financial: More DHP will be paid to disabled claimants following the SMBC case.
- 6.3 Legal: Proposals are in accordance with high court case Hardy, R (on the application of) v Sandwell Metropolitan Borough Council [2015] EWHC 890 (Admin) (30 March 2015)
- 6.4 HR: None
- 6.5 Equalities: Disabled claimants in receipt of DLA care component will receive more awards of DHP. Less money will be available for tenants in the private rented sector.
- 6.6 Risk: Policy clarification reduces risk of challenge from claimants.
- 6.7 Customer Service: None.

Appendices:

- 1 Proposed changes to DHP policy

Douglas Hendry
Executive Director Customer Services
12 August 2015

Policy Lead: Councillor Dick Walsh

For further information please contact Judy Orr, Head of Customer and Support Services Tel 01586-555280 or Fergus Walker, Revenues and Benefits Manager Tel 01586-555237

Background papers

Welfare Reform: Council 21 March 2013

Discretionary Housing Payments Policy: Policy & Resources Committee 21 August 2014

Appendix 1: proposed changes to DHP Policy

Section 7.1 THE HOUSEHOLD'S FINANCIAL CIRCUMSTANCES

Replace the paragraph immediately after Table 1 with the following:

Income from Disability Living Allowance (DLA) / Personal Independence Payments (PIP) Mobility Component and Care Component and related expenditure will be disregarded for the purpose of the financial assessment.”

Section 8.0 WHAT DHP CAN AND CANNOT COVER

Insert after “Alternatively, anyone homeless or threatened with homelessness under current legislation and who is in housing need can apply to the council for a rent deposit guarantee.” The following:

“An award of DHP for a rent deposit will not be made in addition to support provided through the rent deposit guarantee scheme.

When awarding DHPs for a rent deposit or rent in advance, the Council will only make an award when it is satisfied that:

1. The property is affordable for the tenant;
2. the tenant has a valid reason to move; and
3. the deposit or rent in advance is reasonable.

The Council will take into account any circumstances where a claimant is not able to seek the most affordable accommodation, for example, when someone is fleeing a property due to domestic violence and needs to seek a place of safety.

The Council will also consider if the claimant is due to have a deposit or rent in advance in respect of their existing tenancy returned to them and will reduce any DHP for a new deposit by such an amount.”

This page is intentionally left blank

ARGYLL AND BUTE COUNCIL
CUSTOMER SERVICES

POLICY & RESOURCES COMMITTEE
20 AUGUST 2015

COUNCIL TAX ON EMPTY PROPERTIES

1.0 EXECUTIVE SUMMARY

- 1.1 On 27 June 2013 Council approved a policy for charging double Council Tax on long-term empty dwellings under regulation 4 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013. This allows the Council to increase the council tax charge on unoccupied properties which are not being actively marketed for sale or for let under appropriate conditions and which have been unoccupied for over 12 months by 100% across the whole of the council area with effect from 1 April 2014, and to increase the council tax charge on unoccupied properties which are being actively marketed for sale or for let under appropriate conditions and which have been unoccupied for over 24 months by 100% across the whole of the council area with effect from 1 April 2014.
- 1.2 On 23 January 2014 the Council agreed not to increase the council tax charge on unoccupied properties in a restricted number of circumstances as a transitional measure and in these circumstances the property would benefit from a 10% long term empty discount for a further 6 month period. These transitional measures have now expired.
- 1.3 The policy was further amended by Policy & Resources Committee on 19 March 2015 so that where major repairs are underway which require planning permission and/or building warrant, the double charge is only applied after a property has been empty for 2 years. We now have had a small number of cases where new owners have purchased properties which have been empty prior to purchase for some considerable time. New owners of such properties which require major repairs get a 50% discount for 6 months, but after that period, the double charge immediately applies. For some properties, the 6 months' period is not sufficient to allow repairs to be completed.
- 1.4 The committee is asked to amend the existing policy to give 10% discount for a further 6 months where major repairs are continuing, and only to apply the double charge after the new owner has owned the property for a 12 months' period.

COUNCIL TAX ON EMPTY PROPERTIES

2.0 INTRODUCTION

- 2.1 On 27 June 2013 the Council approved a policy for charging double Council Tax on long-term empty dwellings under regulation 4 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 which came into effect from 1 April 2014. On 23 January 2014 Council agreed not to increase the council tax charge on unoccupied properties in certain circumstances as a transitional measure which included postponing the double charge for a single 6 month period commencing on or after 1 April 2014 and finishing before 31 March 2016 whilst major repair works are under way to the property.
- 2.2 The policy was further amended by Policy & Resources Committee on 19 March 2015 so that where major repairs are underway which require planning permission and/or building warrant, the double charge is only applied after a property has been empty for 2 years.
- 2.3 We now have come across a small number of cases where new owners have purchased properties which have been empty prior to purchase for some considerable time. New owners of such properties which require major repairs get a 50% discount for 6 months, but after that period, the double charge immediately applies. For some properties, the 6 months' period is not sufficient to allow repairs to be completed. This paper asks the committee to consider an amendment to the policy on charging double council tax on long-term empty properties which would give only bring in the double charge 12 months after purchase where major repairs are required to a property and such repairs are being carried out.

3.0 RECOMMENDATIONS

- 3.1 Policy & Resources Committee approves an amendment to the policy for charging double council tax on long term empty properties so that where major repairs are underway which require planning permission and/or building warrant, and the property has recently been purchased by a new owner, the double charge is only applied after 12 month period. The revised policy which would give effect to this is attached at Appendix 1 for approval. This change should be backdated to 1 April 2015.

4.0 DETAIL

- 4.1 On 27 June 2013 Council approved a policy for charging double Council Tax on long-term empty dwellings under regulation 4 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013. This allows the Council to increase the council tax charge on unoccupied properties which are not being actively marketed for sale or for let under appropriate conditions and which have been unoccupied for over 12 months by 100% across the whole of the council area with effect from 1 April 2014, and to increase the council tax charge on unoccupied properties which are being actively marketed for sale or for let under appropriate

conditions and which have been unoccupied for over 24 months by 100% across the whole of the council area with effect from 1 April 2014.

4.2 On 23 January 2014 Council agreed not to increase the council tax charge on unoccupied properties in the following circumstances as a transitional measure:

- For a 6 month period from 1 April 2014 to 30 September 2014 where a council tax payer has an unoccupied property where a grant of confirmation has been obtained but the title has not yet passed to a named beneficiary and the property is being actively marketed for sale or let;
- For a 6 month period from 1 April 2014 to 30 September 2014 where a disabled council tax payer has an unoccupied property which they have previously vacated in order to move to a more suitable property;
- For a single 6 month period commencing on or after 1 April 2014 and finishing before 31 March 2016 whilst major repair works are under way to the property.

In these circumstances the property would benefit from a 10% long term empty discount for the relevant 6 month period.

4.3 An appeal was heard by the Valuation Appeal Committee (VAC) on 10 December 2014. The appellant was aggrieved that the Council applied a double charge 18 months after they had purchased a property. The VAC found in favour of the appellant despite the charge being in accordance with council policy at that time. They felt this period was too short. To give effect to the VAC ruling, Policy and Resources Committee on 19 March 2015 agreed to remove the 6 month transitional exemption from the double charge for buildings under repair and instead amended the policy so as to provide a 24 month period before the double charge would be applied in such cases.

4.4 The Committee was reminded that if a long term empty property is purchased by a new owner, they would be eligible for a 50% council tax discount for 6 months if the property is undergoing or requires major repair work to render it habitable beginning with the day on which it was purchased. Thereafter it would be immediately be subject to the double charge if the property had been empty at that point for 24 months or more.

4.5 A small number of new owners are now aggrieved that this is the case for them. No doubt they were aware of the requirement to carry out repairs before they bought the property, and this may well have been factored into the price, but they are unlikely to have been aware of when the property was last occupied and may only find this out some time after purchasing the property.

4.6 It is in the Council's interest to encourage the new purchaser to carry out the repairs and bring the property back into use as quickly as possible. It is understood that the cost of the double charge may reduce funds available for doing up the property, and these two aspects need to be balanced. It is important, however, to ensure that any relaxation in the double charge does not provide an incentive simply to sell the property on to yet another owner without the improvements necessary to make it habitable ever being carried out.

4.7 It is therefore proposed to make a further change to the policy to provide a modest relaxation of the policy. This would apply only to dwellings who have received a 50% discount under regulation 5 (c) The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 (SSI 2013/45), and where evidence is provided that such major repair work or structural alteration has commenced within

that 6 month period and is continuing or has been completed. In such cases 10% discount would be available for up to a 6 month period after the 6 months' 50% discount, provided the property remains unoccupied.

- 4.8 The 50% discount applies where major repairs are required to render a property habitable but they do not actually have to have commenced. It is proposed only to offer the 10% discount for the following 6 months if the repairs have actually commenced and evidence of this would need to be provided. If this evidence is not forthcoming the double charge would come into effect after the 6 month period with 50% discount. The discount will also be ended if the property becomes occupied.
- 4.9 It is not possible to accurately estimate the number of council tax payers who would be affected by this change in policy. There is likely to be a very small number of cases each year. In the interests of equity, this change should be backdated to 1 April 2015 when the previous change approved on 19 March 2015 came into effect.

5.0 CONCLUSIONS

- 5.1 This paper asks the committee to amend the imposition of a double council tax charge on a long term empty property to provide a new owner with a minimum of a 12 month period before the double charge is imposed where it is undergoing major repairs or structural alteration. This is likely to provide a modest reduction of the income from the double charge.

6.0 IMPLICATIONS

- 6.1 Policy: This proposes a change to the policy for charging double council tax on long term empty properties where major repairs are underway, the double charge is only applied after a new owner has owned the property for 12 months.
- 6.2 Financial: A small loss of council tax income estimated to be up to a maximum of £3k p.a..
- 6.3 Legal: Proposals are in accordance with legislation for council tax which came into effect from 1 April 2013.
- 6.4 HR: None
- 6.5 Equalities: Owners of these unoccupied properties are not expected to fall disproportionately into any particular equalities group.
- 6.6 Risk: Reduces risk of further similar appeals being lost at VAC hearings.
- 6.7 Customer Service: None.

Appendices:

- 1 Draft revised policy for council tax on long term empty properties

Douglas Hendry
Executive Director Customer Services

15 June 2015

Policy Lead: Councillor Dick Walsh

For further information please contact Judy Orr, Head of Customer and Support Services Tel 01586-555280 or Fergus Walker, Revenues and Benefits Manager Tel 01586-555237

Background papers

Council tax on empty properties: Council 27 June 2013, reconvened on 8 August 2013

Council tax on empty properties: Council 23 January 2014

Council tax on empty properties: Policy & Resources Committee 19 March 2015

Draft revised policy for council tax on long term empty properties

The council exercises its discretion under regulation 4 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulation 2013 to increase the council tax charge on the following categories of unoccupied property by 100% across the whole of the council area with effect from 1 April 2015, as follows:

1. any property which has been unoccupied for over 24 months.
2. any property which has been unoccupied for over 12 months and:
 - (a) is not being actively marketed for sale or let under appropriate conditions and;
 - (b) is not the subject of major repair works or structural alteration which require planning permission and/or building warrant, and such works or structural alteration commence before the property has been unoccupied for 24 months.
- 3 provided that no property above falls under either:
 - (a) regulations 5 and 6 “Limitations on local authorities’ power to modify the application of these regulations” or;
 - (b) the class of dwelling which falls under regulation 5 (c) for the period of 6 months following the period therein specified and provided that the major repairs works or structural alterations have commenced and are continuing or are completed within that 6 month period.

ARGYLL AND BUTE COUNCIL**POLICY & RESOURCES COMMITTEE****CUSTOMER & SUPPORT SERVICES****20 AUGUST 2015**

CONSULTATION ON REGULATIONS AND GUIDANCE UNDER THE WELFARE FUNDS (SCOTLAND) ACT 2015

1.0 EXECUTIVE SUMMARY

- 1.1 The consultation on Regulations and Guidance under the Welfare Funds (Scotland) Act 2015 was launched by the Scottish Government on 27 May 2015 and runs until 21 August 2015. The Act was passed in the Scottish Parliament on 3 March 2015, received Royal Assent on 8 April 2015 and is expected to come into force on 1 April 2016 along with the detailed regulations and guidance which are the subject of this consultation. The Act provides a statutory basis for the Scottish Welfare Fund which was devolved to local authorities from 1 April 2013 and has operated since then as an interim scheme under the Powers to Advance Well-being in the Local Government in Scotland Act 2003.
- 1.2 The primary change between the interim scheme and the proposed new statutory scheme is in relation to tier 2 reviews which will now be carried out by the Scottish Public Services Ombudsman instead of by local authorities. That is contained in the Act and that change was covered by an earlier consultation to which the Council also responded.
- 1.3 The other changes in the new regulations are as follows:
- to make provision for recipients of Universal Credit to be regarded as being on a low income;
 - for families under exceptional pressure to be prioritised for crisis grants, and to restrict crisis grants to a maximum per household (previously per applicant) of 3 in a rolling 12 month period;
 - to specify the form of crisis grant payment to be cash or cash equivalent;
 - to specify a time period for time in prison or care institution in order to qualify for a community care grant;
 - to require records of decisions to be retained for 6 years after the end of the financial year in which the application was made.
- 1.4 The new statutory guidance is largely a refresh of previous guidance which is easier to follow in structure, and has additional helpful examples. It poses a number of questions where they are looking for opinions before finalising the guidance.
- 1.5 The draft response is attached for approval.

ARGYLL AND BUTE COUNCIL

POLICY & RESOURCES COMMITTEE

CUSTOMER & SUPPORT SERVICES

20 AUGUST 2015

CONSULTATION ON REGULATIONS AND GUIDANCE UNDER THE WELFARE FUNDS (SCOTLAND) ACT 2015

2.0 INTRODUCTION

2.1 The consultation on Regulations and Guidance under the Welfare Funds (Scotland) Act 2015 was launched by the Scottish Government on 27 May 2015 and runs until 21 August 2015. The Act was passed in the Scottish Parliament on 3 March 2015, received Royal Assent on 8 April 2015 and is expected to come into force on 1 April 2016 along with the detailed regulations and guidance which are the subject of this consultation. The Act provides a statutory basis for the Scottish Welfare Fund which was devolved to local authorities from 1 April 2013 and has operated since then as an interim scheme under the Powers to Advance Well-being in the Local Government in Scotland Act 2003.

2.2 The primary change between the interim scheme and the proposed new statutory scheme is in relation to tier 2 reviews which will now be carried out by the Scottish Public Services Ombudsman instead of by local authorities. That is contained in the Act and that change was covered by an earlier consultation. The previous consultation was about the draft Welfare Funds (Scotland) Bill and the council considered its response on 13 February 2014.

2.3 This consultation is about the draft regulations and the draft statutory guidance.

3.0 RECOMMENDATIONS

3.1 Policy and Resources Committee is asked to approve the draft response attached at Appendix 1.

4.0 DETAIL

4.1 The changes in the new regulations are as follows:

- to make provision for recipients of Universal Credit to be regarded as being on a low income;
- for families under exceptional pressure to be prioritised for crisis grants, and to restrict crisis grants to a maximum per household (previously per applicant) of 3 in a rolling 12 month period;
- to specify the form of crisis grant payment to be cash or cash equivalent;

- to specify a time period for time in prison or care institution in order to qualify for a community care grant;
 - to require records of decisions to be retained for 6 years after the end of the financial year in which the application was made.
- 4.2 The new statutory guidance is largely a refresh of previous guidance which is easier to follow in structure, and has additional helpful examples. It poses a number of questions where they are looking for opinions before finalising the guidance.
- 4.3 The draft response attached at Appendix 1 makes comment on these changes and in addition points out some potential unintended consequences of the wording in both these documents.
- 4.4 The area of greatest concern is the definition of all recipients of Universal Credit as being on low income which will increase pressure on the scheme. The Scottish Welfare Fund went live on 2 April 2013. In the first 12 months to 31 March 2014, the Council awarded grants totalling £303,969, 81% of the allocation. The underspend of £68,791 was carried forward into 2014/15. This reduced to £37,349 after further spend on 2013/14 applications. In the 12 months to 31 March 2015 we spent £420,749 on new applications – an overspend of £10,640 which was funded from DHP monies. As at the end of June 2015, we have spent 104.6% of our profiled spend for 2015/16 having supported medium and high priority cases for the first 3 months of the financial year. The level of demand appears to be increasing steadily, and given that the Scottish Government has no intention of increasing funding, then caution needs to be exercised before broadening substantially the scope of persons who may be assisted through SWF.
- 4.5 The pre-ambule to the draft response picks up the points from the previous consultation in February 2014 which have not yet been addressed in the draft regulations or guidance. The responses to the particular questions posed asks for further amendments to the regulations and guidance to allow goods to be provided for crisis grants for items such as cookers etc (rather than cash), to allow for a simplified form of application for crisis grants which are the highest in number and where a quick turn-round is required, and suggests that repatriation costs should not specifically be excluded although we have never had such a request.
- 4.6 The draft response has been considered and approved at the Welfare Reform Working Group meeting of 24 July which includes a number of our community planning partners and organisations who support claimants to make application to the SWF for assistance.

5.0 CONCLUSIONS

- 5.1 Policy and Resources Committee is asked to approve the draft response attached at Appendix 1.

6.0 IMPLICATIONS

- 6.1 Policy: In line with previous response approved by Council in February 2014.
- 6.2 Financial: Concern that widening the definition of low income will increase pressure on the funding available for the scheme.
- 6.3 Legal: The draft regulations are expected to come into effect from 1 April 2016.
- 6.4 HR: None.
- 6.5 Equalities: No anticipated changes to equalities impacts.
- 6.6 Risk: Main risk is of cost of administering scheme exceeding budget, and of demands exceeding programme funding.
- 6.7 Customer Service: Provides potential for improved consistency of decision making across all Scottish local authorities.

Appendices

- 1 Draft response to consultation questions

Background Papers

Consultation on Scottish Welfare Fund Council 13 February 2014

Douglas Hendry
Executive Director Customer Services
12 August 2015

Policy Lead: Councillor Dick Walsh

For further information please contact Judy Orr, Head of Customer and Support Services Tel 01586-555280 or Fergus Walker, Revenues and Benefits Manager, Tel 01586 555237

Consultation on Regulations and Guidance under the Welfare Funds (Scotland) Act 2015.



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 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

- (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 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

Yes

No

Preamble to consultation response

Argyll and Bute Council welcomes the opportunity to respond to this consultation. The Council considers that the interim scheme has provided an effective source of support to some of the most vulnerable in our communities. The Council considers that the introduction of the Scottish Welfare Fund (SWF) has worked well. Although volumes of applications have reduced from those experienced by DWP, this is in part due to the reduced reliance on cash for support and the increased use of goods and vouchers. Whilst undoubtedly less popular with claimants, this means that assistance is much more targeted. The new national contract from Scotland Excel has also meant that better value can be obtained through increased purchasing power. The council considers these aspects to be a major improvement. The council has also welcomed the fact that grants do not have to be repaid and is pleased to see this element now enshrined in legislation.

Because of the short time for introduction of the interim scheme, the opportunity was lost to commission a single national computer system to support the scheme and each local authority had to make its own arrangements. There are 4 main systems in use. There should now be an opportunity to commission a single hosted national system to support the new permanent scheme, with a single set of parameters and interface facilities. This would be consistent with the national public sector ICT strategy. However it is disappointing that this opportunity is not being taken.

The new permanent scheme should also have been an opportunity to consider the efficiencies of a single consolidated team to support telephone and on-line applications with the benefits of economies of scale. It would be much easier now to build in local variations in referrals, as this has all been worked out and is now known. Again, this opportunity has not been taken. This council has serious concerns about the administration costs of the current scheme which is currently very expensive to administer for small authorities with relatively low volumes despite making use of the Scotland Excel contract.

The Council is also concerned that widening the definition of low income to include all those on Universal Credit will mean that it becomes even more difficult to support all those in greatest need from the programme funding available. Whilst the Act allows councils to add to the fund from within their own resources, in addition to the monies made available from the Scottish Government, there should be no expectation that this may be possible given the pressure on public sector finances.

CONSULTATION QUESTIONS

1) VIEWS ON POLICY ISSUES AND EQUALITY IMPACTS

1. Is it a problem that Local Authorities (LAs) use different ways to decide whether or not a Scottish Welfare Fund (SWF) applicant is on a low income to check that they are eligible for an award?

Yes x No

Please explain your answer :

It is a national scheme therefore interpretation of “low income” should be kept as similar as possible across all local authorities in the interest of fairness and equality of treatment. However it is a discretionary scheme, and such discretion should not be unduly fettered.

2. What is the best way for an LA to decide that a SWF applicant is on a low income? Please tick one.

Continue to use the same method as for the interim SWF – LA decision makers make a judgement on whether the applicant is on a low income based on the information given by the applicant and information they already have in their other benefit systems. This will mean that LAs use slightly different methods, as they do now.	
We could make a list of different “approved” ways that LA decision makers could use to decide whether the applicant is on a low income. For example, if you are entitled to certain welfare benefits or levels of tax credits, council tax reduction or housing benefit. The LA could use the best way for their systems. This would still mean some variation but less than under the current system.	√
We could decide a set level of income and ask decision makers not to make grants to anyone whose income is higher. The level of income could be different according to what sort of household the applicant is in. This would reduce variation between LAs but would also mean that LAs cannot make their own judgements to make an award when someone is above the income level. This is not as flexible as the current arrangement where special circumstances can be taken in to account so that a grant can be made when income is higher.	
Other – please give details.	

Please tell us why you have chosen this option and explain the advantages and disadvantages.

The Council’s preference is for the second option as the first option allows too much variation and the third is too restrictive. The advantage is that it gives more uniformity across local authorities yet still allows for discretion in response to individual circumstances which cannot all be fully predicted in advance. The disadvantage is that there is still some scope for some variation. However this is inevitable within a discretionary scheme.

3. What do you think the consequences would be if we limited crisis grant (CG) awards to three per household per year?

We agree that it would be fairer to set the limit on the number of claims in a rolling 12 month period on a per household basis rather than the limit applying to each adult within the household separately. However, the change may mean

that more households may try to insist that their circumstances are exceptional, leading to an increase in reviews or complaints. This is quite likely where they may have become accustomed to claiming up to three times each in a rolling 12 month period.

4. What do you think the consequences would be if we limited community care grant (CCG) awards to three per household per year?

In contrast, because there are relatively few repeat claims for community care grants within a year, we do not think that a limit of three per annum for a household will affect the number of claims made in any significant way. We would support such a limit as it would provide additional incentive to the claimant to try and maintain a tenancy for a longer period which would be in their best interest. A third claim within a year should be trigger point for providing additional support to the claimant to maintain their tenancy. This should have the result of further reducing repeat claims.

5. Do you think that there should be a limit on the number of times that a CCG can be given for the same item in a set period?

Yes No

If so, what should the limits be?

The fund is limited and providing replacement items places a strain on the budget. In general, durable items should not be awarded more than once within a 3 year period except in exceptional circumstances such as where there are good reasons where a claimant is unable to take them to a new tenancy, for example if fleeing domestic abuse or harassment. Customers should generally be expected to take reasonable care of awarded items and this should be made clear to them at the outset.

6. Do you agree that families facing exceptional pressure should be given priority in decisions on CG applications as well as CCGs?

Yes No

Please explain your answer:

The draft regulations appropriately define a crisis grant as assistance for the purposes referred to in paragraph 2(1)(a) of the Act. These purposes are about meeting an immediate short term need arising out of an exceptional event or exceptional circumstances which requires to be met to avoid a risk to the wellbeing of an individual. It therefore does not seem necessary, and in fact adds confusion, to have a regulation that states that priority is to be given to households facing exceptional pressure. All individuals and/or families meeting the requirement for a crisis grant could easily be described as facing exceptional

pressure.

The regulation also talks about giving priority to such cases, and priority in relation to SWF is a concept relating to the financial management of the fund, and applies both to applications and to items awarded, each of these being classed as high, medium or low in relation to the nature, extent, severity and urgency of the need. To introduce another measure of “priority” also creates confusion which is unhelpful both to decision makers and claimants.

For these reasons, we consider that the draft regulation 9 is unhelpful and should be removed.

7. Which sorts of payment do you think are a cash equivalent that LAs should be able to use to pay SWF grants. You can choose as many as you like:

Paypoint or alternative electronic transfer	√
Allpay (without restrictions) or other loaded store card	√
Fuel Cards	√
High street vouchers accepted at a number of outlets e.g. for clothing.	√
Travel tickets, bought on behalf of the applicant.	√

If there are other forms of payments that you think would be suitable cash equivalents for LAs to use, please tell us what they are.

Gift-style” cards commonly issued by high street shops could also be used. However what is appropriate in one geographic area may not necessarily be practical in another area. Local authorities should have discretion to determine the most appropriate and cost-effective way of making payments.

8. How can LAs make sure that the way they are making the award ie in cash or by paying a cash equivalent, is the best one for the applicant?

We can ensure this by taking into account where they live and what method is convenient for them, their history of previous applications, and their personal situation. It is essential that we avoid stigma, and support people in having some control over what they purchase with a crisis grant in order to meet their specific needs. It is important to act in customer’s best interests in the particulars of each situation.

9. Do you agree with the draft statutory guidance on timescales for processing CGs. i.e. that:

- **LAs must consider a case and make a decision immediately they receive all the information they need to make the decision.**
- **A working day is between 9am and 4.45pm. If an application is received after 4.45pm it should be treated as being received on the next working day.**

- Even if the LA is still waiting for a piece of information that they think is relevant to the decision, a decision must be made by close of business on the day after the application has been received. This means that a decision is made at the end of the day after the application is received, on the balance of probability, based on the information held at the time.

Yes No

If not, please explain why:

In all cases this should be achievable.

It is recognised that where applications are made late on a Friday before a bank holiday weekend, and these are not decided until the next working day, being the Tuesday following, this can create particular difficulties for applicants. However, it is not possible to guarantee processing on the same working day despite best efforts, particularly where heavy demand is experienced.

10. Do you agree that substantial improvements to private property should be added to the list of excluded items at Annex A of the draft statutory guidance?
Yes No

If not, please explain why:

11. Do you agree that repatriation costs should be added to the list of excluded items at Annex A of the draft statutory guidance?
Yes No

If not, please explain why:

There may be good reasons why it would be beneficial for the individual to return to their home community rather than staying somewhere with limited support. These situations are likely to be rare, but should not be excluded.

12. Do you think there should be any other items added to the list of excluded items in Annex A of the draft statutory guidance?
Yes No

If yes, please tell us which items and explain why:

13. Do you think there should be any other items taken off the list of excluded items in Annex A of the draft statutory guidance?
Yes No

If yes, please tell us which items and explain why:

14. Is there anything on the list of vulnerabilities at Annex C to the draft statutory guidance that you don't think should be there?

Yes No

If yes, please tell us what and explain why:

However, it should be made clearer that meeting one of these factors does not necessarily create a vulnerability. For example, children in a large family, or with young parents, may not experience any particular vulnerabilities, although families in these circumstances are at higher risk of being vulnerable.

15. Is there anything that you think should be added to the list of vulnerabilities at Annex C to the draft statutory guidance?

Yes No

If yes, please tell us what situation, condition or circumstance should be added to the list of vulnerabilities and explain why:

16. What equalities impacts have you identified from the draft regulations and guidance attached at Annexes B and C to the consultation paper?

We do not consider that the draft regulations are likely to change equalities impacts from the interim scheme in any material respect.

We note that statistics on scheme awards for the period 1 April 2013 to 31 December 2014 suggest that only 34% of households receiving SWF assistance have a vulnerability which may or may not equate to an equalities characteristic, and that few pensioners receive assistance. However we do not believe that such groups are being discriminated against – rather that generally they are being assisted in other ways and have less need of assistance from the Scottish Welfare Fund at present. This situation may change as a result of welfare reform changes, and it will be interesting to see if analysis of recipients changes as a result.

2) VIEWS ON DRAFT REGULATIONS

17. Do you think that the draft regulations will have the effects that we have listed at section 2 of the consultation paper?

Yes No

18. If you do not think that they will have these effects, please tell us about any gaps in the draft regulations at Annex B to the consultation paper or unintended consequences you would expect from these regulations:

Regulation 11 "Form of crisis grant assistance" does not cater fully for crisis grant applications for items following a disaster such as cookers etc where it may be better for the applicant (and better value for the local authority) to

arrange for delivery and installation of such an item rather than providing cash or cash equivalent. The draft guidance at section 4.39, 7.6 and 7.26 would also require revision to allow fulfilment by way of goods, which was specifically allowed under the interim scheme. There appears to be no good reason for changing this discretion for local authorities.

See also response to question 6 re regulation 9. No other unintended consequences have been identified.

3) VIEWS ON DRAFT STATUTORY GUIDANCE

19. Please tell us about any concerns, comments or suggestions you have on the draft statutory guidance at Annex C to the consultation paper that are not already covered by the questions in Section 1 of the consultation paper:

Guidance at section 7.12, 7.13 and 8.19 suggests that someone on Universal credit or an equivalent amount of income should be deemed to be on a low income. As Universal Credit will include all those receiving tax credits, we believe this is framed too widely, and much more widely than has been the case prior to the introduction of Universal Credit. This is one reason why discretion is required for defining low income.

Guidance section 8.9 requires an applicant for a CCG to be “vulnerable” and to have one or more of the vulnerabilities listed at Annex C. However, this Annex states correctly that it is not an exhaustive list. The Council believes the guidance wording should be changed to state that the applicant must be vulnerable, and that the decision maker should have regard to the vulnerabilities listed at Annex C in making this assessment. This is a discretionary scheme and the prescriptiveness of this guidance is in danger of removing necessary discretion.

Section 7.33 suggests that local authorities should consider whether it is possible and appropriate to offer an out of hours services for crisis grants. This suggestion is not appropriate given the limited administration grants being made available for the Scottish Welfare Fund which do not cover the cost of the service in normal working hours. The guidance should be silent on this aspect. Section 8.36 suggests that local authorities should consider an out of hours service for community care grants. This should not be necessary for community care grants where the target processing time is 15 working days.

See also response to question 18 above which proposes changes to guidance at sections 4.39, 7.6 and 7.26.

We consider that it would be useful to provide more clarity in the guidance about when the 30% and 60% tables should be used and also amounts that should be provided for emergency fuel. These are the areas where our decision makers find most difficulty in applying the current guidance.

3) VIEWS ON THE APPLICATION FORM

20. Should the application form for the permanent SWF be:

A combined CG and CCG application form	<input type="checkbox"/>
2 separate application forms	X

Please tick your chosen option.

Please explain your answer:

The current application form at 28 pages is too lengthy for Crisis situations and it would be much better to have a simpler and shorter form for this.

21. What information is collected on the application form for the interim SWF, at Annex D to the consultation paper, that you do not think is needed to assess an application?

In relation to items applied for, the question “how much do you think it will cost” is not essential as local authorities will have an expectation of the costs that should apply.

Any online application form should similarly ask what items the customer needs rather than providing a list of items to be selected from as this encourages requests for items which are not essential in the particular circumstances.

In our experience, these forms are much better completed with assistance from a support worker or from a local authority staff member working on Scottish Welfare Fund claims. Lengthy forms are off putting particularly when a person is in crisis. Frequently people do not describe their situation very well when filling in the form themselves, and further contact has to be made with them before the assessment of the claim can be completed.

22. How can the application form which is at Annex D to the consultation paper for the interim SWF be improved for the permanent SWF?

There should be two versions of the form, one for crisis grants, and one for community care grants. Online versions of the form, which should be mobile adaptive, should be available which directly link in to all the main SWF systems in use. This recognises that most applicants and their support workers have mobile phones or other devices which can access the internet, and this can help speed up processing and make the administrative process, which is costly and cumbersome, more efficient.

DRAFT

ARGYLL AND BUTE COUNCIL**POLICY & RESOURCES COMMITTEE****CUSTOMER & SUPPORT SERVICES****20 AUGUST 2015**

CONSULTATION ON PROPOSAL FOR A CYBER RESILIENCE STRATEGY FOR SCOTLAND

1.0 EXECUTIVE SUMMARY

- 1.1 The Scottish Government issued a consultation on a proposal for a cyber resilience strategy for Scotland in June and the deadline for responses is 28 August. The strategy sets out a compelling vision to ensure that Scotland has the ability to resist and rapidly recover from cyber incidents to benefit from the economic and personal opportunities and advantages that online technologies provide. The focus is to position cyberspace as an enabler for individuals, industry, and the public sector. The strategy supports many other strategies and programmes such as Scotland's Economic Strategy, Digital Future Strategy, Digital Justice Strategy, Curriculum for Excellence, E-Health Strategy, Equally Safe and the forthcoming Serious & Organised Crime Strategy and the Resilience Strategy. Once the strategy has been developed, a detailed action plan will follow.
- 1.2 The Council should welcome the development of this strategy which will help to support the implementation of our own Digital First policy.
- 1.3 The draft response is attached for approval.

CONSULTATION ON PROPOSAL FOR A CYBER RESILIENCE STRATEGY FOR SCOTLAND

2.0 INTRODUCTION

2.1 The Scottish Government issued a consultation on a proposal for a cyber resilience strategy for Scotland in June and the deadline for responses is 28 August. The strategy sets out a compelling vision to ensure that Scotland has the ability to resist and rapidly recover from cyber incidents to benefit from the economic and personal opportunities and advantages that online technologies provide. The focus is to position cyberspace as an enabler for individuals, industry, and the public sector. The strategy supports many other strategies and programmes such as Scotland's Economic Strategy, Digital Future Strategy, Digital Justice Strategy, Curriculum for Excellence, E-Health Strategy, Equally Safe and the forthcoming Serious & Organised Crime Strategy and the Resilience Strategy. Once the strategy has been developed, a detailed action plan will follow.

3.0 RECOMMENDATIONS

3.1 Policy and Resources Committee is asked to approve the draft response attached at Appendix 1.

4.0 DETAIL

4.1 The strategy sets out a vision "for a cyber resilient Scotland that is safe, secure and prosperous." There are 3 strategic outcomes identified:

- Our citizens are informed, empowered, safe and confident in using online technologies;
- Our businesses are resilient and can trade and prosper securely online;
- We all have confidence in the resilience of our digital public services.

4.2 In addition 4 key objectives have been identified in order for Scotland to become more cyber resilient:

- Provide effective leadership and promote collaboration
- Raise awareness and ensure effective communication
- Develop education and skills in cyber resilience
- Strengthen research and innovation

4.3 A draft response is presented for approval and is attached at Appendix 1. It welcomes the proposed strategy and suggests that it should be developed to add an additional focus on preventing and detecting cyber crime in Scotland, and that the strategy is linked more strongly to the UK Government's "UK Cyber Security Strategy". It also suggests mandating the Public Service Network across the Scottish public services to allow for more consistent and greater protection for citizens' personal data.

5.0 CONCLUSIONS

5.1 Policy and Resources Committee is asked to approve the draft response attached at Appendix 1.

6.0 IMPLICATIONS

- 6.1 Policy: Affects all citizens and businesses in Scotland.
- 6.2 Financial: Scottish Government will need to provide funding for any new or changed public sector actions that flow from the detailed action plan that will follow.
- 6.3 Legal: New legislation is not anticipated.
- 6.4 HR: None.
- 6.5 Equalities: Changes will need to be subject to an equalities impact assessment at a national level.
- 6.6 Risk: The strategy is intended to reduce risks.
- 6.7 Customer Service: If implemented well, this will assist the council's Digital First policy and encourage customers to transact more online.

Appendices

- 1 Draft response to consultation questions

Douglas Hendry
Executive Director Customer Services
17 July 2015

Policy Lead: Councillor Dick Walsh

For further information please contact Judy Orr, Head of Customer and Support Services Tel 01586-555280 or Gerry Wilson, ICT and Digital Manager, Tel 01436 658936

Appendix 1:
Annex B
Cyber Resilience Strategy



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 Mrs Miss Dr *Please tick as appropriate*

Surname

Wilson

Forename

Gerry

2. Postal Address

Kilmory		
Lochgilthead		
Postcode PA31 8RT	Phone 01436 658936	Email gerry.wilson@argyll-

3. Permissions - I am responding as...

<input type="checkbox"/> Individual	/	<input checked="" type="checkbox"/> Group/Organisation
<i>Please tick as appropriate</i>		

<p>(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)?</p> <p><i>Please tick as appropriate</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis</p> <p><i>Please tick ONE of the following boxes</i></p> <p>Yes, make my response, name and address all available <input type="checkbox"/></p> <p style="text-align: center;"><i>or</i></p> <p>Yes, make my response available, but not my name and address <input checked="" type="checkbox"/></p> <p style="text-align: center;"><i>or</i></p> <p>Yes, make my response and name available, but not my address <input type="checkbox"/></p>	<p>(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).</p> <p>Are you content for your response to be made available?</p> <p><i>Please tick as appropriate</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>(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?</p> <p style="text-align: center;"><i>Please tick as appropriate</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	

CONSULTATION QUESTIONS

National leadership; Shared responsibilities; Working together; Protecting Scotland's values

Q1 Are the guiding principles right for this strategy?

Yes No

Are there any other principles that should be considered when continuing to develop the strategy?

Yes. The other principle which should be considered is one of "tackling cyber crime in order to create an effective deterrent."

We consider that the principle of "Working together" to be particularly important. At present, we do not do this effectively across the public sector or the other parts of Scotland's society. The Public Service Network (PSN) was designed as a first step to the introduction of a more secure means of sharing information across the UK Public Sector. It bypasses the dangers of the Internet and offers a higher level of protection to the systems and data we operate and own. At the moment we are finding it increasingly difficult to work together with other public sector partners because of the complexities of the PSN, the different ways the standards have been applied, and the lack of a standard approach to Cyber Security and PSN accreditation between local authorities and the NHS. The Scottish Government can play a key role to facilitate such partnerships by ensuring individual public sector organisations all meet the same cyber security standards.

This would be particularly beneficial in helping to integrate Health and Social Care partnerships which at present is made more difficult by a lack of consistent approach regarding the PSN.

Our vision is for a cyber resilient Scotland that is safe, secure and prosperous

Q2 Do you agree with the vision?

Yes No

Strategic Outcomes:

- 1. Our citizens are informed, empowered, safe and confident in using online technologies*
- 2. Our businesses are resilient and can trade and prosper securely online*
- 3. We all have confidence in the resilience of our digital public services*

Q3 Do you agree with the strategic outcomes?

Yes No

Are there additional outcomes that should be considered?

We agree with the vision but would welcome elements in the strategy which will make that vision deliverable, as we see this as very challenging. Without full control of all of the systems and software which we use to manage information we can never be 100% confident that all of Scotland will be "cyber resilient", or everyone will operate in a "safe, secure and prosperous" environment.

We have a duty and responsibility to protect citizens from the dangers of cyber crime and we all need to be confident that the private and public sectors have taken all necessary steps to protect systems and data. Vulnerable groups are continually threatened by nuisance callers or by those who steal identities and cash from bank accounts and this tells us we are far from such a Utopia. We allow such transactions to go undetected. We allow

rogue businesses to operate on our telephone networks and perpetrate the crimes.

We would welcome an additional outcome focussed on prevention and on the tackling of cyber crime, building on the UK Government's Cyber Security Strategy and showing how the Scottish Government is supporting this and implementing key deterrents in Scotland.

Key Objectives:

1. *Provide effective leadership and promote collaboration*
2. *Raise awareness and ensure effective communication*
3. *Develop education and skills in cyber resilience*
4. *Strengthen research and innovation*

Q4 Do you think these are the right objectives to focus on?

Yes No

Are there additional key objectives that should be considered?

We have in our powers the ability to control the traffic on our networks, block access to the most dangerous parts of the Internet, block calls from foreign call centres, etc. Leadership, Communication, Education and Innovation is not enough - we must offer some kind of national protection which would make it difficult for those who currently perpetuate cyber crimes with relative impunity. We appreciate the complexities in finding a balance between an open society and the rule of law. The most effective way to manage these risks is through investment in prevention and this will also include effective tackling of cyber crimes. We suggest an additional objective of having the skills to tackle cyber crime and actively doing this.

Objective 1: Provide effective leadership and promote collaboration

Main areas of focus:

- *The Scottish Government to set up and lead a national strategic implementation group to implement, monitor and evaluate the impact of this strategy*
- *The Scottish Government to be at the forefront of providing safe and secure services, and sharing their knowledge with other organisations*
- *Collaborating with partners, the Scottish Government will lead and coordinate efforts to develop national cyber resilience*
- *Ministers and their officials continue to raise the profile of the importance of cyber resilience across a range of policy areas*
- *Ministers report on the Government's progress in building a culture of cyber resilience and good practice across the Scottish Government and its agencies*
- *The standards of cyber resilience adopted by the Scottish Government's on-line services – and those of other public agencies - will be available to service users.*

Q5 Do you agree with the main areas of focus for effective leadership and collaboration?

Yes No

Are there other areas that should be considered?

Mandating standards across the Scottish public sector will at least tackle the problems we now face in joining disparate systems and organisations together.

It would also be helpful if there were a firm commitment to work closely with the UK Government on this topic and actively support the UK Cyber Security Strategy.

Objective 2: Raise awareness and ensure effective communication

Main areas of focus:

- *The Scottish Government alongside its partners to co-ordinate general awareness raising activity to promote a culture of cyber resilience among all Scottish citizens, including promoting the national online safety websites Get Safe Online and E-crime Scotland across Scotland*
- *Stakeholders and partners to implement audience-specific awareness raising activity - targeted at employees, educators, leaders and board members*
- *Working alongside the UK Government, the Scottish Government and partners from across the business world to form a network to share information about online threats and vulnerabilities*
- *Industry professionals develop and promote best practice in cyber resilience*

Q6 Do you agree with the main areas of focus for raising awareness and ensure effective communication?

Yes No

Are there other areas that should be considered?

The GetSafeOnline site should be more heavily marketed. A Cyber Resilience strategy is only needed because the cyber threats are continuously increasing and current levels of awareness and protection are not high enough. We could go further with accreditation and go beyond the Information Assurance accreditation process for the PSN members only. Consideration could be given to a national accreditation scheme for businesses and organisations who can meet exacting standards of awareness and have adopted a cyber-resilient culture. This would in turn build confidence amongst customers that they are dealing with Cyber savvy organisations across all sectors in Scotland.

Objective 3: Develop education and skills in cyber resilience

Main areas of focus:

- *The Scottish Government and its partners promote the development and delivery of cyber resilience education in early learning and childcare settings, schools, colleges, universities and other learning settings*
- *Business partners build cyber resilience capabilities within workforces*
- *Scottish Enterprise and other business partners help develop the cyber security and resilience goods and services industry in Scotland*

Q7 Do you agree with the main areas of focus for developing education and skills in cyber resilience?

Yes No

Are there other areas that should be considered?

We should also extend the PSN accreditation and further develop an accredited British Kite Mark standard such as the e-trader standard for online businesses which would identify organisations where all relevant staff have been trained to meet a particular cyber resilience standard, and where the organisation's management of core data also meets an agreed standard.

Objective 4: Strengthen research and innovation

Main areas of focus:

- *The Scottish Government, Police Scotland and partners progress with research to baseline the cost of cybercrime to Scotland*
- *Partners undertake and share research on understanding "what works" in preventing cybercrime, using knowledge from local, national and international angles*
- *Partners work together to target funding for cyber resilience research*
- *Enterprise funding is targeted at innovative methods to support the cyber resilience of individual or groups of enterprises*

Q8 Do you agree with the main areas of focus for strengthening research and innovation?

Yes No

Are there other areas that should be considered?

It might be possible to extract a subset of the data used by the UK Government in baselining their strategy for Cyber Security.

How will we use the strategy to achieve real change?

For each of the outcomes, the Scottish Government and its partners are developing a detailed action plan setting out the short, medium and long term activities. These specific measures will be published in early 2016. Within this action plan there will be practical activities, projects and improvements to support individuals and organisations to become more cyber resilient, as well as steps to build up the cyber security goods and services sector in Scotland.

Q9 Are there additional actions that will help us achieve making Scotland and its people more cyber resilient?

The Scottish Government could mandate the use of the PSN for all public sector online activity and ensure that all known vulnerabilities in public sector networks are managed on a risk based approach. A similar approach could be encouraged within the private sector.

How will we know if we are succeeding?

The Scottish Government will be asking stakeholders to share their action plans and keep track of milestones and progress on an annual basis. This will help to provide regular annual updates to the national strategic implementation group.

Q10 Do you think the monitoring and evaluation arrangements are sufficient?

Yes No

If not, what arrangements would you like to see?

The proposed monitoring and evaluation arrangements would represent a significant step forward. However we are concerned that in an open market, where cloud based systems and applications are hosted anywhere in the world, that it will be difficult to give any guarantees to the general public that the systems they rely upon are safe and secure. It is not possible to hold global online organisations to account under different legislative frameworks. If we want to offer our customers such assurances, we must stop the illegal activity. Education and awareness may help but it will not stop cyber related crime or eradicate the threats, and the latter is essential in building public confidence in operating online.

Q11 Have you ever experienced cyber crime (see examples on page 16)?

Yes No

If so, did you report it? Please provide details.

Q12 Would you be willing to share your experiences with us?

Yes No

ARGYLL AND BUTE COUNCIL**POLICY & RESOURCES COMMITTEE****CUSTOMER & SUPPORT SERVICES****20 AUGUST 2015**

SMITH AGREEMENT INQUIRY: CALL FOR EVIDENCE FROM WELFARE REFORM COMMITTEE

1.0 EXECUTIVE SUMMARY

1.1 The Welfare Reform Committee of the Scottish Parliament has invited all interested parties to submit written evidence on the Smith Agreement about how we can use the proposed devolved powers to deliver better benefits in Scotland. They plan to hold an inquiry into this topic in the Autumn and are focussing on the practical implementation of the social security schemes outlined in the Smith Agreement. The call for evidence was issued on 1 July and the deadline for responses is 28 August. Submissions are to be on no more than 4 pages of A4. They pose 4 specific questions:

How should the new welfare powers proposed by the Smith Agreement be used to improve or change:

- Personal Independence Payments, Disability Living Allowance, Attendance Allowance and Carer's Allowance;
- Universal Credit (housing element and administrative payment arrangements) and Discretionary Housing Payments;
- The Work Programme and Work Choice;
- The Regulated Social Fund, new benefits, top-ups and delivery of benefits overall.

1.2 Under these workstreams the Committee would particularly welcome practical suggestions to ensure that the principles of dignity, respect, support, equality and common sense are embedded into the new system. They are also seeking views on the integration of Scottish devolved benefits with existing devolved powers and any possible unintended consequences of changes, and views on a system of intergovernmental working in regard to benefit delivery.

1.3 The draft response is attached for approval.

SMITH AGREEMENT INQUIRY: CALL FOR EVIDENCE FROM WELFARE REFORM COMMITTEE

2.0 INTRODUCTION

2.1 The Welfare Reform Committee of the Scottish Parliament has invited all interested parties to submit written evidence on the Smith Agreement about how we can use the proposed devolved powers to deliver better benefits in Scotland. They plan to hold an inquiry into this topic in the Autumn and are focussing on the practical implementation of the social security schemes outlined in the Smith Agreement. The call for evidence was issued on 1 July and the deadline for responses is 28 August. Submissions are to be on no more than 4 pages of A4. They pose 4 specific questions:

How should the new welfare powers proposed by the Smith Agreement be used to improve or change:

- Personal Independence Payments, Disability Living Allowance, Attendance Allowance and Carer's Allowance;
- Universal Credit (housing element and administrative payment arrangements) and Discretionary Housing Payments;
- The Work Programme and Work Choice;
- The Regulated Social Fund, new benefits, top-ups and delivery of benefits overall.

2.2 Under these workstreams the Committee would particularly welcome practical suggestions to ensure that the principles of dignity, respect, support, equality and common sense are embedded into the new system. They are also seeking views on the integration of Scottish devolved benefits with existing devolved powers and any possible unintended consequences of changes, and views on a system of intergovernmental working in regard to benefit delivery.

3.0 RECOMMENDATIONS

3.1 Policy and Resources Committee is asked to approve the draft response attached at Appendix 1.

4.0 DETAIL

4.1 The following changes are proposed by the Smith Commission report in relation to welfare benefits to be devolved to Scotland:

Universal Credit

- 4.2 Universal Credit (UC) will remain a reserved benefit administered and delivered by the Department for Work and Pensions (DWP). Within this framework, the Scottish Parliament will be given the administrative power to change the frequency of UC payments, vary the existing plans for single household payments, and pay landlords direct for housing costs in Scotland. They will have the power to vary the housing cost elements of UC, including varying the under-occupancy charge and local housing allowance rates, eligible rent, and deductions for non-dependents. The power to vary the remaining elements of UC and the earnings taper will remain reserved as will conditionality and sanctions. Additional administration and programme costs directly associated with the exercise of these powers will be met by the Scottish Government.

Benefits devolved outside Universal Credit

- 4.3 Powers over the following benefits in Scotland will be devolved to the Scottish Parliament:
- (1) Benefits for carers, disabled people and those who are ill: Attendance Allowance, Carer's Allowance, Disability Living Allowance (DLA), Personal Independence Payment (PIP), Industrial Injuries Disablement Allowance and Severe Disablement Allowance.
 - (2) Benefits which currently comprise the Regulated Social Fund: Cold Weather Payment, Funeral Payment, Sure Start Maternity Grant and Winter Fuel Payment.
 - (3) Discretionary Housing Payments.

Powers to create new benefits and top-up reserved benefits

- 4.4 The Scottish Parliament will have new powers to create new benefits in areas of devolved responsibility, and to make discretionary payments in any area of welfare without the need to obtain prior permission from DWP. Any new benefits or discretionary payments introduced by the Scottish Parliament must provide additional income for a recipient and not result in an automatic offsetting reduction in their entitlement to other benefits or post-tax earnings if in employment. All administration and programme costs directly associated with this will be met by the Scottish Government. The UK Government's Benefit Cap will also be adjusted to accommodate any additional benefit payments that the Scottish Parliament provides.

Employment provision

- 4.5 The Scottish Parliament will have all powers over support for unemployed people through the employment programmes currently contracted by DWP (which are presently delivered mainly, but not exclusively, through the Work Programme and Work Choice) on expiry of the current commercial arrangements. The Scottish Parliament will have the power to decide how it operates these core employment support services.

Draft response

- 4.6 The draft response considers these new powers in the light of the questions posed by the Welfare Reform Committee and their desire for practical suggestions and views on the integration of Scottish devolved benefits with existing devolved powers. A draft response is attached at Appendix 1 for consideration. The welfare rights team in Community Services and the Employability Team in Development and Infrastructure Services have contributed to this draft response as well as Benefits staff in Customer and Support Services. The draft response has been considered and approved at the Welfare Reform Working Group meeting of 24 July which includes a number of our community planning partners.

5.0 CONCLUSIONS

5.1 Policy and Resources Committee is asked to approve the draft response attached at Appendix 1.

6.0 IMPLICATIONS

- 6.1 Policy: Affects those on low incomes who are among most vulnerable members of our community.
- 6.2 Financial: Scottish Government will need to provide funding for any new or changed benefits.
- 6.3 Legal: Legislation will follow in due course
- 6.4 HR: None.
- 6.5 Equalities: Changes will need to be subject to an equalities impact assessment at a national level.
- 6.6 Risk: Main risk is of unintended consequences due to interactions between Scottish and UK benefits removing expected benefits; and of the cost of Scottish benefits exceeding available funding.
- 6.7 Customer Service: Impact will depend on selected delivery mechanism for Scottish benefits.

Appendices

- 1 Draft response to consultation questions

Douglas Hendry
Executive Director Customer Services
12 August 2015

Policy Lead: Councillor Dick Walsh

For further information please contact Judy Orr, Head of Customer and Support Services Tel 01586-555280 or Fergus Walker, Revenues and Benefits Manager, Tel 01586 555237

CALL FOR EVIDENCE – SMITH AGREEMENT INQUIRY – WELFARE REFORM COMMITTEE

How should the new welfare powers proposed by the Smith Agreement be used to improve or change:

a) PIP, DLA, Attendance Allowance and Carer's Allowance.

The Smith Agreement can be used to improve or change a number of factors in relation to PIP/DLA, attendance allowance and carer's allowance. In principle we wouldn't want anyone to be worse off under the Scottish system. There should be national criteria for eligibility for benefits underpinned by legislation and appeal rights should continue.

The current system does not treat people with dignity and people's human rights should be the focal point of any changes to these benefits in Scotland. In the current system delays and poor assessments appear to be the norm and we must ensure that this sort of experience is not replicated in Scotland for claimants after devolution of these powers. There is an opportunity to focus on the experience of the customer, make delivery channels more accessible and flexible particularly to meet the needs of disabled people in rural areas who can't always easily make appointments.

Information has to be accessible to all and transparent regarding the rights and entitlements a citizen has. This will require investment to ensure that these principles can be delivered.

When looking at the ways in which these benefits are administered in Scotland consideration needs to be given to the whole portfolio of benefits that will be available and the measures that affect the claimants abilities to come off of the benefits i.e.: the state of the local labour market, the claimants ability/opportunity to commute to find work and any cultural differences between areas. This should be used to help decide if one body in Scotland can deliver these benefits or if they should be delivered by local authorities or similar local agencies.

b) Universal Credit (housing element and administrative arrangements) and DHP

There is an opportunity with devolution to make big improvements in Scotland in relation to the proposals for Universal Credit. The flexibility to vary the frequency of payments is very much welcomed as monthly payments will undoubtedly cause significant challenges in personal budgeting for many. Argyll and Bute Council has been carrying out one of the national Local Support Services Framework trials in preparation for the implementation of Universal Credit, and we have found it a considerable challenge to get people to accept support in this area before they are burdened with a significant amount of debt. Options should also be reviewed for direct payments of housing costs to landlords in the social rented sector. This will mean that Registered Social Landlords could have more certainty of rental income for a proportion of their properties which will make them more financially secure and give them an ability to borrow against that income in the future. This should help to ensure the future growth of housing supply in Scotland, reducing homelessness.

The Scottish Government will have the power to make changes to the non-dependant deductions in relation to Universal Credit thereby increasing the entitlement levels of claimants. This would be a positive action but any changes will have to be weighed against the funding available to support this.

The under-occupancy charge could be reduced or scrapped all together. Removing the charge would make sense given the allocation of monies to local authorities to fund Discretionary Housing Payments (DHPs) for all such cases, and this would reduce unnecessary administration and ensure that all such cases are assisted. Currently a minority of people in receipt of under-occupancy charges do not apply for DHPs.

There will be flexibility to set Local Housing Allowance (LHA) rates and these directly affect the calculation of eligible rent for assessing Universal Credit housing costs element. LHA rates are set at the 30th percentile which means that a housing benefit claimant will only be able to afford the cheapest 30% of properties. As more than 30% of all private sector rented properties are rented by people in receipt of housing benefit, this puts pressures on this rental market and on housing benefit claimants who will always struggle to find affordable properties. The cost of any increases in the LHA rate will present significant challenges for the government in respect of finding the resources to fund it.

We understand that there are no proposals to supply details of housing costs elements within Universal Credit to local authorities. Local authorities administer DHP. Without this information, this means that claims for DHP could be for amounts in excess of the rent. This has the potential to allow much higher values to be claimed from DHP. The funding for DHP for non-bedroom tax cases has been reduced, and this puts much more pressure on the limited funding provided by DWP. Some thought needs to be taken with regards to how best to operate DHP effectively in the future under Universal Credit.

c) The Work Programme and Work Choice

Devolution provides a real opportunity to improve the employability support programmes that are a feature of the current system. There has to be some sort of understanding of local labour markets and cultures when looking at localised work programmes which tie into punitive conditionality measures of the current system. Many jobs are insecure, being based on zero hours contracts, or being seasonal. Addressing these aspects of the labour market will do more to improve the outcomes for people out of work than the work programme has done. Employability support programmes like the work programme do not work. They don't integrate well with the Scottish Employability Pathway and the profit motive doesn't sit well with the rest of Scotland's institutional landscape.

Adequate and affordable childcare is vital to the participation of women and lone parents in society and these issues should be addressed when looking at the overall umbrella of services and support that can be offered to those seeking work. The doubling of free childcare from 15 to 30 hours a week for working parents of 3 and 4 year olds from September 2017 announced in the Summer Budget is welcomed. However more could be done to assist, especially as not all that many jobs tie in nicely with school hours.

For the Work Programme (WP) and other mandatory contracts, we believe that locally designed interventions suit best. For example there is no allowance for providers to reclaim travel payments, which in our part of the world can be substantial and subsequently takes away from the pot of money that could be used for training etc. WP also does not best suit Employment Support Allowance participants with multiple barriers and these currently make up the bulk of our out of work caseload.

If elements of Welfare Support were to be devolved to Local Authorities, there is good local knowledge on how best to deliver in our areas and this would give the flexibility to mould such support best to meet local demand.

d) The Regulated Social Fund, new benefits, top-ups and delivery of benefits overall.

The proposed flexibility is welcome and any expenditure incurred by the provision of new benefits, top-ups and the delivery of benefits overall could be covered by income generated from taxes under the agreement.

The power to supplement benefit rates or to introduce new benefits creates an opportunity to improve entitlements, but only if whatever is introduced is disregarded when calculating entitlement to benefits reserved by the UK government. The interaction of such benefits needs to be carefully examined otherwise they could potentially just increase the complexity of the current system whilst providing little net benefit. This should be avoided.

Specifically on the Regulated Social Fund, the amount paid for Funeral Payments should be reviewed and increased. These payments are already restricted to those on the lowest incomes but are inadequate and don't cover the cost of a basic funeral and can lead to debt and distress for the bereaved. This would help to meet the principles of dignity and fairness across benefits.

This page is intentionally left blank

ARGYLL AND BUTE COUNCIL**POLICY & RESOURCES COMMITTEE****CUSTOMER SERVICES****20 AUGUST 2015**

PROCUREMENT AND COMMISSIONING STRATEGY 2015-2018

1.0 EXECUTIVE SUMMARY

- 1.1 This report sets out the updated Procurement and Commissioning Strategy covering the period 2015-2018 and replaces the previous strategy which covered the period 2012-2015. The Procurement and Commissioning Strategy sets out the principles by which the Council will operate its Procurement and Commissioning activities. The Strategy takes account of relevant legislative requirements with regard to Procurement, including requirements of European Procurement Legislation.
- 1.2 Policy & Resources Committee is asked to approve the Procurement and Commissioning Strategy 2015-18.

PROCUREMENT AND COMMISSIONING STRATEGY

2.0 INTRODUCTION

- 2.1 This report sets out the updated Procurement and Commissioning Strategy covering the period 2015-2018 and replaces the previous strategy which covered the period 2012-2015. This strategy forms part of the Council's Constitution and is an appendix to Part E Contract Standing Orders. The Procurement and Commissioning Strategy sets out the principles by which the Council will operate its Procurement and Commissioning activities. The Strategy takes account of relevant legislative requirements with regard to Procurement, including requirements of European Procurement Legislation.

3.0 RECOMMENDATIONS

- 3.1 To approve the updated Procurement and Commissioning Strategy for 2015-2018,
- 3.2 To approve the increase in the closed tender threshold for works contracts from £350k to £500k which allows works contracts up to this value to be tendered via a pre-selected list allowing local suppliers the ability to bid for these, which supports the Strategy's principles.

4.0 DETAIL

- 4.1 The Procurement and Commissioning Strategy has not been updated since 2012 and in that time there have been a number of legislative and operational changes to the way in which procurement activity is carried out within the Council.
- 4.2 The Procurement and Commissioning Strategy has been updated with this in mind, but still covers the major drivers for procurement, such as delivering best value for the Council, increasing community benefits provided from procurement activity, and improving the capacity and ability of suppliers to win tenders. It details how the Council will operate its procurement function over the period 2015-2018, and conforms with the new legislation.
- 4.3 The aim of this Procurement and Commissioning Strategy is to set a clear framework for activity throughout the authority, which reflects the Council's Corporate Plan, Single Outcome Agreement and which complement the Council's constitution and standing orders. The strategy is a formal part of the

Council's constitution being an appendix to Part E Contract Standing Orders. Operational guidance is contained within the Procurement Manual which has also recently been updated. The updated manual can be found on the Council's website and on the Hub.

- 4.4 Effective procurement and commissioning will support the key strategies and goals of the Council and help to deliver the corporate priorities. They will be used as a lever to support the Single Outcome Agreement objectives and the wider council objectives.
- 4.5 The changes in the procurement regime within the Council have led to more open, fair and transparent methods of supplier and contractor selection being employed, most notably through advertising all contracts on the Public Contracts Scotland website. This does achieve best value for the Council but has caused problems for local businesses who feel their opportunities are being subjected to an onerous level of competition during a period of recession in business generally. The Council will continue to aim to raise standards across the supply base but would prefer to take valuable local suppliers with them on this journey wherever possible.
- 4.6 For example, the increase in threshold for closed tenders from £350k to £500k supports the local supply base to be able to bid for contracts from a smaller competitive market rather than the open market, thus encouraging local suppliers to bid and be successful for works contracts up to the value of £500k. The pre-selected list for closed tenders is chosen by the services based on the suppliers registered to provide works in Argyll and Bute on Public Contracts Scotland
- 4.7 This process will be managed via the vendor rating system which is managed by the Procurement and Commissioning Team. It ensures there is a fair, open and transparent method for pre selecting the list for closed works contracts. Works suppliers have been informed of the system and have an clear understanding of the process. The Scottish Government's Procurement Directorate and Construction Procurement Review Team are supportive of the Vendor Rating System and what we are trying to achieve, in supporting our local supply base to bid, whilst being open, fair and transparent to all our works suppliers

5.0 CONCLUSION

- 5.1 The aim of this report is to make the recommendation for approval of the updated Procurement and Commissioning Strategy.

6.0 IMPLICATIONS

- 6.1 Policy: The Strategy will ensure the Council meets the Scottish Government's Procurement Reform requirements.

- | | | |
|-----|-------------------|--|
| 6.2 | Financial: | None |
| 6.3 | Legal: | Following the Strategy will ensure compliance with Procurement Regulations. |
| 6.4 | HR: | None |
| 6.5 | Equalities: | None |
| 6.6 | Risk: | Following the strategy will ensure risk of challenge to the procurement process and relevant decision making is minimised. |
| 6.7 | Customer Service: | None |

Douglas Hendry
Executive Director of Customer Services
21 July 2015

Policy Lead – Councillor Dick Walsh

For further information please contact Anne MacColl-Smith, Procurement and Commissioning Manager or Judy Orr, Head of Customer and Support Services

ARGYLL AND BUTE COUNCIL



PROCUREMENT STRATEGY

2015-18

Contents

Section	Title	Page Number
1.	Foreword	1
2.	Purpose of the Strategy	2
3.	Procurement Principles	2
4.	Where are we now review of previous activity	3
5.	Our vision, Strategic aims and objectives	4
6.	Key Facts and Figures	4
7.	Future Delivery of Procurement Services	10
8.	Continued and Extended Work streams	11
Appendix 1	Key Performance Indicators	13
Appendix 2	Procurement and Commissioning Strategy Action Plan	15
Appendix 3	Procurement and Commissioning by function	21
Appendix 4	Sustainable Procurement Strategy	31

1. Foreword

- 1.1. The launch of the Council's new Procurement and Commissioning Strategy is a good opportunity to look back at the progress made so far in the Council's procurement journey and also to look ahead to the challenging times which we face. These challenges include demographic changes, increasing service user expectations, environmental and social challenges and the need to deliver significant efficiency savings of between £21.7 and £26 million over the next 5 years.
- 1.2. These challenges can only be met through partnership working – by services working closer together, in particular by Procurement and Commissioning supporting services with their Service Choices programme to deliver their required savings, through better engagement with communities and the supplier market, as well as working with our strategic partners, such as our Community Planning Partners.
- 1.3. In particular the new Health and Social Care Partnership will require our ongoing support to provide procurement and commissioning services to it.
- 1.4. This strategy sets out a framework, which is designed to enable the Council to continue on its journey of change and innovation through:
 - Building capacity and skills within the Council to continue to improve commissioning and procurement activity;
 - Increasing the level of collaboration both internally, between service areas, and externally with other partner organisations;
 - Engaging proactively with key suppliers through contract and supplier relationship management to ensure that we extract maximum value and innovation from our supply base;
 - Focusing our commissioning and procurement activity on delivering improvements for the people and communities in Argyll and Bute;
 - Working cooperatively in everything we do to support SMEs and the third sector.
- 1.5. This procurement strategy has been prepared in response to the changing procurement agenda and the current financial climate. The strategy sets out the procurement aims and goals of the Council for 2015-2018. These aims and goals reflect both national and local policies and priorities.
- 1.6. The strategy is aimed at ensuring the Council procures the goods, services and works it needs in the most economically advantageous manner. This recognises the importance of a procurement strategy towards meeting the Council's statutory duty of best value.
- 1.7. Argyll and Bute Council recognises the value of existing relationships with suppliers and contractors and seeks to build and strengthen those relationships. Local businesses and the third sector play a valuable role in supporting the work of the local authority. The strategy aims to help remove the barriers often faced by smaller organisations with limited resources in bidding for work tendered by the Council. The Procurement and Commissioning Team has provided and will continue to provide support to local organisations, building their capacity to respond to formal procurements through local Meet the Buyer and other training events, and through promotion of the Supplier Development Programme.

2 Purpose of the strategy

- 2.1 The purpose of this Strategy is to set out how the Council will direct its external expenditure on goods, services and works over the next three years.

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 and Single Outcome Agreement.
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 via the Procurement Manual.
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. Suppliers 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. Where a local or national contract is in place for a commodity this will be used in all but exceptional circumstances
9. Suppliers and contractors to the Council are part of the resources of the Council and are not adversaries but partners in the delivery of services for the citizens of Argyll and Bute. The Council will work to encourage continued participation in contracts by high quality suppliers.

4 Where we are now – review of previous activity

- 4.1 Argyll and Bute Council seeks to embed a culture of Commercial Excellence throughout the organisation.
- 4.2 To date, the Council has made good progress in procurement activity in support of key targets set out in the previous 2012 - 2015 strategy including:
- Between 2012-15, procurement activity resulted in significant procurement savings in excess of £8.5m being delivered;
 - The independent Procurement Capability Assessment carried out by Scotland Excel on behalf of the Scottish Government recognises the incremental improvements made by the Council with regard to procurement and commercial capabilities and standards, the Council achieved “Improved Performance” status in the national Procurement Capability Assessment, achieving 63% score in 2013/14 and 72% score in 2014/15. The Scottish average in 2013 was 56%;
 - The development of the capability and capacity of the Council’s Procurement and Commissioning Team to enable a greater focus on strategic procurement and being a trusted commercial partner to service areas. Commodity Strategies are now in place for all Services. Services engage with Procurement and Commissioning and have designated Purchasing Officers to support their procurement activity. This good practice which is evidenced in our PCA score, was highlighted in the Audit Scotland report on “Procurement in Councils” of April 2014. The Report made recommendations for all councils and this strategy seeks to address the recommendations raised by this report;
 - The Council has developed an updated Procurement Manual which is in line with the Scottish Government’s Procurement Journey and Best Practice to ensure that there is a consistently high standard achieved in every procurement process;
 - Successfully supported the delivery of projects that meet the Council’s corporate aims and objectives as identified in our Strategic Plan such as the CHORD and TIF projects, regeneration projects and delivery of Care at home services;
 - Made good progress in responding to the complex national and regional public sector procurement reform agenda. This includes introducing community benefits in all appropriate contracts over £350k which is well below the threshold of £4m set out in The Procurement Reform (Scotland) Act 2014. We have also brought in the vendor rating system for closed works tenders and increased our existing threshold for closed tenders from £350k to £500k to ensure local suppliers are able to bid for these contracts. This is in line with the Construction Review which proposes the use of Quick Quote (closed tenders) should become the norm for works contracts worth less than £500,000;
 - Embedded the Category Management approach to procurement across all Services and facilitated good procurement practice across the Council;

- Provided relevant training and development in line with national competency levels, with 5 staff within the Procurement and Commissioning Team now having gained their MCIPS qualification;
- Upheld the Council's commitment to the Supplier Charter. The Team directs suppliers to the Single Point of Enquiry if they are concerned about the procurement process they were involved in. Between 2012-15 the Single Point of Enquiry dealt with 8 enquiries relating to council procurements;
- Embedded Community Benefits and Sustainability into the tendering process.

5 Our vision, Strategic aims and objectives

5.1 Our vision

To provide best value to the Council from all procurement and commissioning activities;

To embed commercial excellence, by improving commercial decision making throughout the organisation, ensuring that our services always deliver Best Value;

To be recognised as having leading commercial, procurement and commissioning practices and skills delivering outstanding outcomes;

To have the citizens of Argyll and Bute and service users at the heart of what we do.

5.2 Our strategic aims and objectives

We aim to:

1. Provide a value for money procurement service that delivers financial savings
2. Provide a quality service which delivers quality outcomes to the citizens of Argyll and Bute
3. Procure goods, services and works in a lawful and ethical manner which encourages participation, collaboration & sustainable economic growth
4. Continue to improve the Council's procurement performance which will be assessed by Scotland Excel through the Procurement and Commercial Improvement Programme 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

5.3 Our strategy is to:

a. Deliver savings and Best Value

We will do this by:

- Working together with our Partners to identify opportunities and continuing to challenge the status quo;
- Ensuring that all opportunities are thoroughly considered and all implications of change in service areas are fully appraised;

- Increasing our collaboration with other organisations;
- Developing contract plans of future procurement projects to improve our services.

b. Improve procurement processes and policies

We will do this by:

- Introducing regular reporting of procurement performance and compliance;
- Improving contract and supplier relationship management across the Council to ensure that we are getting the most value and innovation from our contractual relationships;
- Reviewing and improving our Purchase to Pay (P2P) processes with due consideration for local and national ICT Strategy requirements, existing budget constraints and the need to ensure best value, whilst reducing purchase to pay costs. The aim is to strengthen controls, increase efficiency and provide useful and up-to-date management information;
- Ensuring that there are standard templates in place for all procurement and contracting documentation and ensure that these are regularly reviewed in line with new legislation and best practice;
- Embedding sustainable procurement as business as usual and incorporating community benefits in all appropriate contracts.
- Supporting local businesses and SMEs through closer working with Economic Development and by making our processes more streamlined and accessible;
- Categorise areas of spend to ensure we get the best balance of quality and price for our purchases;
- Ensure compliance with complex European Union Procurement Legislation, and with Public Contracts (Scotland) Regulations 2012 and the Procurement Reform (Scotland) Act 2014 and associated mandatory guidance;
- Ensure that the Council acts properly and purchases in a sustainable way, so observing its corporate social responsibility;
- Protecting public spending – ensuring tax payers money is spent properly, ensuring integrity and accountability;
- Reducing bureaucracy – making the tender process standard, simple, transparent and ensuring consistency in procurement decision making;
- Ensuring the Council has continuity of supply through supporting a mixed economy of provision and developing markets, particularly local/rural markets, Small and Medium Sized Enterprises (SMEs) and Third Sector organisations;
- Working collaboratively with other public sector organisations;

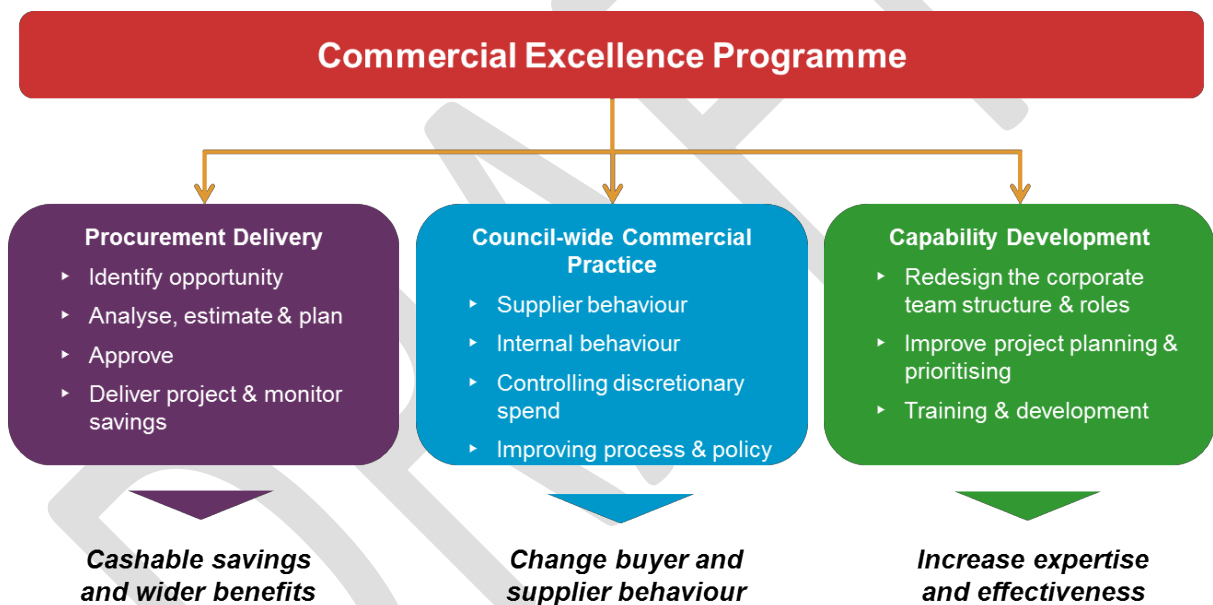
- We will access national contracts and framework agreements where appropriate and arrange local contracts and frameworks where required; and
- We will report on Argyll and Bute Council's progress using the Scottish Government's Best Practice Indicators for procurement.

c. Increase expertise, capacity and effectiveness

We will do this by:

- Developing staff in Procurement and Commissioning through training, secondments and mentoring;
- Developing and professionalising contract and supplier management practices and improving commercial awareness across the Council.

5.4 This can be represented graphically as follows:



5.5 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

Argyll and Bute Council will continue working with our partners to achieve our shared aim of the Single Outcome Agreement – Planning for our future

Building our economy through a growing population .

Investing for economic growth – identifying where investment will lead to growth and attract investment from elsewhere

Strategic investment – focusing on infrastructure needed to support economic growth

Investing for income – looking at how to increase income for the council as well as how to reduce costs

Service choices – making choices about funding services in the future

Communication and involvement – delivering on SOA

As such the Procurement and Commissioning Strategy will cover the above areas.

- 5.6 Appendix 1 sets out key performance indicators by which we will measure the success of the procurement strategy. An action plan to deliver the strategy is attached at Appendix 2.

6. Key Facts and figures

- 6.1. The Council's total spend in 2014/15 was £133 million (Core trade spend extracted from Spikes Cavell). Of this, £126million was deemed to be influenceable spend of which 88% was contracted.
- 6.2. The following table shows the spend broken down by Proclass Level 1, sorted by category with highest total spend:

Table 1: Spend by Proclass Level 1 for 2014/15

Category	Total Spend	Contracted Spend	% Contracted Spend
Social Community Care	£34.40m	£30.45m	97%
Construction	£26.10m	£23.68m	91%
Facilities & Management Services	£16.00m	£15.33m	96%
Environmental Services	£8.59m	£8.17m	95%
Public Transport	£8.08m	£7.02m	87%
Vehicle Management	£5.66m	£4.70m	83%
(blank)	£5.44m	£3.43m	63%
Information Communication Technology	£4.81m	£3.91m	81%
Construction Materials	£4.34m	£3.72m	86%

Category	Total Spend	Contracted Spend	% Contracted Spend
Utilities	£2.91m	£2.86m	98%
Financial Services	£1.94m	£1.45m	75%
Catering	£1.43m	£0.85m	60%
Human Resources	£1.28m	£0.53m	42%
Consultancy	£1.10m	£0.83m	75%
Education	£0.97m	£0.65m	67%
Highway Equipment & Materials	£0.75m	£0.61m	81%
Mail Services	£0.74m	£0.44m	59%
Furniture & Soft Furnishings	£0.60m	£0.42m	71%
Healthcare	£0.60m	£0.32m	54%
No Summary Category	£0.57m	£0.28m	49%
Street & Traffic Management	£0.52m	£0.29m	56%
Housing Management	£0.38m	£0.18m	47%
Arts & Leisure Services	£0.34m	£0.13m	40%
Sports & Playground Equipment & Maintenance	£0.29m	£0.16m	55%
Stationery	£0.24m	£0.21m	56%
Cleaning & Janitorial	£0.24m	£0.15m	62%
Horticultural	£0.23m	£0.01m	4%
Clothing	£2.22m	£0.18m	78%
Legal Services	£0.17m	£0.06m	37%
Health & Safety	£0.16m	£0.09m	54%
Cemetery & Crematorium	£0.09m	£0.05m	63%
Domestic Goods	£0.01m	£0.00m	0%
Total	£126.21m	£111.17m	88%

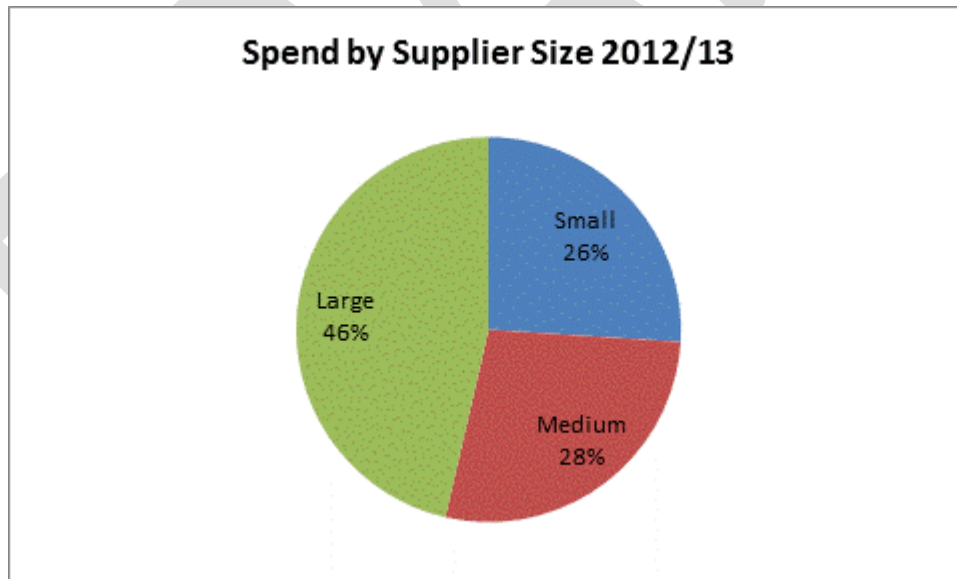
- 6.3. The top 20 suppliers to the Council account for 47% of the Council's total spend. The following table shows the top suppliers and spend for the year 2014/15.

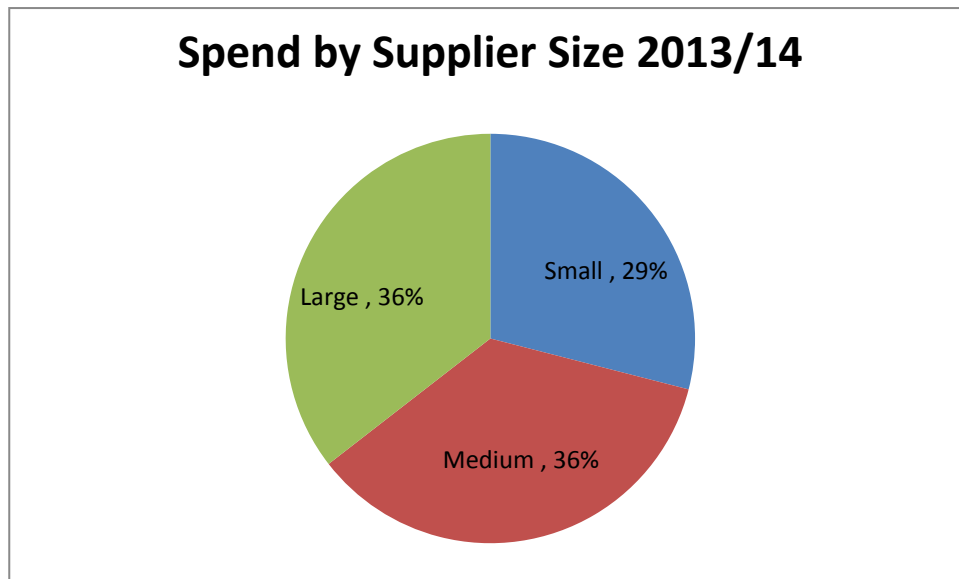
Table 2: Spend with top 20 suppliers:

Supplier Name	Total Spend 14/15
ABC SCHOOLS LTD	£14.40m
SHANKS ARGYLL & BUTE LIMITED TILO	£6.37m
SCOTTISH WATER	£6.12m
GRAHAM CONSTRUCTION	£5.24m
WEST COAST MOTOR SERVICES CO WESBECA	£4.43m
ENABLE SCOTLAND	£3.59m
BAM NUTTALL LTD	£2.55m
MACLAY CIVIL ENGINEERING LTD	£2.48m
CARR-GOMM SCOTLAND	£2.29m
KIELY BROS LTD	£1.76m

Supplier Name	Total Spend 14/15
BREEDON AGGREGATES SCOTLAND LIMITED	£1.75m
MCKENZIE CARE HOMES LTD	£1.73m
HILLHOUSE QUARRY COMPANY LTD HILHITR	£1.61m
OBAN ELECTRICAL SERVICES LTD OBASTOB	£1.57m
MCFADYENS CONTRACTORS (CAMPBELTOWN) LTD	£1.38m
ALLIED HEALTHCARE GROUP LTD	£1.26m
MACLEOD CONSTRUCTION	£1.19m
CROSSREACH	£1.15m
BARR ENVIRONMENTAL BARHEAY	£1.11m
HC-ONE LTD	£1.11m
Total Spend with top 20 suppliers	£63.10m
Total Spend	£132.98m
% spend with top 20 suppliers	47%

6.4. In 2013/14, the Council's spending with SMEs accounted for approximately 64% of total spend – this was an increase of 10% on the previous year. The charts below show the breakdown of spend with Small, Medium and Large companies for 2012/13 and 2013/14.





- 6.5. 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. The templates will be subject to ongoing review as the procurement landscape changes.
- 6.6. 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, and will continue to utilise Public Contracts Tender for all appropriate contracts.
- 6.7. 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. The Team will also publish contract plans in order to let SMEs be aware of potential upcoming tender opportunities.
- 6.8. Working with departments the Procurement and Commissioning Team achieved procurement savings of over £4.6m in 13/14 and just over £2.6m in 2014/15.

Achieving savings will be an ongoing requirement, and seeking savings from contracts an absolute priority in a difficult financial environment.

7. Future Delivery of Procurement and Commissioning Services

- 7.1. Our strategy for 2015/18 is to continue with the key work streams from the last strategy and add in new elements of work for important and emerging procurement activities. The following section provides a summary of the work streams and Appendix 2 details the proposed Action Plan to achieve these.

8. Continued and extended Work Streams

8.1 Continued efforts will be made to improve performance and develop in the following areas:

8.1.1. **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 provide a “Procurement Update” to the Heads of Service quarterly. This report 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 the Procurement Updates to show the respective Heads of Service the progress that is being made within their department.

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.

Integration of Health and Social Care is underway. The Procurement and Commissioning Team (PCT) has an important role to play in delivering local procurement expertise, advice and guidance where required. PCT and health colleagues must share processes, guidance notes etc. Funding has been secured for two additional Performance Improvement Officer posts for a two year period to lead on locality commissioning for the new body. These posts will sit within the PCT and should therefore play a key role in the smooth integration of commissioning services between health and social care.

8.1.2. **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 Review and Development Plans. 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

All team members are permanent members of staff, which recognises the investment made in their training. The team is recognised as being an essential part of the council's support mechanisms to achieve the delivery of best value. This can be evidenced by the fact that the team is not required to make any savings within its own budget as part of the Service Choices programme. Instead its focus is on assisting Services in achieving their savings targets.

The team are qualified, skilled procurement officers, with the manager and senior procurement staff having both legal and MCIPS qualifications. There is a graduate training programme in place which allows all the trainee purchasing officers to gain their MCIPS qualifications. The Performance Improvement Officers in Commissioning have recently gained their Professional Development award in Commissioning, Procuring and Contracting Care Services.

The team will concentrate on contract renewals, capital investments, new requirements and improved contract management. Staff members are developed on an ongoing basis. The team is required to carry out regular training and this is provided in areas such as EU Legislation, sustainable procurement and contract management.

8.1.3. **Increase percentage spend with contracted suppliers**

Why?

Having contracts in place improves value for the council. Prices are lower as there is a firm commitment for predicted values, and transactional costs are lower as sourcing does not have to be done for each individual purchase. A longer term contract allows strategic relationships to be developed and creates opportunities to improve quality or reduce costs in line 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.

8.1.4 **Migrate to use of the Scottish Government's "Procurement Journey" as the default process for all procurements.**

Why?

The Scottish Procurement Directorate has developed 3 "routes" for procurement activities in all public sector bodies. Using these routes 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. The Procurement Journey is the basis for the Council's updated Procurement Manual.

APPENDIX 1: KEY PERFORMANCE INDICATORS

Measure	2011/12	2012/13	2013/14	2014/15	Target for 2015/16
Procurement Capability Assessment Score	40	53	63	72	N/A
Procurement spend with contracted suppliers (%)	80	85	89	88	80
Contracts awarded to local businesses (%)	31	41	37	34	N/A
Contracts awarded to SMEs (%)	-	-	87	85	90
Invoices paid within 30 days (%)	85	90	92	92	90
Local suppliers bidding for business with the Council (% of bids received)	-	-	-	23	38

Procurement Capability Assessment Score

This is a national measure applied to all local authorities in Scotland and refers to an annual Procurement Capability Assessment carried out by Scotland Excel on behalf of the Scottish Government. The assessment covers a range of key areas (for example, procurement strategy, processes, resources, operations and performance) and measures them against a set of common criteria, thus determining where best practice exists, where there are gaps sector wide and where improvements and efficiencies can be made. Argyll and Bute Council's score of 72 in 2014/15 was above target which was 65 and a significant increase on the previous year's score of 63. Each year following the PCA, the team produces an improvement plan which seeks to implement best practice and increase the effectiveness of the Procurement Function.

Procurement Spend with Contracted Suppliers (%)

This measure indicates the level of Council spend covered by a contract. Best practice requires that this figure is as high as possible. Argyll and Bute Council seek to maintain a figure of 80% or greater in order to ensure that the Council is achieving best value and that relationships with suppliers are clearly documented for legal and monitoring purposes. The figure fell slightly in 2014-15 because a number of term contracts came to end, and replacement contracts were not yet in place. In addition, the Council recognises that it is important for you to know where your money goes and in this interest has published its annual spend data via Spotlight on Spend. This information is usually published for the last financial year by October.

Contracts Awarded to SMEs (Small and Medium Enterprises) (%)

This is an Argyll and Bute Council measure showing the percentage of suppliers awarded contracts classed as SMEs. In 2013, 79% of all suppliers awarded public sector contracts through Public Contracts Scotland were SMEs. The council performed well against this benchmark in awarding 85% of its contracts to SMEs. This fell slightly in 2014-15 because of a number of works contracts awarded in 2014-15 to large construction firms.

***Definition of SME:** In the UK, sections 247 and 249 of the Companies Act 1985 define a SME for the purpose of accounting requirements. According to this a small company is one that has a turnover of not more than £5.6 million, a balance sheet total of not more than £2.8 million and not more than 50 employees. A medium-sized company has a turnover of not more than £22.8 million, a balance sheet total of not more than £11.4 million and not more than 250 employees.

Contracts Awarded to Local Businesses (%) and Local Suppliers Bidding for Business with the Council (% of bids received)

The Council monitors the number of contracts awarded to local suppliers and the number of bids received from local suppliers. These figures will vary year to year depending on the types of services that the Council purchases and whether these requirements are able to be delivered by the local supply base. Whilst the percentage of local bids received in 2014/15 was low, local suppliers submitted bids for 74 contracts and were successful in winning 49 of these. This represents a 66% success rate.

The Council is a member of the Supplier Development Programme which provides free advice and training to local SMEs and alongside this, the Procurement Team is continually reviewing its processes to ensure that local SMEs are not at a disadvantage when bidding for contracts, lotting contracts where appropriate into geographical localities and utilising our closed tender process for works contracts up to the value of £350,000.

It has not been possible to reliably benchmark these measures using the figures of other local authorities because the figures are not widely reported and in addition, the uniqueness of the geography in Argyll and Bute would make comparisons difficult.

Invoices Paid within 30 days (%)

This is a national measure for which there is a sector wide target of 90%. The Council currently exceeds the national target and is working to improve this further in 2015-16.

APPENDIX 2: Procurement and Commissioning Strategy Action Plan

The 3 areas covered under this procurement and commissioning action plan are:

1. Develop procurement leadership and governance across the Council
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.

Action 1

Develop Procurement Leadership and Governance across the Council		
Sub Action	Due Date	Assigned to
Update Category Strategies with each department in order to comply with Procurement Reform Act. Report these being updated to Procurement Board by due date	March 2016	Procurement and Commissioning Manager
Agree commodity pipeline with departments ensuring appropriate activity reflected in management adjustments and publish agreed commodity pipeline (contract plans) by due date.	March 2016	Procurement and Commissioning Manager
Further develop relationship with Internal Audit to ensure audit plan has adequate coverage of strategic procurement and key risks/gaps are routinely advised to procurement. Agree audit plan with Internal Audit team by due date	March 2016	Procurement and Commissioning Manager

Action 2

Develop key purchasing systems and processes		
Sub Action	Due Date	Assigned to
Review category blocking on purchasing cards to ensure they are used only on appropriate commodities.	March 2016	Creditors Supervisor / Category Manager Officers
Review processes to further reduce payment times and increase volume of invoices paid within 30 days. Produce report and implement recommendations.	March 2017	Procurement and Commissioning Manager
Consider processes to embed standard coding mechanisms into purchasing systems.	March 2017	Procurement and Commissioning Manager
Amend systems so that line item detail is available thereby increasing the level of management information available.	March 2017	Category Management Officer
Develop a plan for implementation of automated invoice matching.	March 2016	Category Management Officer
Complete the purchase to pay business transformation project across the Council, improving efficiency and standardisation of processes, and maximising use of core systems	March 2017	Procurement and Commissioning Manager / Category Management Officer
Increase the use of electronic ordering and payment systems, with a target of 80% of transactions through such systems.	March 2017	Procurement and Commissioning Manager
Increase the use of e-invoicing by 50%	March 2017	Supplier Liaison Officer
Rationalise suppliers on Pecos system	March 2017	Supplier Liaison Officer

Action 3

Delivery of Local Procurement Action Plan		
Sub Action	Due Date	Assigned to
Hold supplier surgeries to offer advice and guidance on tendering in the public sector to interested suppliers.	March 2016	Procurement and Commissioning Manager
Provide information to suppliers on the Council's approach to e-Tendering.	December 2015	Procurement and Commissioning Manager
Publish contract plans to identify potential contract opportunities, that may be of interest to suppliers	October 2015	Procurement and Commissioning Manager
Publish a contracts register to identify existing contracts, showing contract end dates, that may be of interest to suppliers	March 2016	Procurement and Commissioning Manager
Promote the use of the quick quotes facility in Public Contracts Scotland to give visibility of informal tenders below £50k or £500k if works contracts	December 2015	Procurement and Commissioning Manager

Action 4

Develop Procurement capability across the Council		
Sub Action	Due Date	Assigned to
Develop process to ensure all new Pecos users and new starts complete e- learning modules by due date.	May 2016	Procurement and Commissioning Manager
Provide procurement training sessions for staff members who place orders with suppliers. Report progress to procurement board by due date.	December 2016	Procurement and Commissioning Manager
Communicate Procurement Reform (Scotland) Act 2014 and EU regulation changes to relevant staff across the Council via Procurement Board before the changes come into effect.	March 2016	Procurement and Commissioning Manager
Further develop and deliver corporate training plan in line with national procurement competency framework. Report progress by due date to PB.	March 2016	Procurement and Commissioning Manager / Training Administrator
Conduct a customer and supplier feedback survey and develop an action plan as required. Report to Procurement Board by due date.	March 2016	Procurement Analyst

Action 5

Develop supplier relationship management across the Council		
Sub Action	Due Date	Assigned To
Roll out supplier management across departments, embedding this process as mainstream for contract managers. Update Procurement Board on progress by due date	December 2015	Procurement and Commissioning Manager / Category Managers and Purchasing Officers
Facilitate performance review meetings with established strategic suppliers and report outcomes to Procurement Board by due date	December 2015	Procurement and Commissioning Manager / Category Managers and Purchasing Officers

APPENDIX 3: Procurement Strategy by Function**COMMUNITY SERVICES AND HEALTH AND SOCIAL CARE INTEGRATION PARTNERSHIP**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.) 2014/15
Housing Management - Other	£0.1m
Social Care - Adult - Domiciliary Care	£8.65m
Social Care - Adult - Nursing Homes	£4.05m
Social Care - Adult - Residential Care	£4.51m
Social Care - Children with Disabilities	£10.60m
Social Care - Children - Childcare Services	£1.31m
Social Care - Children - Nurseries & Crèches	£0.07m
Social Care - Other	£2.42m

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 ad-hoc 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 concentrated 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. The Council's continued participation in national care home contract is expected and recommended, discussions are ongoing for SXL to take over the running of the contract from COSLA and this is viewed positively by the Council due to their vast expertise in sector wide market research and negotiation. SXL now have contracts in place for Fostering, Care Homes for Adults with Learning Disabilities and Children's Residential Services – continued use of these is expected. A number of reviews are underway of current locally commissioned services and early procurement involvement in these will be key to ensure that resulting action is compliant with EU Procurement Regulations and the Council's Standing Orders. Integration of Health and Social Care is progressing and will have implications for the strategic direction of social care commissioning.

The Procurement and Commissioning Team will work with the Service to:

- Develop Markets - the current Social Care market conditions present barriers to entry, therefore at sourcing strategy stage further research is required to develop and open the market if possible.
- Commissioning Strategy – a Commissioning Strategy has been developed, work is now required to begin implementation. PCT will work with the service where possible to assist in this.
- Collaboration – opportunities are considered at sourcing strategy stage. Departments explore if it is possible and viable to work with Councils and other public bodies (e.g. Health) to satisfy the contract requirement. Further development is required to increase buying power and achieve best value, whilst also developing capacity within the market.
- Community Benefits – where community benefits are a condition of contract, delivery will be linked to Key Performance Indicators (KPI's) where possible.
- Framework Agreements – continue to be used, ongoing training and promotion to ensure that all call off services are bound by the general and special terms and conditions of the agreement.
- Terms and Conditions – development of special conditions of contract for the procurement of care services, these will follow on from Argyll and Bute Council general conditions of contract and be more specific to the care service being delivered.
- Analysis of Spend – further analysis of spend is required in partnership with service in advance of contract end dates, thereafter an appropriate contract plan can be developed and savings targets agreed.
- Forward Planning – completion of contract plans to identify upcoming requirements and highlight high value/high risk contracts for all departments. Following on, Procurement can allocate sufficient time and prioritise workload based on dictated timescales from EU legislation and the Councils Standing Orders.
- PECOS – promote the use of core product lists on electronic contracts from collaborative contracts lodged within PECOS to achieve maximum savings. Create a communication process to ensure that updates to information on PECOS, new contracts and performance are communicated to the 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 and political interest 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, as budgets are being discussed, to ensure appropriate recommendations are 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.

It is also important that more predictable procurement requirements can be flagged early to the Procurement and Commissioning Team and built into the work plan.

The team will continue to provide procurement support advice and assistance to the new Health and Social Care Integration Partnership in order to ensure that the Partnership is receiving Best value quality services from its suppliers.

Contract and supplier management

The Council operates a standard contract and supplier management procedure, this procedure outlines the process and activities to be used in determining the most appropriate level of management for each contract that the Council handles. This process takes steps to ensure that each contract is successfully executed and monitored in line with the contract terms and conditions, service specification and Key Performance Indicators.

The level of contract and supplier management required will be identified at sourcing strategy stage following an assessment of the nature of the procurement. Existing care service contracts have been reviewed retrospectively to determine the most appropriate level of management. Generally speaking care contracts are managed in line with the high level management – where the failure of 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 Procurement and Commissioning Team have developed the Care Service Monitoring Tool to ingather information on ongoing contract compliance and performance. Procurement and Commissioning will continue to work with the service to embed this process into operational activities and ensure maximum benefits are realised from the contract.

Education Purchasing Team

Following a pilot, it has now been agreed to put in place an education purchasing team which will ensure that best value is obtained for all educational purchases. The intention is to amend the DMR scheme to clarify that schools will be expected to refer all their requirements through this team who will then source them in the most cost-effective way.

Short term strategy

- Comply fully with Guidance for Procurement of care and support services issued under Scottish Procurement Policy Note SPPN 8/2010
- Continue with contract and supplier management meetings with key suppliers.
- Improve communication of contract updates by developing and promoting user guides.
- Further explore possibilities to work collaboratively on contracts at sourcing strategy stage.
- Deliver procurement training.
- Improve P2P statistics and processes.
- Maximise P2P processes to deliver compliance and ensure a high level of

matched invoices.

- Put a contract plan in place for the service to inform contract priorities and publish this on PCS.

Longer term Strategy

- Expand the contract and supplier management process to all providers that Community Services contract with.
- Utilise the contract plan to ensure contract delivery timescales are achieved.
- Maximise the use of collaborative contracts to deliver efficiencies in revenue and processes.

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.) 2014/15
Vehicle Mgmt - Commercial	£1.99m
Vehicle Mgmt - Heavy Construction Equipment	£2.02m
Environmental - Waste Mgmt - Waste Disposal	£7.53m
Construction - Other	£13.06m
Construction Materials - General Materials	£3.70m
Highways - Rock Salt	£0.05m

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.

Structural and cultural change

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.

Contract and supplier management

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.

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
- 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.
- 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
- Support the full move to the public contracts Scotland website and Public Contracts Scotland Tender website for appropriate contracts to support efficiency and transparency of process for SME's in particular.
- Maximise P2P processes to deliver compliance and ensure a high level of matched invoices.
- Put a contract plan in place for the service to inform contract priorities and publish this on PCS.

Longer 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.

It is planned to utilise Ayrshire Council's electronic Framework in 2017. This would cover a lot of the Council's D&I requirements and potentially significantly simplify procurement and purchasing processes. Such time/effort efficiencies would be achievable due to innovative software used to call off individual job packages.

Within the next two years prior to using the above framework Procurement is to create appropriate local frameworks or utilise collaborative frameworks in order to:

1. Reduce Non Competitive Awards (NCA's)
2. Collaborate spend and achieve greater savings
3. Enhance demand management by structuring supply

With regards to current level of NCA's, Procurement is currently looking into ways of reducing noncompetitive sourcing and a preliminary report was submitted to Head of Roads and Amenities.

With regards to Waste Management, change in legislation by 2020 will bring new requirements for the Council within the next two years (construction of new processing, sorting facilities on the islands, covering landfill sites etc) to be confirmed by the department.

Also it is planned to increase internal quotations and insourcing for D&I and Property (subject to competitiveness of quotes) in order to retain funds within the Council in the face of financial challenges. Such exercises will be done using "make or buy" comparisons with the going market rates.

CUSTOMER SERVICES and CHIEF EXECUTIVE'S UNIT

The Chief Executive's Unit has few areas of spend, none of which are significant therefore no separate strategy has been provided for this unit and their spend processes will be dealt with along with Customer Services' spend.

Scope/Key Spend Areas

Key Spends	Spend Value (approx) 2014/15
Catering - Food & Beverages - Other	£1.14m
Financial Services – Insurance	£1.38m
Construction - Buildings - Other	£4.86m
Facilities & Management Services – Other (ABC Schools)	£14.45m
ICT - Software - Commercial Off The Shelf	£1.77m
ICT - Telecoms - Fixed	£0.50m
Public Transport - Passenger Transport	£6.76m
Utilities - Electricity	£0.74m
Utilities – Heating Oil	£1.71m
Utilities - Water	£6.13m

High Level Strategy

The service utilises several collaborative contract arrangements with Scotland Excel, Scottish Procurement and the Crown Commercial Service for a variety of commodities (e.g., groceries, frozen food, catering sundries, utilities, Educational Resources, IT hardware, software and services). 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 is part of the Pathfinder North Partnership for telecoms wide area network services.

Structural and cultural change

The Procurement and Commissioning Team has 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 contract 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 is fully aware of the Council's approved tender processes.

The Procurement and Commissioning Team will work with the Services 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
- Fully implement Vendor Rating System
- Standardise both contract and supplier management processes.
- Facilitate standardisation of process between Kilmory and Dunoon Property Teams in relation to procurement
- Support the full move to the public contracts Scotland website and Public Contracts Scotland Tender website for appropriate contracts to support efficiency and transparency of process for SME's in particular.
- Review new transport contracts.
- Maximise purchase to pay processes to deliver compliance and ensure a high level of matched invoices.
- Put a contract plan in place for the service to inform contract priorities and publish this on PCS

Longer term Strategy

- Expand the contract and supplier management process.
- Utilisation of the work plan to ensure contract delivery timescales support best value.

General Maintenance Term Contracts:

The Procurement Team recently worked with Property Services to introduce 9 new General Maintenance Term Contracts – each covering a separate geographical area, with a single contractor for each area. Separating Argyll into geographical areas has encouraged SMEs to submit tenders, whilst ensuring that the main contractor sub-contract any types of works not covered by their own expertise, has encouraged the main contractors to sub-contract to SMEs. These contracts have internal process benefits, through having a single point of contact for each geographical area.

Statutory Maintenance Term Contracts:

The Procurement Team are currently working with Property Services to introduce new Term Contracts to cover the Council's statutory requirements in relation to property maintenance. This is an ongoing process with separate unique contracts and specialist suppliers involved. Collaborative frameworks will be utilised where possible.

Catering Contracts:

Recent Catering Contracts which the Procurement Team has been working on with Catering Services have had an enhanced focus on encouraging participation by SMEs. This increased level of involvement has been encouraged through emails, letters and a supplier forum event. It is hoped that through this new direction, there will be an increased level of community benefits available through any future Catering Contracts carried out by the Council.

Currently there is a process in place to upgrade our Purchasing Cards system to enable more schools to use the cards. This would bring feasible benefits in terms of order processing efficiency and money rebates from the bank.

School and Local Transport Services

Traditionally the market for school and local transport within Argyll and Bute is not competitive with a few exceptions such as Helensburgh. In practical terms this means that there is not much incentive to break bigger contracts into smaller lots to allow for competition. However we will try to extend competition to more business areas such as Lorne and Mid-Argyll.

APPENDIX 4: 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

“Argyll and Bute Council is one of the area’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. As a Council we are committed to sustainable procurement, and our procurement activities are not solely based on the economic factors, but aim to achieve the best value based on the whole life cost, the associated risks, measures of success and implications for society and the environment”

**Chief Executive
Sally Loudon**

1. Introduction

- 1.1 In recent years, 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. 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 which can be found at: <http://www.scotland.gov.uk/Topics/Government/Procurement/policy/corporate-responsibility/sspap>. Sustainability is not simply a choice:
- 1.5 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 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.

1.7 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.

1.8 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 set out the principles to guide decisions and achieve rational outcomes to assist the Council in:

- minimising demand for resources by reducing purchases and using resource-efficient products;
- minimising any negative impacts of goods, works or services across their life cycle and through the supply chain. These can include impacts on health, air quality, and the environment as examples;
- ensuring that fair contract prices and terms are applied and respected and that minimum ethical, human rights and employment standards are met; and
- providing opportunities for local businesses, small and medium businesses, voluntary sector organisations and also supporting jobs, diversity, training and skills development.

2.2 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.

2.3 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.

2.4 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.

2.5 Adoption of this policy shall contribute to the Council's Best Value obligations, towards the Procurement & Commercial Improvement Programme (PCIP), Best Practice Indicators (BPIs) and towards Climate Change targets [the national carbon reduction target is 42% by 2020].

2.6 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's Sustainable Procurement Policy will give guidance and direction, whilst remaining flexible to change as the Council continues to embed sustainability into the procurement process. This will be achieved by a focus on the following priorities:

1. 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.

2. 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.
3. Considering a basic life cycle analysis of products to minimise the adverse effects on the environment resulting directly or indirectly from products; and supporting the move towards a circular economy within Scotland.
4. Complying with all UK and EU statutory regulations and legislation and ensuring our suppliers do the same.
5. Maximising the socio-economic and environmental benefits of locally sourcing goods and services, within the limits imposed by procurement legislation.
6. Making use of Community Benefits and Sub-Contracting Clauses where appropriate.
7. Training all procurement staff on sustainability considerations within the Policy.
8. Appointing a Council Representative within the National Community Benefit Champions Network.
9. Appointing a Council Representative for Argyll and Bute Fair trade, we will continue to promote fair trade options as a means of helping excluded and disadvantaged producers, including independent small farmers, to access international markets and receive a fair price for their products.
10. Appointing a Sustainable Procurement Champion within the Council.
11. Continuing to promote the Reserved Contract Framework and awarding a minimum of two contracts through this Framework.
12. Ensuring that all suppliers and contractors support the welfare and rights of their employees and subsidiary companies.

13. Continuing to consult and work jointly with Third Sector agencies.
14. Continuing to provide funding for Third Sector activities.
15. Continuing to publicise our commitment and successes in Sustainable Procurement.
16. Engaging with our suppliers and stakeholders to remove barriers to participation in procurement and maximise impact of sustainable opportunities.
17. Maximise the value from contracts via supplier relationship management and continuous improvement projects to measure and report both financial and non financial savings and benefits achieved. We will undertake to complete Equality Impact Assessments as part of the sourcing strategy to the proposed procurement if relevant to the scope of the contract.
18. We will continue to consider diversity issue i.e. accessibility needs, religious needs, differing diets etc.
19. We will continue lotting contracts to ensure that Small and Medium size companies are encouraged to bid for our contracts and ensure that tender documents are proportional to the requirement to remove unnecessary obstacles.
20. We will continue encouraging local suppliers to bid for our contracts by taking part in Supplier Development Programme and provide assistance with tender process through Business Gateway.
21. We will engage with our suppliers and stakeholders to maximise impact of sustainable opportunities.
22. We will continue minimising environmental damage and/or energy efficiency of procured goods/services/works.
23. We will continue detailing plan for minimising negative impact of procured goods/services/works on biodiversity.
24. We will ensure that what we intend to purchase is necessary and that there is a business case for doing so. Specifying our requirements so as to meet the needs of users and to avoid purchasing more than is needed.
25. We will increase use of recycled paper within our Council's offices

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. This Policy also supports a wide variety of previously established corporate policies and priorities, principally:
 - Objective 3 of the Argyll and Bute Council Procurement Strategy. This Policy underpins the requirements to meet the outcomes of this Objective;

- The Council's Procurement Manual and Community Benefits Guide;
 - The Council's Carbon Management Plan (2011) sets out targets and objectives to address carbon emissions across the activities of; energy use in buildings, waste, fleet, street-lighting and business mileage.;
 - The Argyll and Bute Council Corporate Plan for 2015-2017 in key strategic objective – Making Argyll and Bute a place people choose to live:
 - We contribute to our Sustainable Environment
 - We make the best use of built and natural environment
 - The Single Outcome Agreement for Argyll and Bute which illustrates how partners will work towards objectives that cut across organisations in relation to employment, learning, health and care, community safety, economic development, transport and the environment;
 - The Suppliers' Charter - a joint statement between public sector buying organisations and Scottish businesses to agree to work together to improve public sector procurement processes and dialogue.
- 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. This SSPAP provides generic guidance about sustainable procurement in a 10 step approach;
1. Commitment within the organisation;
 2. Making the commitment public;
 3. Organisational buy-in;
 4. Benchmarking and progression;
 5. Prioritising;
 6. Specifying sustainably;
 7. Sustainability in the procurement process;
 8. Working with suppliers;
 9. Measuring performance; and
 10. Publicising your successes.
- 4.3.** To support the national adoption and uptake of the SSPAP, the Flexible Framework was also developed by the Government's Sustainable Procurement Task Force in 2006 and is inherent to the delivery of each stage of the 10 step approach. The Framework enables public sector organizations to self-assess their sustainable procurement practices and develop a tailored delivery plan in line with the SSPAP. Argyll and Bute Council will use the 'Flexible Framework Self Assessment', with consideration of the size of Argyll and Bute Council, and will ensure that it improves on a year by year basis in the following areas:-
- People
 - Policy
 - Strategy & Communications
 - Procurement Process
 - Engaging Suppliers
 - Measurements & Results

- 4.4.** Implementation of this policy is also supported by the legal framework of:
- The Public Contracts Scotland (Regulations) 2012 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.
 - The forthcoming Procurement Reform (Scotland) Act 2014 to be introduced by April 2016 includes a requirement to consider the inclusion of community benefits.
- 4.5.** To ensure the successful implementation of this policy, all procurement staff should receive training to include relevant resource and best practice guidance.
- 4.6.** Sustainable Procurement has been embedded within the Council's Procurement Manual V8.0.
- 4.7.** Delivery of the commitments made in this policy shall be supported through the implementation of the Council's Sustainable Procurement Action Plan and the Council's Sustainable Procurement – Delivery Plan for 2016-2018. Progress against the targets shall be reported on an annual basis.

For Further information please contact:

**Elaine Appleby, Sustainability Lead Officer, Procurement and Commissioning Team –
Elaine.appleby@argyll-bute.gov.uk**

ARGYLL AND BUTE COUNCIL**Policy and Resources Committee****CUSTOMER SERVICES****20 AUGUST 2015**

Corporate Improvement Strategy

1.0 EXECUTIVE SUMMARY

The purpose of this report is to present to the Policy and Resources Committee a draft Corporate Improvement Strategy for approval. The proposed Corporate Improvement Strategy supports the delivery of the Council's duty to provide Best Value as defined in the Local Government in Scotland Act 2003, and specifically aligns to the following key outcomes set out in the corporate plan:

- Our culture structure and systems make our Council a high performing and improving organisation that people choose to work for
- We provide excellent communications, customer service, consultation and engagement
- We continually look at how we can improve and deliver quality services

ARGYLL AND BUTE COUNCIL

Policy and Resources Committee

CUSTOMER SERVICES

20 AUGUST 2015

CORPORATE IMPROVEMENT STRATEGY

2.0 INTRODUCTION

The purpose of this report is to present to the Policy and Resources Committee a draft Corporate Improvement Strategy for consideration and approval.

3.0 RECOMMENDATIONS

It is recommended that the Policy and Resources Committee:

- Note the content of this report and approve the draft Corporate Improvement Strategy outlined at appendix one.

4.0 DETAIL

The Council has a requirement under the Local Government Scotland Act 2003 to provide best value and demonstrate a commitment to continuous improvement, as well as to report honestly and transparently on performance and achievements. In order to improve as an organisation our services, teams and individuals must demonstrate continuous improvement.

Improvement planning already forms part of the planning activity within the Council and services use a variety of sources, including customer feedback, performance information and self-assessment to inform their service planning.

The draft Corporate Improvement Strategy has been informed by existing corporate improvement work and the progress the Council has made in implementing the corporate improvement programme. It brings together the toolbox of improvement activities available to services and proposes the development of a framework that will provide a consistent approach to service improvement and allow senior management and elected members to develop a corporate overview on improvement across the Council, instilling rigour in the improvement planning process.

The key focus over the life of the Corporate Improvement Strategy will be:

- To enrich performance data to ensure a good range and balance of information that allows improved scrutiny at a strategic level
- To develop a framework and programme of self-assessment activity that underpins the improvement planning process and presents the senior management team with an opportunity to develop a corporate overview which can inform corporate improvement plans
- Development of an improvement toolkit
- Development of engagement and consultation activity

5.0 CONCLUSION

In conclusion this report has outlined a draft Corporate Improvement Strategy for approval. The strategy has been informed by previous improvement work and sets out the proposed corporate approach to improvement going forward.

6.0 IMPLICATIONS

- 6.1 Policy – This Corporate Improvement Strategy supports delivery of key outcomes identified in the Corporate Plan.
- 6.2 Financial – None directly although improvement activity will continue to identify efficiencies through business improvement
- 6.3 Legal – The Corporate Improvement Strategy supports delivery of Best Value which is a duty of the Council under the Local Government in Scotland Act 2003
- 6.4 HR – None
- 6.5 Equalities - None (Rapid EQIA has been completed)
- 6.6 Risk – This strategy mitigates the risk that the Council fails to comply with the statutory duty to provide best value as described in the Local Government in Scotland Act 2003
- 6.7 Customer Service – Service improvement planning activities will include customer results

Executive Director of Customer Services
Policy Lead Councillor Dick Walsh
15/07/2015

For further information contact: Carolyn McAlpine, Improvement Manager
01546 60 4021

Appendices: Appendix One- Draft Improvement Strategy

This page is intentionally left blank

Argyll and Bute Council Corporate Improvement Strategy 2015 – 2017

***Making Argyll and Bute a place people choose
to live, learn, work and do business.***

Making it Happen

Author: Improvement and HR
Department: Customer Services
Version: 2.3
Approved by:
Date:



Argyll and Bute Council

Corporate Improvement Strategy

FOREWORD – Dick Walsh and Sally Loudon

We are pleased to introduce the Council's Corporate Improvement Strategy for 2015-17. The Council remains committed to making Argyll and Bute a place people choose to live, learn, work and do business. The services we deliver are vital to doing this and our corporate plan makes it clear that we aim to be a high performing council and will continually look at how we can improve and deliver quality services. This strategy sets out how we will achieve these outcomes.

Our success so far has been rooted in the motivated staff that deliver our services. This strategy is based on engaging and involving our staff, customers and partners in the Council's Corporate Improvement journey in order to ensure that we continue to deliver efficient and effective outcome focussed services.

This strategy confirms the Council's commitment to continuous Corporate Improvement and outlines the toolbox of quality, planning and performance activities that will help our services to scrutinise what we do and improve in a smart, flexible and efficient way balancing Corporate Improvement activity with front line service delivery.

1.0 Introduction

1.1 The Corporate Improvement Strategy supports the delivery of the Council's priorities contained within the Corporate Plan 2015-2017.

1.2 The period of this Corporate Improvement Strategy will be one of significant organisational change as the Council manages the impact of public sector reform. The Council's corporate plan has set clear priorities and identified key organisational enablers that will drive services to deliver better outcomes for Argyll and Bute and inform decision making in planning our future.

1.3 The Corporate Improvement Strategy supports other corporate strategies including Finance and Asset Management, Customer Service, Information management and the HR and OD strategy, in delivering the Council's strategic objectives.

1.4 There are five main categories of improvement activity identified in this Corporate Improvement Strategy. Each activity is designed to ensure that services are focussed on the delivery of the Council's corporate priorities, and are challenged against rigorous standards and frameworks to improve performance.

1.5 Making it Happen

1.6 The Corporate Improvement Strategy is an enabling corporate strategy and sets out the approach to delivering coordinated programmes of performance and improvement activity directed at Council services. Understanding the performance and impact of services and their capacity to improve is critical for the Council and our customers. A range of data and intelligence from performance and improvement activity can be used to inform future planning, prioritisation and decision making and help ensure that there is continued investment in those services that contribute to positive outcomes. The underlying purpose of this strategy is to have a meaningful positive impact on front line services. The key to this is in striking an appropriate balance between improvement activity and front line service delivery.

1.7 Context

1.8 The predominant influence on the Corporate Improvement Strategy is the Local Government in Scotland Act 2003. This defines Best Value as the balance between cost and quality and introduces the commitment to continuous improvement and reporting honestly and transparently on performance and achievement.

1.9 This requires a clear planning and performance management framework, strong quality improvement arrangements and a robust internal challenge and scrutiny process for officers and elected members.

1.10 Strategy Development

1.11 Argyll and Bute Council has a good track record of improvement activity. Previous corporate improvement plans have informed the development of this Corporate Improvement which sets out our corporate approach to improvement. The strategy links to the successful delivery of the following key corporate outcomes:

- Our culture, structure and systems make our Council a high performing and improving organisation that people choose to work for
- We provide excellent communications, customer service, consultation and engagement
- We continually look at how we can improve and deliver quality services

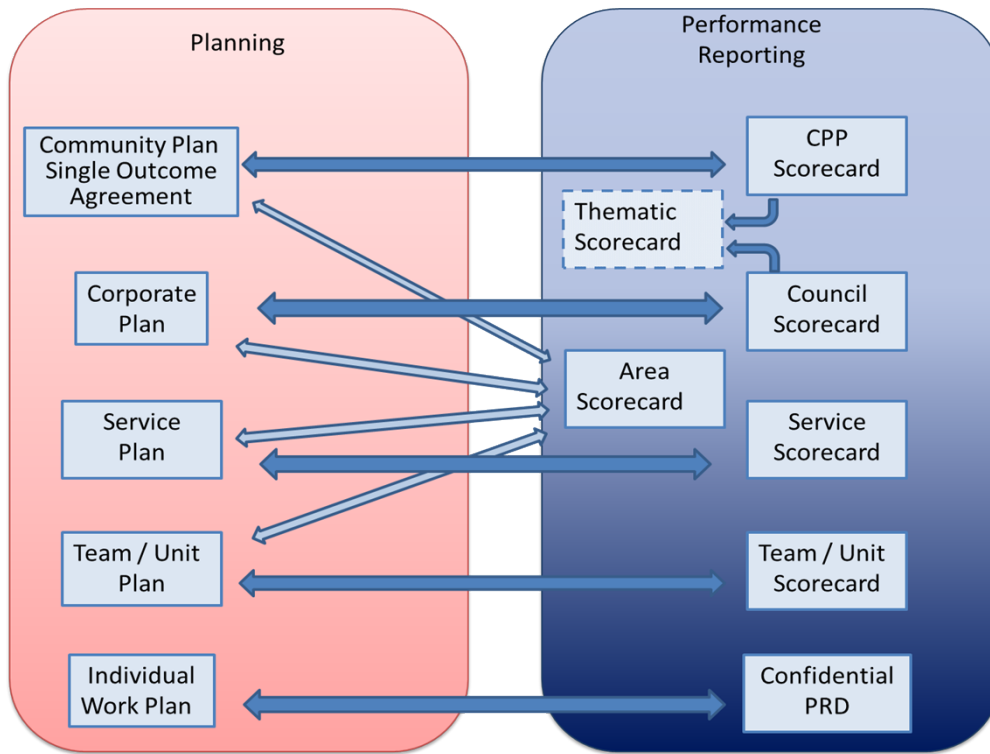
1.2 The Council’s approach to improvement is based on 5 main categories of improvement activity, underpinned by the development of a business improvement toolkit.



2.0 Planning and Performance Management

2.1 Planning is a fundamental requirement for any organisation that aims to achieve its outcomes within allocated resources. The council’s planning and performance management framework sets out the structure for planning, performance reporting and scrutiny. Management information from performance and improvement processes inform our planning processes.

2.2 Performance management is the activity of tracking performance against targets and identifying opportunities for improvement. The Council’s performance management system, Pyramid, presents balanced scorecards relating to each of our key plans and allows performance to be scrutinised at all levels.



2.3 In the next two years there will be a particular focus on enriching the performance data used by services to ensure there is a good range and balance of information that allows improved scrutiny of performance at a strategic level.

Categories of Performance Indicators	
Public Performance Reporting	
A wide range of information to fulfil the council's statutory duty.	
High Level Impact indicators	
Key indicators linked to outcomes and activities that are reported to senior officers and elected members allowing high level scrutiny to determine whether our strategies and plans are delivering on our corporate and community outcomes.	
Service Level Performance Indicators	
Indicators of local service performance linked to plans, key processes and activities that are reported within the service	
Management Indicators	
Indicators that provide management information for use in the service to plan or forecast provision	

3.0 Scrutiny

3.1 Scrutiny is an essential part of ensuring the Council remains effective and accountable and its overall aim is to support improvement in the quality of our services. Scrutiny ensures that decision-making processes are clear and accessible to the public and that the people taking decisions are held accountable for those decisions

3.2 External Scrutiny

3.3 The Council is subject to external scrutiny in the form of audits and inspection activities. The recommendations from any external audits and inspections will inform planning and improvement.

3.4 Internal Scrutiny

3.5 Performance against our targets is scrutinised by senior management and elected members using our balanced scorecards as outlined above. The impact of our plans, strategies and polices on our key strategic outcomes will continue to be scrutinised

and reviewed by our strategic committees and overall by our performance review and scrutiny committee (PRSC). The role of the PRSC is to support our departments in maintaining high service delivery standards, and to steer them towards improved efficiency and effectiveness. Feedback and recommendations from scrutiny reviews informs service improvement planning.

4.0 Self-Assessment

4.1 Self-Assessment uses a set of criteria to evaluate if an organisation (council/service) is achieving what it should be and if not, to identify what needs to be changed or improved. The Council has three key recognised programmes of self-assessment, one that is used for schools within Education (How Good is our School), one in Social Work (Social Work Improvement Model) and one for all other services (Public Service Improvement Framework).

4.2 Self-Assessment provides a consistent framework for assessing performance and practice across the broad spectrum of council services. It uses a rigorous framework of statements, taken from good practice standards and models, and helps to develop self-awareness within services regarding their capability to respond to change and achieve long term outcomes and targets.

4.3 Self-assessment can form the basis for strategic challenge of service performance which can help support proportionate internal scrutiny activity based on a clear understanding of current performance and the capacity to improve. The focus over the next two years will be to develop a programme of self-assessment and a framework for self-assessment activity to be scrutinised which engages senior officers in the improvement planning and performance process and instils rigour in self-assessment activity.

5.0 Consultation and Engagement

5.1 The Council engages with customers, staff, partners and stakeholders around service delivery. Satisfaction levels and feedback from consultation activity help us to identify service improvement opportunities. This includes using feedback from any complaints received to improve services where appropriate.

5.2 Consultation and engagement is essential to ensure that services continually develop and adapt to the changing needs of our customers. The Council uses the Customer Service Charter to ensure our approach to customer service is consistent and externally validated. This is a robust national standard that ensures our services are responsive to the needs of our customers.

5.3 The Customer Service Charter has identified five key drivers of satisfaction which are:

- ✓ Delivery
- ✓ Timeliness
- ✓ Information
- ✓ Professionalism
- ✓ Attitude

5.4 Over the next two years there will be focus on developing guidance and tools to support services when consulting and engaging with customers to ensure our services are designed and delivered to reflect customer needs. We will also investigate methods and approaches that support the involvement of citizens in the development and review of our services.

6.0 Benchmarking

6.1 The Council's performance management system, Pyramid, provides information used in service and improvement planning. The Local Government Benchmarking Framework allows for benchmarking with other Local Authorities on a range of key performance indicators. Individual services also participate in benchmarking through bodies such as CIPfA, APSE, SOCITM etc. This allows shared learning around good practice to feed into our improvement planning. The Council will continue to promote corporate and service engagement in benchmarking activities that will challenge the performance of services.

7.0 Business Improvement Toolkit

7.1 The activities outlined above set out the Council's approach to identifying and prioritising areas for improvement. The Improvement team will continue to develop a toolkit of approaches which can be used to support services in planning and implementing improvements including:

- Process Improvement- BPR,
- Team development- Aston Team Diagnostic
- Implementing successful change- Change Management Toolkit

8.0 Measuring Performance

8.1 The following performance indicators will be measured to determine the impact of the Corporate Improvement. Some of these indicators are new measures, or are currently awaiting final confirmed figures for 2014/15. Targets will therefore be confirmed following identification of a benchmark figure.

Outcome	Performance Indicator	2014/15 Performance	2017 Target	Responsible Officer
Our culture, structure and systems make our Council a high performing and improving organisation that people choose to work for	Average Ranking of Argyll and Bute Council in LGBF	TBC (2013-14 performance was 19)	17	Improvement Manager/ Heads of Service
	% compliance with Audit Scotland's assessment of Public Performance Information	67% (proposed figure awaiting confirmation)	69%	Improvement Manager
We continually strive to improve and deliver quality services	% of Services completing self-assessments within agreed programme timescales (TBA)	New Indicator	100%	Improvement Manager/ Head of Service
	Actual Score and Trend of Services Completing Self-Assessment	New Indicator	TBC	Improvement Manager/ Heads of Service
We provide excellent communications,	% Overall Customer	85%	88%	Improvement Manager/

customer service, consultation and engagement	Satisfaction score- Council scorecard			Heads of Service
---	---------------------------------------	--	--	------------------

Corporate Improvement Strategy Action Plan						
Reference	Topic	Outcome	Actions	Timeline	Responsible Person	Status
IA1.0	Planning and Performance Management	Embed robust performance management approaches throughout all Council Services	Develop learning and guidance materials to support services with planning and performance management. This will include detail around what makes a good indicator	March 16	Improvement Manager	
IA1.1		Refine and rationalise the performance indicators used by services, departments and the Council	Support teams and services to identify the key performance indicators for the impact they make on the outcomes in their service plans and amend these through service planning	March 16	Improvement Manager	
IA2.0	Scrutiny	A common understanding of the role and function of scrutiny with the Council for officers and Elected Members	Deliver scrutiny development session for PRS committee and relevant council officers	Sept 15	Improvement Manager	Session booked for 7 August.
IA2.1			Develop a scrutiny handbook that outlines the Council's approach to scrutiny including the requirement for high level indicators to be identified to monitor the impact of all corporate strategies and plans	March 16	Improvement Manager	
IA3.0	Self-Assessment	Self-assessment activity supports strategic scrutiny of services by senior managers	Develop a framework and programme of self-assessment and scrutiny activity to support improvement planning	March 16	Improvement Manager	

			(PSIF)			
IA4.0	Consultation and Engagement	Customers are involved in shaping improvements in service design and delivery	Develop and implement a toolkit and guidance for consultation and engagement with customers	March 16	Communications Manager	
IA4.1			Review best practice in terms of engagement activities with a focus on those that involve citizens in the inspection and review of Council services. Develop proposals for implementation within Argyll and Bute.	March 2016	Improvement Manager and Communications Manager	
IA5.0	Benchmarking	Enhance performance management through increased use of benchmarking. Provide our customers, managers and elected members with meaningful comparative information	Develop benchmarking activity including the utilisation and analysis of LGBF	March 16	Improvement Manager	Benchmarking work is currently ongoing with the Improvement Service
IA6.0	Business Improvement	Services have access to a toolkit which supports the identification and implementation of improvements	Develop Improvement Toolkit	March 16	Improvement Manager	

ARGYLL AND BUTE COUNCIL

**POLICY AND RESOURCES
COMMITTEE**

CUSTOMER SERVICES

20 AUGUST 2015

**PLANNING OUR FUTURE – SERVICE CHOICES
VOLUNTARY SEVERANCE**

1.0 EXECUTIVE SUMMARY

This report sets out proposals to invite expressions of interests from employees for voluntary redundancy. This is an important element of managing the reduction in Council posts as a result of Service Choices as effectively as possible in line with the Council's Redundancy Policy, which seeks to achieve post reductions through voluntary means as far as possible.

The report sets out the proposed approach and timeline and highlights the policy position that underpins the proposal.

The recommendation is that the Policy and Resources Committee note the management proposal to proceed with this approach.

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES
COMMITTEE

CUSTOMER SERVICES

20 AUGUST 2015

PLANNING OUR FUTURE – SERVICE CHOICES

VOLUNTARY REDUNDANCY

2.0 INTRODUCTION

- 2.1 As the council continues in its change programme to deliver the Single Outcome Agreement, Heads of Service are currently in the process of working on Stage 3 options development/business planning for Service Choices.
- 2.2 The proposals will inevitably lead to a reduction in the number of employees the council is required to employ.
- 2.3 The Council has a Redundancy Policy which states the Council is committed to achieving reductions in staff on a voluntary basis wherever possible and compulsory redundancies are the last option that the Council would wish to undertake as a means of reducing employee numbers. This has previously been managed through inviting expressions of interest for voluntary redundancy and then matching employees who are at risk of redundancy with posts vacated by volunteers.
- 2.4 This paper proposes that management now move to inviting expressions of interest from employees in voluntary redundancy.

3.0 RECOMMENDATIONS

- 3.1. Agree that management proceed to invite expressions of interest in voluntary redundancy from employees starting in late August 2015.
- 3.2. Agree to exclude Teachers and SSSC registered Social Care staff from the process.
- 3.3. Note that employees will be made aware that an expression of interest in voluntary redundancy does not mean that it will be granted.
- 3.4. Acknowledge that additional staff resource will be required within HR to manage the process, and note that this requirement is outlined in a separate report.

- 3.5. Note that there will inevitably be staff reductions in order to achieve the savings requirements over the next five years and the Council will need to consider making an allowance for the cost of severance, which could be significant.

4.0 DETAIL

- 4.1 It is anticipated that the council will require to reduce its budget by between £21.7m - £26.0 m over 5 years with a an anticipated reduction in the next 2 years of between £15.7 and £18.4m
- 4.2 Inevitably jobs will be affected and given the Council's Redundancy policy gives a commitment to avoid compulsory redundancies as far as possible, it is recommended that a letter is sent to council employees asking them to express an interest in voluntary redundancy.
- 4.3 The Council undertook a similar exercise in 2010 and it elicited over 900 responses, which resulted in a considerable workload for the Modernisation Team, which was specially set up within HR to deal specifically with the Service Review process.
- 4.4 At that time employees were advised that they were not committing themselves to accepting voluntary redundancy should it be offered to them. It was also made clear that if they expressed an interest, they would not necessarily be granted redundancy.
- 4.5. In 2010 it is estimated that about half the respondents to the trawl had a genuine interest in VR and would accept an offer if one was made.
- 4.6. It will again be emphasised to employees that an expression of interest will not guarantee being allowed to go. In order to reduce as much as possible speculative interest and additional workload, employees will be advised that their expression of interest will be viewed as being serious in terms of accepting a Voluntary Redundancy package, should the Council be able to offer one. Guidance is available to all employees on the Hub on how to calculate the approximate value of their redundancy package. As an additional support we can include guidance on calculating redundancy figures in the letter to employees.
- 4.7 It is recommended that Teachers are excluded from the invitation for expressions of interest.
- 4.8. It is recommended that SSSC registered Social Care employees are excluded from the process, given that their management will be the responsibility of the Integrated Joint Board from April 2016.

- 4.9. There could be advantages to the Council to include social work administrative and support staff who do not require specific social work qualifications through “matching” with a compulsorily redundant employee elsewhere in the Council.
- 4.10. The majority of redundancies made during the service review process and other ad hoc reviews over the last 4 years or so have been managed on a voluntary redundancy basis. The HR team has developed a successful process of ‘matching’ employees who wish to leave the Council with those employees who wish to continue working for the council, but whose post is at risk of redundancy. This is a well-established process carried out by the HR Team in partnership with management and Trades Unions.
- 4.11 The gathering of information to provide employees with an estimate of voluntary redundancy package is time consuming and will place an additional workload on HR staff. Additional administrative staff will be required to manage this process and this requirement is outlined in a separate report. The HR team has reduced significantly since 2010/11 and does not have the capacity to manage this additional work with current resources.
- 4.12 Strathclyde Pension Fund (SPFO) will need to provide pension estimates and costs as they have been unable to progress their proposed Employer Self Service to enable employers to calculate their own estimates. At the time of writing, SPFO are unable to commit to a timescale but confirmed a potential waiting time of 8 – 10 weeks for them to provide pension information. Officers have gained assurances from SPFO that they will work closely with the Council to shorten this period as far as possible.
- 4.13 As an interim measure until SPFO can provide the official estimate, employees will be directed to the pension calculator on SPFO’s website and guidance will be provided on how to get an estimate of pension benefits. This is dependent upon the employee knowing their pensionable service, which is available on their benefit statement.

5.0 CONCLUSION

- 5.1 The Council is facing a substantial gap in its budget over the next 5 years which will inevitably have an impact on job numbers, with the current estimate is that most of the savings will have to be delivered within the next 2 years.
- 5.2. The Council has a Redundancy Policy which aims to mitigate the number of compulsory redundancies through managing redeployment and voluntary redundancies. The HR team have developed a successful procedure which results in matching, as far as possible, employees at risk of redundancy with employees who volunteer for voluntary severance.

- 5.3. A trawl of staff to ascertain serious interest in voluntary redundancy is an essential process in meeting the Council's policy.
- 5.4. There is a likelihood of a delay of between 8 – 12 weeks in providing employees who can access their pension with their estimated package.
- 5.5. To support this process in a timely manner and reduce the impact on HR resource available to provide the ongoing support to services there will be a requirement to provide additional staff resource to the HR service. This is the subject of an accompanying report.

6.0 IMPLICATIONS

- 6.1 Policy A trawl for voluntary redundancy falls within the remit of the Council's Redundancy Policy.
- 6.2 Financial Additional staff required in HR, financial impact is set out in a separate report. The Council will need to consider making an allowance for the cost of severance, which could be significant.
- 6.3 Legal Policies and procedures accord with statute and best practice.
- 6.4 HR Additional administrative resource is required in HR to administer the Service Choices project.
- 6.5 Equalities The proposal is fully compliant with the Council's equality duties.
- 6.6 Risk An invitation for expressions of interest will raise the subject of job losses and consequent concerns for staff whilst at the same time raising expectations of others who would wish to leave on VR grounds. Managers will require to manage these expectations and concerns in an open and transparent way. Support, guidance and advice will be provided.
- 6.7 Customer Services N/A

Douglas Hendry - Executive Director of Customer Services

Policy Lead Dick Walsh

22 July 2015

For further information contact: Jane Fowler, Head of Improvement and HR

This page is intentionally left blank

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES
COMMITTEEDEVELOPMENT AND
INFRASTRUCTURE SERVICES20th August 2015**Hermitage Park - Heritage Lottery Fund Parks for People****1.0 EXECUTIVE SUMMARY**

- 1.1.1 The purpose of this report is to ask members to approve in principle the final draft masterplan, and the Management and Maintenance Plan and associated resources to deliver this for Hermitage Park, Helensburgh. Funding will come from within existing amenity services budgetary spend for Hermitage Park. This is required as part of the Heritage Lottery Fund (HLF) Parks for People stage two application for which the deadline is 31st August 2015.
- 1.1.2 Hermitage Park in Helensburgh has HLF stage one approval for a project of circa £1,918,000, and a council commitment of £280,000 agreed in February 2013. The table below illustrates the overall funding budget.

HLF Stage One Development Phase	Funding amount
HLF	£170,000
ABC (earmarked reserves)	£20,000
Total	£190,000
HLF Stage Two Delivery Phase (original budget)	
HLF	£1,918,000
ABC (earmarked reserves)	£280,000
Other	£340,000
Total	£2,538,000
Total ABC	£300,000
Total HLF	£2,088,000

- 1.1.3 The HLF stage one terms and condition of grant were approved by full council in January 2014 and the final draft masterplan and Management and Maintenance Plan have been approved in principle by the Helensburgh and Lomond Area Committee at their meeting on 11th August 2015. The table below demonstrates the council's approval process. The HLF stage one development is overseen by a steering group chaired by the council and in partnership with the community, in particular Friends of Hermitage Park Association.

Approval	Committee	Date
Note the contents and agree a further report to be	H&L Area Committee	12 th June 2012

submitted with detail on the proposed HLF stage one application		
Note the contents and agree special area committee date to approve in principle the HLF stage one application	H&L Area Committee	11 th December 2012
Submission of HLF Parks for People stage one application	H&L Area Committee	15 th January 2013
Submission of HLF Parks for People stage one application	Full Council	14 th February 2013
Approval of £300,000 (£20,000 for HLF stage one development and £280,000 for HLF stage two delivery)	Full Council	14 th February 2013
Note the contents (re-revised budget and timeline)	H&L Area Committee	13 th August 2013
Note the contents (re-award of HLF stage one grant)	H&L Area Committee	14 th January 2014
Approval of terms and conditions of HLF stage one grant and delegated authority to the chief executive to intimate this	Full Council	23 rd January 2014
Note the contents (re-park masterplan options and consultation programme)	H&L Area Committee	10 th February 2015
Note the contents (re-draft masterplan and weighting matrix used in decision making)	H&L Area Committee	14 th April 2015
Approval in principle of the final draft masterplan and approval of additional car parking provision to be paid for through Section 75 monies as outside the scope of HLF funding.	H&L Area Committee	9 th June 2015
Approval of the Management and Maintenance Plan	H&L Area Committee	11 th August 2015

- 1.1.4 As part of the HLF stage one funding, a development officer was appointed to work alongside a consultant team to develop a masterplan and associated documents. The development of the HLF stage one project was taken forward in partnership with the community and with sustainability of the park being the overall driver. The documents, which are a requirement of HLF funding for a stage two application, are available prior to the meeting in the member's lounge and the final draft masterplan and Management and Maintenance Plan are attached to this document.
- 1.1.5 Hermitage Park is in the Helensburgh Conservation Area and contains nationally important heritage assets. It also has a key role as a focus for both community outdoor recreational activity, and as an area of important green space, as well as providing an offering for visitors to Helensburgh. The Park therefore makes a significant contribution to the attractive townscape of Helensburgh and plays a strategic role in the regeneration of Helensburgh, delivering a revitalised Helensburgh town centre and waterfront, alongside CHORD developments. It is aligned with the council's SOA, Economic Development Plan, Scottish Government economic and health strategies, and has significant local community involvement and support.
- 1.1.6 In order to submit the HLF stage two application, HLF require a commitment from the council to adopt the ten year Management and Maintenance Plan, integrate it into their existing policies for management and care, and ensure financial resources, both staff and maintenance budget, are secured to implement the plan for ten years after project completion. The management and maintenance plan must meet and achieve Green Flag Standards and retain this for a minimum of ten

years in line with HLF criteria for the HLF stage two application.

- 1.1.7 Following the submission of an HLF stage two application by the council on the 31st August 2015 there will be a further approval process for the council. If the HLF stage two application is successful and an offer of HLF stage two grant is made in December 2015, the council will be asked to consider the terms and condition of grant at their meeting in January 2016.

1.2 **RECOMMENDATIONS**

- 1.2.1 That members approve in principle the final masterplan.
- 1.2.2 That members approve and adopt in principle the ten year Management and Maintenance Plan and associated financial resources needed to deliver the plan, which must meet and achieve Green Flag Standards for ten years after project completion and delegate authority to the Director of Development and Infrastructure to intimate agreement to HLF. Funding will come from within existing amenity services budgetary spend for Hermitage Park.

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES
COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

20th August 2015

Hermitage Park - Heritage Lottery Fund Parks for People

2. INTRODUCTION

- 2.1 This report provides an update on the current development phase of the Hermitage Park, Heritage Lottery Fund (HLF), Parks for People stage two bid. Hermitage Park in Helensburgh has HLF stage one approval for a project of circa £1,918,000 and a council commitment of £280,000 agreed in February 2013. Over the past year HLF have funded the development of a development officer post and a masterplan and associated documents taken forward in partnership with the community.
- 2.2 The HLF stage two application is scheduled for submission on 31st August 2015, having passed the RIBA stage two process.
- 2.3 As part of the stage two application, HLF require a commitment from the council to adopt the ten year Management and Maintenance Plan, integrate it into their existing policies for management and care, and ensure financial resources, both staff and maintenance budget, are secured to implement the plan for 10 years after project completion. The Management and Maintenance plan must meet and achieve Green Flag Standards and retain this for a minimum of 10 years in line with HLF criteria for the HLF stage two application.

3. RECOMMENDATIONS

- 3.1 That members approve in principle the final masterplan.
- 3.2 That members approve and adopt in principle the ten year Management and Maintenance Plan and associated financial resources needed to deliver the plan, which must meet and achieve Green Flag Standards for ten years after project completion and delegate authority to the Director of Development and Infrastructure to intimate agreement to HLF. Funding will come from within existing amenity services budgetary spend for Hermitage Park.

4. DETAILS

- 4.1 HLF Parks for People is a two stage application process. The HLF first stage pass was achieved in January 2014. The current development phase is nearing conclusion, which will take the project to RIBA Work Stage three (D) and is due to

be submitted to HLF on 31st August 2015 for consideration of second stage approval in December 2015.

- 4.2 The full council approved the terms and conditions of the HLF first stage grant on 23rd January 2014. This is an estimated £2,727,200 two stage development and delivery project, which includes a £300,000 commitment approved by the council in February 2013. The table below illustrates the overall funding budget.

HLF Stage One Development Phase	Funding amount
HLF	£170,000
ABC (earmarked reserves)	£20,000
Total	£190,000
HLF Stage Two Delivery Phase (original budget)	
HLF	£1,918,000
ABC (earmarked reserves)	£280,000
Other	£340,000
Total	£2,538,000
Total ABC	£300,000
Total HLF	£2,088,000

- 4.3 As part of the HLF stage one development, a development officer was appointed to work alongside a consultant team to develop a masterplan and associated documents. The development of the HLF stage one project was taken forward in partnership with the community and with sustainability of the park being the overall driver. The documents, which are a requirement of HLF funding for a stage two application, are available prior to the meeting in the member’s lounge and the final draft masterplan and Management and Maintenance Plan are attached to this document.
- 4.4 The HLF second stage proposed delivery works will take place after HLF stage two approval. These include;
- a) development of proposed capital elements, which includes the A Listed war memorial and gardens, hermitage wishing well, mill archaeological remains, pavilion, redesign of recreational elements, drainage, paths, bridges and interpretation,
 - b) improvements to the natural heritage,
 - c) opportunities for reducing carbon emissions,
 - d) activities with visitors and volunteers, skills and training etc.,
 - e) parking (ineligible for HLF funding).
- 4.5 The objectives of the project for the purposes of the HLF stage two application are the following:
- a) to restore and preserve targeted historic fabric and landscape within the Park by April 2018.
 - b) to redevelop recreational buildings and land to sustainable and in some cases new uses by October 2017.
 - c) to repair drainage and paths, and community planting/orchard by November 2017.
 - d) to interpret the heritage of the park by March 2018.

- e) to work with stakeholders, including community and statutory groups, and residents of Helensburgh to develop a park that is fit for 21st Century purposes by March 2018.
- f) to provide skills development and training and learning opportunities for staff and volunteers by October 2018.
- g) to build capacity and confidence within the community by March 2018.
- h) to obtain Green Flag Accreditation by March 2019.
- i) to provide a sustainable future for the park by November 2020
- j) to deliver the ten year Management and Maintenance Plan – 2020 to 2030

4.6 Timeline

The timeline for the overall project agreed between HLF and the council is as follows:

- 4.4.1 Final masterplan and all documents - July 2015 – ON SCHEDULE
- 4.4.2 Helensburgh and Lomond Area Committee approve Management and Maintenance Plan and deployment of existing staffing resource - 11th August 2015
- 4.4.3 Second stage application prepared – August 2015
- 4.4.4 Notification of second stage - December 2015
- 4.4.5 Terms and conditions of grant for consideration by full council – January 2016**
- 4.4.6 Works commence on the ground - March/April 2016
- 4.4.7 Project completes (revenue/interpretation/training) - 2019/2020
- 4.4.8 Ten year Management and Maintenance Plan – 2020 to 2030

4.7 The project is overseen by a steering group chaired by the council and the table below details the council reports which have been submitted to date.

Approval	Committee	Date
Note the contents and agree a further report to be submitted with detail on the proposed HLF stage one application	H&L Area Committee	12 th June 2012
Note the contents and agree special area committee date to approve in principle the HLF stage one application	H&L Area Committee	11 th December 2012
Submission of HLF Parks for People stage one application	H&L Area Committee	15 th January 2013
Submission of HLF Parks for People stage one application	Full Council	14 th February 2013
Approval of £300,000 held in earmarked reserves (£20,000 for HLF stage one development and £280,000 for HLF stage two delivery)	Full Council	14 th February 2013
Note the contents (re-revised budget and timeline)	H&L Area Committee	13 th August 2013
Note the contents (re-award of HLF stage one grant)	H&L Area Committee	14 th January 2014
Approval of terms and conditions of HLF stage one grant and delegated authority to the chief executive to intimate this	Full Council	23 rd January 2014
Note the contents (re-park masterplan options and consultation programme)	H&L Area Committee	10 th February 2015
Note the contents (re-draft masterplan and weighting matrix used in decision making)	H&L Area Committee	14 th April 2015
Approval in principle of the final draft masterplan and	H&L Area Committee	9 th June 2015

approval for additional car parking provision to be paid for through Section 75 monies as outside the scope of HLF funding.		
Approval of the Management and Maintenance Plan	H&L Area Committee	11 th August 2015

POLICY IMPACT

- 4.8 Hermitage Park is in the Helensburgh Conservation Area and contains nationally important heritage assets. It also has a key role as a focus for both community outdoor recreational activity, and as an area of important green space, as well as providing an offering for visitors to Helensburgh. The Park therefore makes a significant contribution to the attractive townscape of Helensburgh and plays a strategic role in the regeneration of Helensburgh, delivering a revitalised Helensburgh town centre and waterfront, alongside CHORD developments.
- 4.9 The project meets the following objectives of the Single Outcome Agreement;
- A diverse and thriving economy
 - Infrastructure that supports sustainable growth
 - Education, skills and training maximises opportunities for all
 - Children and young people have the best possible start
 - People live in safer and stronger communities.
- 4.10 The overall vision for the park reflects the Local Development Plan and Economic Development Plan objectives of protecting the quality of our heritage and environment as an asset for sustainable economic growth thereby enabling us to deliver a positive economic impact within Helensburgh, building on the investment already made by the council into the public realm. This is captured in the developing Helensburgh Green Network which recognises the ecological and wider importance of Hermitage Park. The proposed works within the park meet with actions within the Local Biodiversity Action Plan (LBAP) 2010-2015, in particular related to restoring fish populations, improving habitats for dragonfly, habitat maintenance for bee species and control of invasive species.
- 4.11 The Economic Development Action Plan identifies the importance of investment in the heritage within our key towns to secure economic regeneration. In addition the Helensburgh and Lomond developing EDAP 2015-16 specifically identifies Hermitage Park as a focus for investment-in relation to the following outcomes:
- A place that offers a **revitalised Helensburgh Town Centre and Waterfront** that takes full advantage of its position as a high quality, short term visitor destination close to the Glasgow conurbation.
 - A place of **outstanding natural and built heritage** with enhanced natural assets, better townscape and public realm with new community facilities such as the Helensburgh Pierhead Swimming Pool and Leisure Centre together with a refurbished East Clyde Street Centre.
 - A **competitive place better connected to the global economy** with thriving local communities that provide an incentive for businesses to locate to, particularly within the context of the Maritime Change Programme and its role in tourism both relating to the adjoining Loch Lomond and the Trossachs National Park and as a day tripper destination.

- A **greener place** with numerous community led smaller scale renewable energy projects, established community forests and green networks.

- 4.12 The recently published council Historic Environment Strategy, which is subject to public consultation, sites the benefits of heritage assets such as Hermitage Park in promoting our historic environment and raising awareness about the positive environmental, social and economic contribution it makes to Argyll & Bute as a place to live, work and visit.
- 4.13 The project aligns with the key objectives of the Governments Economic Strategy, the Town Centre Action Plan, and the NHS Health Scotland’s Delivery Plan, which has a strong focus on Place and seeks to secure the enhancement of the quality of our areas as places to live and work by improving the overall quality of life in our communities. This is dependent upon the quality and accessibility of the facilities and environment - both physical and natural – within our communities which also contributes to our ambitions for a healthier Scotland.

AFFORDABILITY/FINANCIAL IMPACT

4.14 Delivery phase (1-5years)

The delivery cost of the project for the first five years was estimated at the first stage as £2,537,500 (excluding the stage one development budget of £189,700) but based on current estimate costs this has increased to £3m due to the requirement for a new pavilion and associated landscaping. Officers have been in discussion with HLF re-uplift of grant to cover up to 76% of this rise and are applying to other funders for the remaining match required. Costs are being finalised on the basis of detailed surveys and through a QS and will be brought in line within the agreed budget. The revised funding plan is detailed below.

HLF	£1,918,000	(confirmed – subject to stage two pass)
HLF Uplift	£266,000	(subject to stage two pass)
Argyll and Bute Council	£280,000	(confirmed – this is mandatory. £20,000 was allocated for the HLF stage one development phase.)
To be named	£60,000	(confirmed)
Covenant Fund	£376,000	(fund opens in August 2015 with a decision later in the year – this is the minimum amount we would apply for)
Friends of Hermitage Park	£100,000	(£20,000 financial contribution (confirmed) and £80,000 in-kind)
*Total	£3,000,000	

***Note – These figures are estimates and we continue to review these with the QS and also external funders.**

- 4.15 Confirmation of our external match funding is not mandatory for the 31st August 2015 second stage application deadline. It is required for HLF to grant permission to start, which is part of the process after the HLF second stage decision in December 2015. However, in order to strengthen the application, funding should be in place for the HLF decision date in December.

- 4.16 The delivery phase of the project includes financial provision for a Park Manager for five years to oversee the delivery phase and long term sustainability of the park.
- 4.17 **Post-delivery phase - Management and Maintenance Plan (year 6 onwards)**
Running costs from year 6 onwards will be met from within the existing amenity services budget. To secure HLF and the council investment in the park, HLF require the council to adopt in principle a 10 year Management and Maintenance Plan which will begin from the completion of capital works. This plan has been developed as part of the required documentation for the HLF stage two application and has sustainability at its core. It must demonstrate integration into existing policies for management and care, and ensure financial resources, both staff and maintenance budget, are secured to implement the plan for ten years after project completion. The Management and Maintenance Plan must meet and achieve Green Flag Standards and retain this for a minimum of 10 years in line with HLF criteria for the HLF stage two application.
- 4.18 The financial resources needed for both the delivery phase years one to five, and the 10 year Management and Maintenance Plan will come from existing amenity services budgetary spend. The existing operational budget for the park is £101K pa. As service choices will have an impact on this, officers have reduced this figure by 20%. This 20% equates to approx. £20K pa and therefore leaves an operational budget of £81K pa. These figures exclude inflationary increases. These figures include the staffing grades and resources required to manage and maintain the park. It clearly demonstrates that the budget, after the impact of service choices, is sufficient to fund the management and maintenance to satisfy the conditions of HLF. Ring-fencing funding for the Park's Management and Maintenance Plan will limit local flexibility to manage any future reductions of local amenity funding, as a minimum level of funding is required for the park.
- 4.19 Conditions
The formal contract with HLF which will be considered for approval in January 2016, should a HLF stage application be successful, will include;
- The council cannot sell, let or otherwise part with the property without the approval of HLF.
 - The property must be maintained in good repair and condition to the satisfaction of HLF for a period of ten years following the completion of the works.
 - The park must obtain the Green Flag award following completion of the capital works and that all steps necessary to retain the Green Flag award are taken for at least 10 years – this is the basis of the Management and Maintenance Plan.
- 4.20 The Management and Maintenance Plan has taken account of the need for strong leadership and a high level of expertise and management to work closely with voluntary groups. The Park Manager will work closely with Friends of Hermitage Park/Users Group to develop a sink fund. The sink fund will be set up in collaboration with Argyll and Bute Council and the Friends/Users Group as a third sector group. Fundraising will be undertaken with input from the Friends, which will include events, grant applications, and other sources of income. This sink fund will

contribute to elements of future maintenance and development needs, which will in turn contribute to the financial sustainability of the park.

- 4.21 The Helensburgh and Lomond Area Committee approved in principle the draft Management and Maintenance Plan and the associated financial resources needed to deliver the plan, on 11th August 2015.

DELIVERABILITY

- 4.22 The park has deteriorated significantly over the years due to reducing resources and reprioritisation. This has had a negative impact on the infrastructure of the park and the services and facilities on offer to communities. The future of the park needs to be addressed whether or not HLF stage funding is secured. The potential funding of £3m, which will be released on securing the HLF stage two delivery grant, will significantly improve the capital infrastructure and the services on offer to the community, and make the park sustainable for the future. The proposed Management and Maintenance Plan brings a new way of working based on more sustainable regimes, and working in partnership with a range of organisations. Similar ways of working have been embraced elsewhere in order to stem the decline of public parks and this is highlighted in the published HLF document, “*State of UK Public Parks, 2014: Renaissance to Risk?*”
- 4.23 Throughout the HLF stage one development phase, the project has been guided by a steering group, chaired by the council, and we will continue to work with these partners. This includes representatives of council departments and the community namely;
- a) Amenity Services
 - b) Economic Development
 - c) Education
 - d) Community and Culture
 - e) Friends of Hermitage Park Association
 - f) Ministry of Defence
- 4.24 The project has wide community backing and involvement. It has been driven from the ground up, instigated by the Friends of Hermitage Park Association. There is an established users group which has fourteen active member organisations and meets on a monthly basis. There has been ongoing community consultation and engagement work with local voluntary groups and schools and we have captured their requirements, and how we will address them, in the Activity Plan. A full community consultation took place from winter 2014 to spring 2015, which included presentations in Colquhoun Square and Victoria Halls as well as ongoing consultation through Facebook, the local press and meetings with voluntary groups, individuals and schools.
- 4.25 The project has an experienced lead landscape consultant with a team of experts who have produced the relevant required documentation to the level required by HLF. This has had to meet a series of gateways and we are now approaching RIBA stage three. In addition, we have been assisted in the development of the park by a

mentor, appointed by HLF to bring expertise and experience of other similar projects, and to interrogate the developing documentation.

4.26 A project officer (Park Manager) will be recruited by the council with HLF funding for five years to oversee the delivery phase of the capital and activity elements of the park, including co-ordinating partnerships such as the existing users group. The management of the capital delivery of the park will be undertaken by a consultant lead landscape architect. The project officer will be supported by a team of advisors, from both within and out with the council and report to a project team and appropriate council committees. There are a suite of documents developed for the HLF stage two application which will ensure the project's deliverability and these are detailed in the Hermitage Park Document List in the appendix. The park's development will follow the principles of the final masterplan as detailed below.

4.27 **Hermitage Park Final Masterplan**

On 9th June 2015 the Helensburgh and Lomond Area Committee approved in principle the Hermitage Park final masterplan and acknowledged two key areas where there will be a financial and resource commitment required from the council. These specifically relate to car parking provision, which is out with the scope of the HLF grant funding.

4.28 The park has been designed as much as is possible to lessen the burden of management and maintenance. The main changes to the current park layout and function as presented in the final draft masterplan are as follows:

- Belvedere at outer wall of memorial gardens
- Bedding area next to Hermit's Well to be redesigned as footprint of former Hermitage House and removal of Japanese style shelter
- Play park to become demonstration garden (with play equipment re-sited)
- Redesign of sports area to adventure play, a multiuse green (inc. putting, croquet, etc.) and fountain plaza/event space/informal play
- New pavilion with covered deck area to incorporate café, toilets and community space for volunteers/other
- Introduction of seating both formal and informal
- Additional car and cycle parking
- New wildlife pond and removal of toilet block
- All ability paths from four access points through the park that will be lit
- Consolidation and re-interpretation of Milligs Mill site.

4.29 **Car Parking Provision**

Helensburgh and Lomond Area Committee on 9th June 2015 approved a financial commitment for the provision of car parking for the park, committing the remaining Section 75 monies of the Town and Country Planning (Scotland) Act 1997 among Argyll and Bute Council and Drum Development Company (Helensburgh) Limited. Car parking is out with the scope of the HLF funding bid. Fifty-six spaces would be provided in total, made up of reconfiguring of the Victoria Halls car park from 20 to 33 spaces and adding a further 23 new spaces within the park at a cost of £75K. This amounts to an overall increase of 36 spaces from the current provision.

4.30 A copy of the final masterplan is attached to this report and Members of the Policy and Resource Committee are invited to approve this.

RISK

4.31 As part of the project a risk register has been prepared and updated by Gillespies, our main contractor for the project. This considers potential cost, funding and programming considerations and seeks to mitigate these in ways that are normal for capital projects of this nature. These will be continually reviewed as the project progresses however the main issues and risks for the council at this time are highlighted below. The risk register, which is a requirement of HLF funding for a stage two application, is available prior to the meeting in the member’s lounge.

Risk	Description	Mitigation
Service choices	<p>There will be a requirement to ring-fence management and maintenance resource for the park after project completion for at least ten years to Green Flag standards set out in the Management and Maintenance Plan.</p> <p>It is anticipated that the service choices process will further reduce resource available for amenity and parkland. This will result in any ring-fencing reducing flexibility and reducing delivery specifications to none ring-fenced areas and may also result in insufficient funding for the park.</p>	<p>We have reduced the baseline figure for Hermitage Park by 20% in line with service choices.</p> <p>Should the HLF second stage application be successful a further decision gateway is available to the council in January 2016 when an offer of grant will be tabled.</p>
HLF funding	<p>If we do not proceed with the park’s development this will have a negative impact on the council’s relationship with HLF and funding for other HLF projects.</p>	<p>A dialogue with HLF is required on the basis of any decision not to proceed. HLF has been kept fully briefed of the council’s service choices agenda at programmed HLF meetings.</p>
Capital investment	<p>If we do not proceed then council resources used to date in developing the HLF stage one application in order to make it sustainable, will be lost.</p> <p>There are no other investment opportunities which would address the issues currently facing the park.</p>	<p>The proposed capital investment in infrastructure coupled with the Management and Maintenance Plan outlines a sustainable regime for the park. Amenity Services have taken this into consideration as part of service choices.</p>
Health and Safety	<p>If the park continues to deteriorate the limited resource available will have to be prioritised to ensure there are no health and safety implications for park users.</p> <p>If HLF funding is not secured there will still be a requirement to seriously look at the future management and maintenance of the park.</p>	<p>Amenity Services have taken this into consideration as part of service choices.</p>
Community take up	<p>It is essential that work with community and voluntary groups continues as part of the park’s ongoing management and maintenance.</p>	<p>Continue to build upon the strong relationship with the Park user’s group.</p>

	If we do not engage with the community during the delivery of capital works the relationships will be lost.	Continue to keep the community engaged with the park's development.
Reputation	<p>If we do not proceed local goodwill and the positive media profile will be lost.</p> <p>There needs to be a sustainable maintenance plan in place that ensures resources are available for up to ten years following the completion of the works. This maintenance plan also needs to take into consideration resource requirements and maintenance standards for the remaining council area.</p>	Work with partners and communications team to ensure reasons for not proceeding are clearly communicated.
Budget	Project spend goes over budget	Consultant manages a fixed budget and any potential overspend is reported and appropriate decisions taken to maintain costs at the agreed budget level.
Other funding	Bids are not successful	Maintain submission deadlines and continue to identify other sources of funding.

5. CONCLUSION

5.1 The park, as demonstrated by the community engagement events, is an important area of green space within the town that provides a much needed leisure and recreational asset for those living, working and visiting Helensburgh. It also includes some of the towns significant heritage features, including the A Listed War Memorial, thought to be one of A. N. Paterson's best works and the remains of the 13th century Milligs Mill and associated features, the birth place of Helensburgh. The HLF funding is an opportunity to secure an investment of just under £3m into the park for future generations. In order to secure maximum benefit from this level of capital and community engagement within the town, resources need to be put in place to secure the park's management and maintenance for a minimum of ten years beyond the completion of the capital works. Funding will be ring-fenced from within amenity services budgetary spend for Hermitage Park and will be a condition of the HLF grant offer. The provision of car parking is out with the scope of the HLF bid. The council will meet the costs for additional car parking through Section 75 monies of the Town and Country Planning (Scotland) Act 1997 among Argyll and Bute Council and Drum Development Company (Helensburgh) Limited. Subject to all the necessary elements being secured, the project is on track for a 31st August 2015 submission to Heritage Lottery Fund.

6. IMPLICATIONS

- 6.1 Policy This projects supports delivery of the SOA in particular outcome 6, that we live in safer, stronger communities.
- 6.2 Financial £20,000 has been previously allocated within the

budget process for the development works in 2014/2015. A further £280,000 has been allocated from ear marked reserves for potentially 2015/16 onwards depending on HLF approval of the stage two delivery phase. The provision of additional car parking and the associated budget is out with the scope of the HLF bid. Section 75 monies of the Town and Country Planning (Scotland) Act 1997 among Argyll and Bute Council and Drum Development Company (Helensburgh) Limited, of which there is £75,000 remaining, will be allocated to this project.

The revenue budget for the park is £81K and will be met from within existing amenity services budgetary spend for Hermitage Park.

- 6.3 Legal Bound by HLF terms of grant approved by Council 23rd Jan 2014.
- 6.4 HR New staff post funded by HLF for years 1-5. Thereafter the duties will be undertaken within the existing staffing budget.
- 6.5 Equalities The proposed improvements increase accessibility of the park to those with mobility problems and visitors with pushchairs.
- 6.6 Risk Further match funding must be secured.
- 6.7 Customer Services None.

7. APPENDICES

- 7.1 Hermitage Park Final Masterplan
- 7.2 Hermitage Park Document List

Executive Director of Development and Infrastructure – Pippa Milne

Policy Lead: Cllr Ellen Morton

For further information contact:

Melissa Simpson, Hermitage Park Development Officer.

Tel: +44(0)1436 658989

melissa.simpson@argyll-bute.gov.uk

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES
COMMITTEE****DEVELOPMENT & INFRASTRUCTURE
SERVICES****20th AUGUST 2015**

Rothesay Townscape Heritage Phase 2 Stage One Bid

1.0 EXECUTIVE SUMMARY

1.1. In recognition of the success of Rothesay Townscape Heritage Initiative (THI) and the significant beneficial impact that the heritage-led regeneration project has made to the town, Heritage Lottery Fund (HLF) have requested that the Council give consideration to making an application for a second project – Rothesay Townscape Heritage (TH) in order to build on the momentum. The original intention was to consider undertaking some preparatory work for Rothesay, with a potential submission in August 2016, however HLF have formally asked us to consider pulling this forward to 31st August of this year as they consider that, although still a competitive process, this will be a less competitive round at a Scottish level.

1.2. Like a THI, a TH is a five-year heritage-led regeneration project targeted at conservation areas with a number of listed buildings, but its focus has shifted slightly from the current style of project to taking a more holistic response to the needs of a town in order to boost economic growth. The TH therefore offers greater flexibility in how such projects are delivered, and seeks to fully understand the needs of the area, including where it is most fragile, in order to support positive change through carefully targeted investment.

1.3. Should a round one application prove successful, a subsequent year long period of research, analysis and development would follow, working towards a second round submission date of March 2017, and potentially allowing a delivery period of five years, from 2017 to 2022.

It is recommended that members:

- (i) Consider the content of this paper.
- (ii) Agree to the submission of a stage one bid and note that if the stage one bid is successful there will be a need to identify £200k of match funding to allow the project to progress to stage two.

Rothesay Townscape Heritage Phase 2 Stage One Bid

2.0 INTRODUCTION

2.1 This paper seeks to provide the background to the Townscape Heritage funding call, and to highlight the impact, deliverability, affordability and associated risk, and recommends the Council submit a first round bid to Heritage Lottery Fund on 31st August 2015.

3.0 RECOMMENDATIONS

3.1 It is recommended that members:

- (i) Consider the content of this paper.
- (ii) Agree to the submission of a stage one bid and note that if the stage one bid is successful there will be a need to identify £200k of match funding to allow the project to progress to stage two.

4.0 DETAIL

Background

4.1 The Townscape Heritage (TH) programme has evolved out of the original Townscape Heritage Initiative (THI) programme, which both Campbeltown and Rothesay have notably benefited from in recent years. It is in recognition of the success of these projects, and the visible improvement that they have delivered, that Heritage Lottery Fund (HLF) is actively encouraging the Council to make an application for a second project for Rothesay. They recognise that there is still a great deal of investment required and see a second project as an opportunity to build on the momentum created and to better protect their significant investment to date, in both the town centre and in the Pavilion project.

4.2 The focus of the TH is more holistic than that of the current THI. Instead of focussing solely on returning buildings to a good state of repair, the programme seeks to respond to the wider needs of the town and greater emphasis is given to delivering projects which have the potential to stimulate economic growth. As a result there is much more flexibility and greater opportunity for involving the community.

Impact

- 4.3 The Government's Economic Strategy is based around a key theme of infrastructure, development and place with a focus on harnessing the strength and qualities of our cities, towns and rural areas, including coastal communities, such as Rothesay. The Strategy reaffirms the Government's commitment to delivering increased sustainable economic growth with opportunity for all to flourish. The key objectives of the Strategy are to ensure Scotland's government, and the whole of the public sector, are aligned towards one Purpose, which is:

“to focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increased sustainable economic growth”.

- 4.4 The current project has been extremely successful in visually lifting the town centre and improving the critical first impression of the visitor. The targeted area of Guildford Square and surrounding streets was chosen to encourage footfall through the town centre and to align with the Council and Scottish Government objective that makes specific reference to the importance of the physical fabric of our towns, the importance of Place and the need to ensure that there is an alignment of capital investment across the public sector and agencies.

- 4.5 The current THI has secured funding of £2.6 million and has been able to offer grant to help fund the redevelopment of a prominent gap site, to comprehensively repair 4 tenements and return 8 smaller buildings to a good state of repair. A shopfront repair programme has helped to restore 10 shopfronts and over 200 training and event days have been held over the course of the project. In addition, 4 Bute-based construction jobs and 2 Bute-based construction apprenticeships have been created as a direct result of the project. The total investment in the area, including private investment amounts to £4million.

- 4.6 A TH presents a significant opportunity to build on the momentum created and to continue bringing Rothesay's buildings back into a good state of repair, particularly those of the shopping streets to encourage greater footfall. There is still a strong need for further investment in the built fabric of the town, and this is reinforced and this need is recognised by Scotland's independent regeneration network, Scotland's Urban Regeneration Forum (SURF) through their work entitled the 'Alliance for Action'.

- 4.7 A TH project has the potential to align with Council objectives to protect the quality of our built environment as an asset for sustainable economic growth, and to support growth enhancing activities. The Council's policies recognise the importance of the built environment in delivering economic regeneration and align with the key objectives of the Government's Economic Strategy. With continued investment there is therefore opportunity to secure a wider and more long lasting benefit.

- 4.8 The Council's Local Development Plan (LDP) identifies Rothesay town centre and waterfront as being a “Strategic Area for Action”. A TH would therefore align with the objectives set out within the LDP, which states that:

“By 2024, it is hoped that Bute will be:

- A place that enjoys revitalised town centres and waterfronts...with...Rothesay capitalising on its outstanding built heritage.
- A competitive place, better connected to the global economy with thriving local rural communities that provide an incentive for businesses to locate to.
- A place of outstanding natural and built heritage...better public realm and restored iconic buildings such as the Royal Hotel and Pavilion.
- A place that can offer a wide range of housing choice in places with modernised essential services and infrastructure, with a focus of larger scale growth in Rothesay.”

4.9 The built fabric of Rothesay is in great need of further investment and there is evidence of strong community support for the project. Securing TH funding for the town offers a significant opportunity therefore, and with the Alliance for Action there is already real buy in from the community at such initial stages.

Deliverability

4.10 We have proven that we can deliver a regeneration project of this nature on time and to budget and therefore have evidence to support the assumption that we would be able to replicate the success of the current project, should we be successful in securing another round of funding.

4.11 Feedback from the community strongly supports the idea of a continued regeneration project. The Rothesay Alliance for Action involves a wide range of community groups, and will deliver a report with tangible and deliverable outcomes that are also aligned with public, third and private sector programmes. The report will not only seek to reflect the views of the community but as a great deal of time has been invested in helping to collaborate on the document, it is likely that the community will be more invested in the outcomes. Feedback to date also suggests that building on the success of the THI would be a critical component of the vision for Rothesay and a key desired outcome.

Affordability

4.12 The current Rothesay THI project commenced in 2011 and will run until 31st March 2016. The funding package includes £1.5 million from HLF, £499,933 of CARS funding, £500,000 from the Council and £93,777 from Leader, giving a common fund of £2.6 million.

4.13 The maximum amount of TH funding available this round is £2million and HLF would expect a £200k contribution from the Council and other sources. We would therefore seek to identify funding from within the Council and supported by potential external funding to meet this.

4.14 Although a potential TH could operate as a stand-alone project, in order to enhance the potential investment a bid could be made to Historic Scotland for CARS funding, and other potential funding sources, such as HIE or SusTrans. In respect to further CARS rounds, Historic Scotland have indicated that there will be a call for applications next summer and

as such a further report outlining the detail of this will be brought to Committee at this time.

- 4.15 Through initial discussions with HIE, it is clear that they would be keen to explore how best to support such a project and where best to target any potential investment, should a bid for a TH be supported within the Council. They have commissioned SURF to undertake the Alliance for Action report, as an innovative response to engaging the community in creating, and delivering, a realistic vision for Rothesay. If a TH application were to be supported, it would therefore be intended to closely align the TH strategy with the themes, desired outcomes and vision of the Alliance for Action work. Consultation to date has revealed that utilising vacant shop units for creative industry purposes, and improving the journey between the town centre and the Pavilion might be two key areas for a potential TH to explore.

Risk

- 4.16 The risks and sensitives in relation to making a bid for a TH project are as follows:
- a) If we miss the deadline of 31st August 2015, we will not be able to submit another application until 31st August 2016.
 - b) If we were to wait another year, the bid will be subject to a higher level of competition.
 - c) The process is a competitive one and therefore there is no guarantee that we would be successful.
- 4.17 Securing a TH for Rothesay would be as a result of a successful two stage submission process. This report requests permission to make a bid to round one, which is subject to scrutiny at UK level and which is decided upon by a London Committee in January each year. Therefore, if we do not make an application on 31st August 2015, then the next opportunity to apply would be a full year from then.
- 4.18 Feedback from HLF to date recommends that an application made this year rather than next would potentially be subject to a lesser competitive environment, due to the number of applications they are expecting in 2016. This would mean that should a bid be supported, then potentially the only TH application from Scotland this year would be from Argyll and Bute.
- 4.19 Should the round one application prove successful and we are invited to fully scope out and develop the project, then we would have a full year in which to pull together a robust and sustainable application, which could subsequently be submitted to the Scotland Committee for their decision in either: March, June, September or December.
- 4.20 THI programmes have proved hugely beneficial in boosting confidence and making towns more attractive for investment, however the application process is a competitive one and whilst we have been successful in Rothesay, and Campbeltown to date, there is no guarantee that any bid to HLF would be successful.

5.0 CONCLUSION

- 5.1 It is clear from the Campbeltown and Rothesay THIs that carefully targeted investment has the ability to produce significant visual enhancement, whilst boosting confidence in an area, and strengthening community participation. A sense of optimism has been created through both the success of the THI and the Pavilion project having begun to get underway and as such there is substantial opportunity to build on this momentum and to continue making much needed improvements to the town centre, and to enhance the connection between the town centre and the Pavilion.
- 5.2 The continuation of a regeneration project in Rothesay is widely supported by the community and the complementary work that SURF are delivering, through the Alliance for Action, is enabling a network of community groups to become actively involved in shaping the future of their town. There is a clear willingness to support a second TH project for Rothesay and a second regeneration project of this type is likely to arise as a key desirable outcome for delivery. It is therefore recommended that consideration be given to making an application for a first round bid.

6.0 IMPLICATIONS

Policy: Through the Corporate Plan, Development Plan Community Plan and Economic Development Plan the Council recognises the importance of investment in its built heritage in order to secure the regeneration of its towns and the economic benefit that will come from this.

Financial: If it is agreed that a bid could be made for a Rothesay TH, provision would have to be made for match funding of £200k over a 5 year period.

Legal: None.

HR: There may be additional staff resources, based on HLF requirements and criteria for the development phase, and any such resources would be sought from HLF as part of the stage one bid.

Equalities: None.

Risk: A bid submitted this year will be subject to less competition than next and as such it is recommended that this year presents the optimum opportunity to secure funding.

Customer Services: None

Policy Lead - Cllr Aileen Morton

4th August 2015

For further information contact:

Audrey Martin, Projects and Renewables Manager, 01546 604 180

This page is intentionally left blank

Policy and Resources Committee Workplan 2015-16

August 2015 - This is an outline plan to facilitate forward planning of reports to the P&R Committee.					
20 August 2015					
	Procurement Development Session to be held prior to the meeting	Customer Services			
	Financial Reporting 2015-16 - Summary	Strategic Finance	Every meeting	21 July 2015	
	Service Choices	Strategic Finance		21 July 2015	Agreed at Council 25/06/15
	Performance Report FQ1 2015/16	Customer Services	Quarterly	21 July 2015	
	Audit Scotland Action Plan Update	Customer Services		21 July 2015	
	Discretionary Housing Payments Policy Update	Customer Services		21 July 2015	
	Consultation on Regulations and Guidance under the Welfare Funds (Scotland) Act 2015	Customer Services		21 July 2015	
	Council Tax on Empty Properties	Customer Services		21 July 2015	
	Resourcing Service Choices Process – HR Service	Customer Services			
	Voluntary Redundancy	Customer Services		21 July 2015	
	Draft Improvement Strategy	Customer Services		21 July 2015	
	Consultation on Proposal for a Cyber Resilience Strategy for Scotland	Customer Services		21 July 2015	
	Smith Agreement Inquiry: Call for Evidence from Welfare Reform Committee	Customer Services		21 July 2015	
	Procurement and Commissioning Strategy 2015-2018	Customer Services		21 July 2015	

Policy and Resources Committee Workplan 2015-16

	Land Reform (Scotland) Bill 2015	Customer Services		21 July 2015	
	Local Government Boundary Commission For Scotland – Public Consultation On Proposed Electoral Wards	Customer Services		21 July 2015	
	Hermitage Park, Helensburgh	Development and Infrastructure Services		21 July 2015	
	Rothsay Townscape Heritage Phase 2 Stage One Bid	Development and Infrastructure Services		21 July 2015	
	Update on Implementation of New Policy – Pavement Café Licences	Development and Infrastructure Services		21 July 2015	
	Policy And Resources Committee Work Plan	Customer Services	Every meeting	21 July 2015	
	Request for Cash Flow Loan by South Kintyre Development Trust	Strategic Finance		21 July 2015	
	Helensburgh Office Accommodation - Update	Customer Services		21 July 2015	
	New Schools Redevelopment Project	Community Services		21 July 2015	
	Major Capital Regeneration Project Progress Report	Development and Infrastructure Services	Quarterly	21 July 2015	
29 October 2015					
	Financial Reporting 2015-16 – Summary	Strategic Finance	Every meeting	29 September 2015	

Policy and Resources Committee Workplan 2015-16

	Performance Report FQ2 2015/16	Customer Services	Quarterly	29 September 2015	
	Lorn Arc TIF Asset Project 1 Lorn Road/Kirn Road Improvements Dunbeg Start Up Report	Development and Infrastructure			March 2015- FBC to be reported to October P&R Committee
	SOA Annual Report	Community Services – D MacVicar		29 September 2015	Originally planned for February P&R and rescheduled to October – following discussion with R Gold.
	Policy And Resources Committee Workplan	Customer Services	Every meeting	29 September 2015	
Special Meeting 8 Oct 2015	Service Choices				Agreed 2 April 2015 to make recommendations to be considered at Special Council meeting in October.
	Kintyre Long and Winding Road Funding	Development and Infrastructure			
17 December 2015					
	Financial Reporting 2015-16 - Summary	Strategic Finance	Every meeting	17 November 2015	
	Major Capital Regeneration Project Progress Report	Development and Infrastructure Services	Quarterly	17 November 2015	
	Policy And Resources Committee Workplan	Customer Services	Every meeting	17 November 2015	
4 February 2016					
	Financial Reporting 2015-16 – Summary	Strategic Finance	Every meeting	5 January 2015	

Policy and Resources Committee Workplan 2015-16

	Treasury and Investment Strategy	Strategic Finance	Annual	5 January 2015	
	Planning and Budgeting 2016/17	Strategic Finance	Annual	5 January 2015	
	Policy And Resources Committee Work Plan	Customer Services	Every meeting	5 January 2015	
17 March 2016					
	Financial Reporting 2015-16 – Summary	Strategic Finance	Every meeting	16 February 2016	
	Performance Report FQ3 2015/16	Customer Services	Quarterly	16 February 2016	
	Policy And Resources Committee Work Plan	Customer Services	Every meeting	17 February 2016	
Future Items – date to be determined					
	Delivery of the SOA – Programme Management Arrangements	Customer Services			Removed from Pre-agenda for 20 August meeting. To come to future meeting.
	Major Capital Regeneration Project Progress Report	Development and Infrastructure Services	Quarterly		Agreed to request quarterly updates at P&R on 21 August
	ABC Schools Limited - Change of Control	Special Projects	Occasional		
	IHR Policies: <ul style="list-style-type: none"> • Recruitment and Selection Policy • Maximising Attendance 	Improvement and HR	Occasional		

Policy and Resources Committee Workplan 2015-16

	<p>Policy</p> <ul style="list-style-type: none"> Improving Employee Performance Policy 				
	NPDO Schools Project Annual Update	Special Projects	Annual		Report after March 2015 to allow a full year outturn to be reported
	SOA Annual Report	Community Services	Annual – Aug/Sept		
	Employee Engagement Strategy	Customer Services			November 2014 – agreed Employee Engagement Strategy would come to Committee in March 2015 as part of decision on Employee Surveys/Economic Summit
	Seminar/Workshop on Strategic Risk Register	Strategic Finance	Before future P&R meeting		Agreed 05/02/15 to hold a seminar/workshop for Members on the strategic risk register before a future P&R meeting
	Scottish Government Funding for Welfare Reform and Discretionary Housing Payment	Customer Services			March 2015 - Requested further report in to a future meeting on progress with proposals.
	Lorn ARC Tax Incremental Funding (TIF) Asset Project 5 – Oban North Pier Extension – Start Up Report	Development and Infrastructure			Agreed 14 May 2015 that FBC would be presented to a future Committee

Policy and Resources Committee Workplan 2015-16

	Lorn Arc TIF Asset Project 9 – Existing Access Improvements and Business Park Enablement, Oban Airport Start up Project	Development and Infrastructure	Quarterly		Agreed 14 May 2015 that quarterly updates would be provided to OLI and then P&R
--	---	--------------------------------	-----------	--	---

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES COMMITTEE****CUSTOMER SERVICES****20 AUGUST 2015**

RESOURCING SERVICE CHOICES PROCESS – IMPROVEMENT AND HR

1. EXECUTIVE SUMMARY

- 1.1 The Council is the process of implementing the budget strategy Planning our Future, which comprises both investment to deliver the SOA and reduction in the council's revenue budget of between £21.7 to £26.0m in the next 5 years. This budget reduction is being delivered through the Service Choices process.
- 1.2 Service Choices is highly likely to impact on our employees and to result in a reduced number of posts and potential contractual changes. The savings requirement is heavily weighted in the first 2 years with around 70% of savings to be delivered by the end of 2017-18. This will result in specific, targeted work for the HR team. The team will manage this through a realignment of all HR professionals to Service Choices activities. However there is also a requirement for temporary additional posts, which is the subject of this report. This will be funded from the Customer Service Department. The Committee is invited to note that the additional resources can be funded from the existing 2015-16 Customer Services departmental forecast underspend, and to agree that the budget to be earmarked and the balance permitted to be carried forward to fund the additional posts for a maximum of 2 years. This will allow the HR service to support the administrative elements of the service choices process. Earmarked balances are routinely monitored and any balance no longer required would be returned to the General Fund Reserve. The additional resources are estimated as £97k per annum. Further clarity on the duration of resource requirement will be known following the budget decisions in February 2016.
- 1.3 The support to the organisation and employees from the service will be significant. The current proposals are to achieve the majority of savings from the service in Year 2 through a service redesign. Given the scale of support required from the service to the organisation during service choices and the fact that the scope of the savings will only be known at the February budget meeting, it is recommended that the remainder of the savings are profiled into Year 3. This will enable the service to fully support the organisation and employees through the Year 1 and Year 2 changes and then implement the full redesign of the service.
- 1.4 The Service Choices proposals for the HR Team and Improvement and OD to meet the target savings of 20-25% centre around creating a new, integrated service, which will put our people at the heart of performance and planning. It is recommended that the Year 1 proposals, as set out in Appendix 2, are accelerated for immediate implementation. As individual employees can be identified in this proposal, Appendix 2 is marked as Exempt. This approach will enable a transitional structure to be put in place and maximise support to the organisation from the service through this period of change. The other proposed Year 1 savings are operational and will be delivered in 2016/17.

RESOURCING SERVICE CHOICES PROCESS – IMPROVEMENT AND HR

2. INTRODUCTION

- 2.1 This report sets out the issues and proposed solutions to supporting the Council and employees through the change of service choices. It sets out the requirements for additional temporary posts, seek authorisation to earmark existing funds to do so; seeks to profile the service redesign proposals into Year 3 to enable the service to fully support the organisation and employees through the Service Choices process; recommends the early implementation of Year 1 savings proposals as set out in Appendix 2. Appendix 2 is marked as Exempt as individual employees can be identified from it.

3. RECOMMENDATION

- 3.1 Members note the additional work generated for HR by the Service Choices process and the inability for the service to deliver all of this additional work from existing resources. The professional advice and support will continue to be delivered from within existing HR resources, but there is a need to augment the administrative resources. This will be done by utilising wider Departmental funding.
- 3.2 The Committee is invited to note that the additional resources can be funded from the existing 2015-16 Customer Services departmental forecast underspend, and to agree that the budget to be earmarked and the balance permitted to be carried forward to fund the additional posts for a maximum of 2 years. This will allow the HR service to support the administrative elements of the service choices process. Earmarked balances are routinely monitored and any balance no longer required would be returned to the General Fund Reserve.
- 3.3 Agree that the Year 2 savings of up to 25% for IHR, which involve the full implementation of service redesign, creating an integrated team that puts people at the heart of performance, are profiled for year 3 to ensure that the service has sufficient resource to support the organisation through the significant change of Service Choices in Years 1 and 2.
- 3.4 Agree that the Service Choices proposal set out in Appendix 2 is accelerated for immediate implementation, noting that this will put in place a transitional structure that is equipped to support the organisation through Years 1 and 2 of Service Choices.

4. DETAIL

HR SERVICE RESOURCING

- 4.1 The proposal to fund additional staff resources in the HR team over the next 2 years will enable the HR team ensure that all the additional work required as a result of post reductions, contractual changes and other employee impacts are effectively managed. Whilst the final details of the Stage 3 Options templates are still being prepared, it is clear that given the savings targets to be met, there will be an impact on employees. It is essential that the HR Team is fully resourced to ensure that all policies and procedures and legal requirements are fully met. All changes to employee's posts, job descriptions, work patterns, contracts etc must go through due process, which requires professional advice from the HR Team and sufficient Administrative assistance. The additional proposal, which is the subject of an accompanying paper, to invite expressions of interest for voluntary severance, will result in further additional tasks for the team, including administration of correspondence, liaising with Strathclyde Pension Fund etc. Details of the additional tasks required are highlighted below in Para 4.10 and attached at Appendix 1.
- 4.2 The HR service use the CIPFA UK benchmarking framework to measure and compare the financial cost of the service against other UK local authorities, the HR and payroll team are amongst the lowest cost per head for advice and transactions from the rest of the UK benchmarked peers. Local Government Benchmarking indicates a reduction of 35% since 2011 in the support service.
- 4.3 The professional HR Officers and HR Assistants will focus on supporting managers and employees through the Service Choices process and no additional professional officer resource is requested. This will limit the impact of HR support for management across the organisation during the period of change. It will also result in a reduction to the development of new policies and/or procedures during this period, as capacity is limited. Focus will be given to high profile/ high risk areas for managers, with the HR Advice Line and the Hub being the main source of support. It is envisaged that the main priority for many services will be the planning and implementation of service choices options, and the activities of the HR support service will therefore align with the priorities of the Council services and the organisation.

4.4 **SERVICE REVIEWS AND MANAGING CHANGE – LESSONS LEARNED**

The HR service has previous experience of delivering on large scale service re-design projects, the most recent being delivering on the programme of Service Reviews. Using this experience it is possible to determine the level of resources required to deliver on the Service Choices process. The difference being that the same level of savings is required to be delivered over a shorter timescale. Based on previous experience during the Service review process, there is a requirement to identify sufficient administration and clerical staff, dedicated to the programme. In terms of comparative scale, in the period April 2010 to June 2012 a total of 335 employees left the council on redundancy grounds and the voluntary redundancy trawl resulted in in excess of 900 employees seeking figures to inform their decision on volunteering for redundancy.

- 4.5 The Modernisation Team was specifically set up within HR to deal with the service review process and this administration was resourced on a full-time basis with 1 x HR Assistant (LGE9), 2 x HR Assistant (LGE6), and 1 x Clerical Assistant (LGE4). The overall responsibility for the process was delegated to an HR Officer whose input varied throughout but was particularly intensive in the early stages.

- 4.6 The Service Review process was well managed by the Modernisation Team and the majority of redundancies were successfully managed through a voluntary redundancy basis, with employees at risk matched into posts that volunteers were vacating.
- 4.7 The resource required for Service Choices is similar to that for service reviews, but there is a much shorter time period for proposals and implementation. This means that the initial identification of options, engagement of HR Officers and HR Assistants in the service teams and the appointment of additional support is key to informing the scale of the task.

4.8 **SERVICE CHOICES – ADDITIONAL RESOURCES**

There are significant risks associated with failing to adequately resource HR to deliver on Service Choices, but the IHR service has been asked to manage the process from existing resources. The following proposal outlines the use of existing professional resources to support services and requests additional administrative resources to manage the transactional processes. The funding for the additional posts has been identified from within the Customer Services departmental forecast underspend in 2015-16, which is requested for earmarking to carry forward to secure funding for additional posts for a maximum 2 year period. The additional resource requested, which is not currently available in the team, is set out in the table below:

4.9

Post	Grade	Posts (FTE)	Cost (per annum)
HR Assistant	LGE9	1.0	£32,077
Admin Assistant	LGE6	2.0	£45,758
Clerical Assistant	LGE4	1.0	£18,991
TOTAL		4.0	£96,826

- 4.10 There is currently limited administration and clerical grade resource within the HR team. The team will encounter a significant increase in workload associated with supporting service choices, and much of this work will be administrative in nature. The payroll and transactional team will see a significant increase in work associated with new contracts, amendments to contracts, terminations and redundancy payments. In addition, the HR team will deliver on an increased number of job evaluations as a result of new or changed posts. It is anticipated that there will be an increase in queries from employees as well as managers throughout this process. This is likely to be resource intensive and cannot be predicted accurately. In addition the processing of severance payments, redundancies, redeployment and matching, appropriate consultation and notification, correspondence and pension quotes will all require to be fulfilled. If the voluntary redundancy trawl is approved there will be a significant amount of work required to gather information for employees and services and in managing the whole process.
- 4.11 The additional actions required by HR during the service process are outlined at Appendix 1. HR Officers and HR Assistants will participate in service meetings relating to service choices to advise and support managers in all aspects of employee and contractual changes. They will also provide liaison as necessary with the trade unions on a service and corporate basis.

- 4.12 The proposal will make the best use of the professional resource that we have, The HR processes and procedures were reviewed, updated and approved by the HR Board, Trade Unions and SMT in June 2015. Ensuring that risk to the organisation is minimised through the appropriate and accurate implementation of employee related policies and procedures is essential. In terms of reputation and future legal challenge, the established policies and procedures must be adhered to and the HR service has to be adequately resourced to support services with this.
- 4.13 It is proposed that the Senior HR Officer who led the service review process leads on the overall co-ordination of service choices. This officer is also the lead for Health and Social Care Integration. Some of the additional work required and the scale of this is unknown at this stage until decisions are taken on which savings options will be approved, the HR service must be in a position to prepare for this to support the Council to ensure policies and procedures are adhered to.

4.14 **SUPPORTING SERVICE CHOICES – SAVINGS PROFILE**

It is proposed that in order to ensure that the service has sufficient resource to manage the change across all services, that the savings proposed for Year 2 in Service Choices are profiled to be implemented in Year 3. Decisions will be taken in February on the proposed savings, but the level of impact on employees, contracts, redundancies, working patterns, job descriptions etc are as yet not known. In addition some of the proposals for changes to services may include employee related actions such as the establishment of ALEOs or TUPE transfer, which will require significant input and support from the HR and OD teams. Thereafter, the service will make its full savings target and ensure that the design of the support it provides meets the needs of the new shape of the organisation.

4.15 **SUPPORTING SERVICE CHOICES – HR/IOD SERVICE REDESIGN**

As any organisation changes it is important that support services such as HR and Improvement and OD remain relevant to the overall strategic direction of the organisation and adapt to suit the needs of the organisation now and in the future. The Council is currently delivering substantial change through Service Choices and Health and Social Care Integration. Feedback from key internal customers and stakeholders has outlined the need for a more strategic focus in terms of the support provided by the HR and Improvement and Organisational Development teams. The redesign of the HR and OD service therefore presents an opportunity for the Council to design a support service which is more strategic in nature, meets the needs of our internal customers, and is better aligned to support the organisation as it moves forward. In the interim, the service must provide support to managers, employees and trades unions in all aspects of employee related change resulting from the current change programmes including job description changes, rotas, work patterns, hours, shifts, voluntary severance, pensions, contractual changes, mitigating redundancies, consultation on redundancies, engagement, matching, job evaluation, training, trials etc.

- 4.16 The redesign of the service by merging of the HR and OD teams has been identified as an opportunity to create a support service that meets the needs of the Council and brings with it the opportunity to create efficiencies and generate savings. Indeed this redesign has been proposed by HR and IOD as the method through which they will meet any savings requirements as part of Service Choices. This will require a fundamental redesign of posts within the service.
- 4.17 In order for the teams to provide the most effective support service to the organisation during a time of change, it is proposed that the recommendation at 3.3 and set out in detail in Appendix 2 are accelerated for immediate implementation. This will provide a mechanism for stable support for the organisation in years one and two of service choices. It will also enable the team to drive forward with consultation and engagement on the design of a new model.

5. CONCLUSION

- 5.1 The report sets out a series of proposals to ensure that the Improvement and HR Service is adequately and appropriately resourced to support the employee and organisational impact of Service Choices.
- 5.2 This proposal requests approval for an additional resource for the HR team to support Service Choices. The biggest impact will be over the next two years and therefore the additional resources are requested for the same period. The £194k cost to provide this additional resource for a two year period can be met from within the Customer Services departmental underspend in 2015-16. Facility to carry this forward and earmark the unspent element at the end of the financial year is requested, in line with the agreed practice.
- 5.3 In order for this to take place in line with Service Choices timescales it is further proposed that the Policy and resources committee. It is also proposed that the further savings for the service resulting from the service redesign and restructure are profiled into year 3 so that the service has sufficient resource to support the employee related changes resulting from Service Choices and Health and Social Care Integration.
- 5.4 The report proposes that the Policy and Resources approve the accelerated implementation of proposed changes as set out in the Year 1 HR/IOD service choices savings options and as detailed in Appendix 2. This will create a stable structure for the team and enable appropriate support for the organisation throughout the change process. It will also create the framework to provide a more strategic service for future implementation, which is aligned to the needs of the Council.

6. IMPLICATIONS

- 6.1 Policy - This proposal, if approved, will ensure that the Council policies on people management will be complied with throughout the service choices process. Programmed new policy development work for 2015-16 will be put on hold as the focus for HR Officers and Assistants will be to support the service choices process.

- 6.2 Financial - The total cost of additional posts for 2 years is £194k. This can be met by utilising part of the Customer Services departmental underspend for 2015-16. There would be a requirement to earmark any unspent element at the end of 2015-16 and this balance would be subject to the ongoing monitoring of earmarked balances as part of the routine budget monitoring process. The immediate move to implementation the proposals in Appendix 2 will enable the full year one savings to be taken from IHR. The profiling of year 2 savings to year 3 will impact on the overall Council profile for service choices.
- 6.3 Legal - The Council has a legal obligation to comply with employment legislation. This proposal will ensure that the Council remains legally compliant in the delivery of service choices options which affect employees.
- 6.4 HR - There will be a requirement for consultation in relation to Appendix 2 proposals.
- 6.5 Equalities - All requirements set out in equalities legislation in relation to employment changes will be adhered to.
- 6.6 Risk - There is a significant risk to the organisation that if there is not sufficient HR resource to support service choices, managers will proceed with employee related proposals that are not compliant with employment legislation. If service choices is not properly implemented, in terms of employee engagement and consultation, there is a risk of reduction in staff morale, poor TU relations, risk of litigation in terms of unfair selection, lack of consultation and discrimination, all in terms of not following policy or legislation. Failing to create a stable management structure in the team prior to service choices will exacerbate this.
- 6.7 Customer Service - None

Douglas Hendry – Executive Director Customer Services

Councillor Dick Walsh, Council Leader - Policy Lead
22 July 2015

For further information contact: Jane Fowler, Head of Improvement and HR

Carolyn McAlpine, Improvement Manager, Aileen McCosh/Tom Kerr, Senior HR Officers

This page is intentionally left blank

APPENDIX 1 - Timeline and detailed HR activities required to deliver Service Choices

Note: all processes and procedures reviewed, updated and approved by HR Board, Trades Unions and SMT June 2015

	Target Dates	Activity	Resource required	Options for filling from current resources	Activities that cannot be provided if no additional resource
1	August 2015 onwards	<p>All HROs and HRAs support service managers and Heads of Service to identify HR related activities (policy and procedures) resulting from options that must be adhered to in the implementation of service choices.</p> <p>Support the detailed development of options in relation to Employees and advise managers/Heads of Service in all aspects</p> <p>Attend all service choices team meetings where employee issues are discussed.</p> <p>Liaise with and maintain good TU relations</p> <p>Collate and track policy and procedural documentation related to service choices –</p>	<p>5 HROs 3 HRAs</p> <p>1 LGE 6 Admin</p>	<p>This will be the main focus for HROs and HRAs during the Service Choices period.</p> <p>Each HRO/HRA has a link service to support and leads on a specific HR policy area (eg attendance/recruitment etc)</p> <p>Planned programme of policy and procedure review and development put on hold for 2015/16.</p> <p>Currently 1 x LGE 6 admin (currently temporary maternity leave cover) for HR Corporate Support. If this resource is used solely for service choices, HROs/HRAs will have to carry out own admin tasks.</p>	<p>Priority will be to deliver service choices and advise on all policies/procedures that affect employees from the options proposed.</p> <p>Priority will be given to high risk HR activities such as appeals involving elected members, complex disciplinaries/grievances; dismissals; tribunal support; COSLA/CEO/Director priorities: No capacity to accelerate any actions in the HR/OD Strategy. No capacity to absorb additional projects, activities or initiatives.</p> <p>Programme of Policy development and review as well as added value reporting will halt for 2015/16. This will affect Health of the organisation reports, recruitment and retention etc.</p>

	Target Dates	Activity	Resource required	Options for filling from current resources	Activities that cannot be provided if no additional resource
		<p>(contd) employee issues.</p> <p>Prepare regular update reports to HoS, HR Board/SMT/Project Board on progress and employee implications of service.</p> <p>Contribute to maintaining good Corporate TU relations on service choices.</p>			
2	September 2015 onwards	Obtain redundancy costs for those whose post is at risk of redundancy.	1 x LGE9 2 x LGE6 1 x LGE4	<p>LGE9 currently supporting social work has skills for Service Choices team.</p> <p>HR has 1 x LGE6 Admin Assistant (maternity leave cover). Allocating this post full time to service choices will mean no admin support for the HR Corporate Support Team. This will result in inefficiencies as HROs and HRAs will have to carry out admin tasks</p> <p>HR Corporate support has no permanent clerical support in the HR Corporate Support section.</p>	<p>Reduction in support for the HR Adviceline (currently staffed by 3 HRAs), reduction in support for social work managers.</p> <p>Reduction in support for medium level HR support activities (disciplinary/appeals/attendance review meetings etc)</p> <p>HROs and HRAs carry out admin tasks</p>

	Target Dates	Activity	Resource required	Options for filling from current resources	Activities that cannot be provided if no additional resource
				<p>HR Transactions team currently has 2 temporarily vacant posts. This resource will be filled and utilised to absorb additional work in contractual and recruitment teams as a result of Service Choices.</p> <p><i>(still required 1 x LGE6 and 1 x LGE4 – no existing resource)</i></p>	<p>If vacant posts in Transactions team are used for Service Choices – general HR support, targets will not be met for recruitment and contractual turnarounds. This will adversely affect service choices implementation.</p>
3	August 2015 onwards	<p>Agree process and invite applications for voluntary severance – informed by preferred options.</p> <p>Programme matching process for volunteers/those at risk of redundancy</p>	<p>1 x LGE9 2 x LGE6 1 x LGE4</p>	As 2 above	As 2 above

	Target Dates	Activity	Resource required	Options for filling from current resources	Activities that cannot be provided if no additional resource
4	August to Nov	Evaluate new and changed jobs resulting from service choices	1 x LGE12 and 1 x LGE9 – (time requirement dependent on number of posts affected in options selected) 1 x LGE 6 1 x LGE 4	LGE 12 Job Evaluation lead is HRO for Chief Executives, EDST and P&RS. LGE 9 is HRA for Customer Services LGE 6 is HR Corporate Support Admin <i>(still required 1 x LGE6 and 1 x LGE4 – no existing resource)</i>	Reduction in support to EDST, Chief Executive's and P&RS whilst JE for service choices is underway. Reduced HRA support for Customer Services. No additional JE/re-evaluation takes place over this period as service choices is the priority. HR Advice Line service reduced
5	Late October 2015	Gather information for HR1 purposes Prepare HR1 for Write formally to full-time union officials with details of likely redundancies.	1 x LGE9 1 x Snr HRO	Can be absorbed within existing workloads	
6	October - Nov	Service Choices Team support managers/Heads through individual employee consultation and statutory consultation process with TUs	1 x LGE 13 1 x LGE 9 2 x LGE 6	Lead - LGE 13 – Roads and Amenity/H&SC Integration 1 x LGE 9 – Social work support 1 x LGE 6 – HR Corporate Support	Reduced Senior HRO support for Roads and Amenity Services during consultation preparation and implementation Reduced HRA support for social work No HR Corporate Support admin

	Target Dates	Activity	Resource required	Options for filling from current resources	Activities that cannot be provided if no additional resource
				<p><i>(still required 1 x LGE6 and 1 x LGE4 – no existing resource)</i></p> <p>All HROs/Snr HROs on an as required basis with individual service</p>	
7	Mid January 2016 onwards	Complete RED3 and RED4 forms on basis of info submitted to council Initial preparation of notice of redundancy letters	1 x LGE9 full-time basis 2 x LGE6 1 x LGE4 <i>(still required 1 x LGE6 and 1 x LGE4 – no existing resource)</i>	As 2 above	
8	February - April	Termination and redundancy notices issued	1 x LGE 13 1 x LGE 9 2 x LGE 6 1 x LGE 4	LGE 13 – Roads and Amenity/H&SC Integration 1 x LGE 9 – Social work support 1 x LGE 6 – HR Corporate Support	Reduced Senior HRO support for Roads and Amenity Services during consultation preparation and implementation Reduced HRA support for social work No HR Corporate Support admin

	Target Dates	Activity	Resource required	Options for filling from current resources	Activities that cannot be provided if no additional resource
				<i>(still required 1 x LGE6 and 1 x LGE4 – no existing resource)</i>	
9	After Council meeting in February	Check of contents of redundancy letters	Heads of Service	n/a	n/a
10	Mid February onwards	Redundancy letters posted	1 x LGE9 – full time basis 2 x LGE6 1 x LGE4	1 x LGE9 – full time basis 2 x LGE6 1 x LGE4 <i>(Still required 1 x LGE 6 and 1 x LGE4 – no existing resource)</i>	As 2 above
11	Mid February onwards	Selection for redundancy process where reductions are required where is a group of employees to select from	All HROs/HR As Heads of Service/3 rd tier managers 2 x LGE 6	<i>(still required 1 x LGE6)</i>	Reduced level of HRO/HRA support for managing attendance, disciplinary, grievance, managing performance etc.
12	End February onwards	Support for managers and directly to employees facing redundancy	HRO's HRA's 1x LGE9 2 x LGE6	As 10	As per 2 above
13	March onwards	Processing redundancy and pension payments	1 x LGE9 full-time	As 10	As per 2 above

	Target Dates	Activity	Resource required	Options for filling from current resources	Activities that cannot be provided if no additional resource
			basis		
14	March onwards	Identifying redeployment opportunities	HROs		As per 2 above
15	March onwards	Managing redeployment	HROs/3 rd tier managers in host service		As per 2 above
16	April onwards	Issuing new contracts for redeployees	LGE9 HR Transactional Team	LGE 9 (social work)	Reduced support for SW
17	April onwards	Leavers administration	LGE6 x 2 HR Transactional Team	LGE 6	As per 2 above.

Process will be repeated, to a lesser extent the following year.

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank