

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

*Customer Services*  
*Executive Director: Douglas Hendry*



*Kilmory, Lochgilphead, PA31 8RT*  
*Tel: 01546 602127 Fax: 01546 604435*  
*DX 599700 LOCHGILPHEAD*  
18 August 2016

**NOTICE OF MEETING**

A meeting of the **PERFORMANCE REVIEW AND SCRUTINY COMMITTEE** will be held in the **COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD** on **THURSDAY, 25 AUGUST 2016** at **10:00 AM**, which you are requested to attend.

Douglas Hendry  
Executive Director of Customer Services

**BUSINESS**

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF INTEREST**
- 3. MINUTES**  
Performance, Review and Scrutiny Committee held on Thursday 26 May 2016  
(Pages 1 - 4)
- 4. TREASURY MANAGEMENT MONITORING REPORT - 30 JUNE 2016**  
Report by Head of Strategic Finance (Pages 5 - 18)
- 5. ANNUAL TREASURY REPORT 2015-16**  
Report by Head of Strategic Finance (Pages 19 - 30)
- 6. PERFORMANCE REPORT - FQ1 2016-17**  
Report by Chief Executive (Pages 31 - 52)
- 7. MAXIMISING ATTENDANCE: COUNCIL PERFORMANCE APRIL - JUNE 2016**  
Report by Executive Director – Customer Services (Pages 53 - 64)
- 8. SCRUTINY OF POLICE SCOTLAND**  
Report by Divisional Commander, Police Scotland (Pages 65 - 80)

**9. POLICE SCOTLAND BUDGET CONSIDERATIONS - SUPERVISORY RATIOS**

For Discussion and Feedback to Police Scotland (Pages 81 - 82)

**10. SCRUTINY OF SCOTTISH FIRE AND RESCUE**

Report by Local Senior Officer, Scottish Fire and Rescue (Pages 83 - 100)

**11. SCOTTISH FIRE AND RESCUE SERVICE CAPITAL INVESTMENT PROGRAMME**

Report by Local Senior Officer, Scottish Fire and Rescue Service (Pages 101 - 104)

**12. PERFORMANCE REVIEW**

Discussion on Future Performance Reporting

**13. PERFORMANCE, REVIEW AND SCRUTINY COMMITTEE WORKPLAN**

Performance, Review and Scrutiny Committee Workplan 2016/17 (Pages 105 - 108)

**Performance Review and Scrutiny Committee**

Jennifer Nicoll

Ian M M Ross (Chair)

Councillor John McAlpine

Councillor Donald MacMillan

Councillor Robert Macintyre

Grant Manders

Councillor Gordon Blair

Councillor Sandy Taylor (Vice-Chair)

James Hymas

Contact: Rebecca Hepburn Tel: 01546 604137

**MINUTES of MEETING of PERFORMANCE REVIEW AND SCRUTINY COMMITTEE held in  
the COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD  
on THURSDAY, 26 MAY 2016**

**Present:**

Ian M M Ross (Chair)

Councillor Gordon Blair	Councillor Donald MacMillan
Councillor Anne Horn	Councillor Sandy Taylor
Councillor John McAlpine	James Hymas
Councillor Robert E Macintyre	

**Attending:**

Superintendent Gail McClymont, Police Scotland  
Cleland Sneddon, Chief Executive  
Douglas Hendry, Executive Director – Customer Services  
Kirsty Flanagan, Head of Strategic Finance  
Jane Fowler, Head of Improvement and HR  
Fiona Ferguson, Directorate Support Officer  
Kevin Anderson, Chief Internal Auditor  
David Clements, Programme Manager  
Tom Kerr, Senior HR Officer  
Fergus Murray, Head of Economic Development & Strategic Transportation  
Shona Barton, Area Committee Manager

Prior to the start of the meeting the Chair welcomed Superintendent Gail McClymont, Police Scotland to the meeting of the Performance, Review and Scrutiny Committee.

The Chair ruled, and the Committee agreed, to adjourn the meeting at 10.45am and to reconvene at 10.55am.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were intimated on behalf of Jennifer Nicoll and Grant Manders.

The Chair advised that after discussion with the Head of Improvement and HR, Item 7 on the Agenda – Performance Review and the Role of the PRS Committee would be withdrawn; due to the need for further information and would be considered at a future Performance, Review and Scrutiny Committee meeting.

**2. DECLARATIONS OF INTEREST**

There were no Declarations of Interest intimated.

**3. MINUTES****(a) Performance, Review and Scrutiny Committee - 25 February 2016**

The Minutes of Performance, Review and Scrutiny Committee as held on 25 February 2016 were approved as a correct record.

**(b) Special Meeting of Performance, Review and Scrutiny Committee - 18 March 2016**

The Minutes of the Special meeting of Performance, Review and Scrutiny Committee as held on 18 March 2016 were approved as a correct record subject to the amendment to add Councillor Robert E Macintyre to the Apologies for Absence.

#### **4. TREASURY MANAGEMENT MONITORING REPORT**

The Committee considered a report which set out the council's treasury management position for the period 1 February 2016 to 31 March 2016 and included information on:

- Overall Borrowing Position;
- Borrowing Activity;
- Investment Activity;
- Economic Background;
- Interest Rate Forecast; and
- Prudential Indicators.

##### **Decision**

The Committee;

- 1) noted the report; and
- 2) agreed that the presentation from the Treasury Management Training session would be circulated to all Elected Members.

(Reference: Report by Head of Strategic Finance, dated 26 May 2016, submitted).

#### **5. MAXIMISING ATTENDANCE: COUNCIL PERFORMANCE 2015/2016**

The Committee considered a report which provided an update on the council's performance on Maximising Attendance during the period April 2015 – March 2016.

Discussion took place in respect of the council's provision of Mental Health First Aiders and ensuring managers have the tools and resources to secure safe places for staff as and when required.

The Committee further discussed the method of presenting the absence figures and how these can be provided in a meaningful manner that members of the public can relate to.

##### **Decision**

The Committee noted the content of the report.

(Referenced: Report by Head of Improvement and HR, dated 26 May 2016, submitted).

#### **6. QUARTERLY PERFORMANCE REPORTS AND SCORECARDS**

The Performance, Review and Scrutiny Committee considered a report presenting the council and departmental performance reports with associated scorecards for performance in FQ4 January 2016 – March 2016.

Each Departmental scorecard was discussed in depth, with particular attentions being paid to;

- 1) Syrian Voluntary Resettlement Programme funding having been extended by the Scottish Government from 1 year to 5 years;
- 2) Argyll and Bute's Autism Strategy having been re-launched and the various support programmes that are in place to get all young people into employment;
- 3) assessment is underway for various departments across the council for Customer Service Excellence Awards with a view to rolling out the programme to other areas;
- 4) how the council looks at identifying and measuring success and how data is collated and reported to Committees.

### **Decision**

The Committee reviewed the reports and scorecards as presented.

(Reference: Report by Chief Executive, dated 26 May 2016, submitted).

### **7. PERFORMANCE, REVIEW AND ROLE OF THE PRS COMMITTEE**

This item has been withdrawn as noted at the beginning of the meeting.

### **\* 8. EMPLOYABILITY SERVICE CONTRACT**

The Committee considered a report providing comments and recommendations arising from the Committee's scrutiny of the Financial Management, Governance and Reporting arrangements in respect of the council's Employability Service contract.

### **Decision**

The Committee approved the report and the recommendations contained therein for submission to the next meeting of Council for consideration.

(Reference: Chief Internal Auditor, dated 26 May 2016, submitted).

### **9. REVIEW OF GOVERNANCE IN POLICING**

The Committee considered a report submitted by Andrew Flanagan, Chair of the Scottish Police Authority, representing his personal views and recommendations with input from the external Reference Group.

### **Decision**

The Committee noted the key recommendations contained within the report.

(Referenced: Report and email by Chair of SPA, dated 23 March 2016, submitted).

**10. SCRUTINY OF POLICE SCOTLAND**

The Committee considered a report submitted by Local Police Commander, Chief Superintendent Grant Manders on the fourth quarterly report for Argyll and Bute for 2015 / 2016 performance year.

The report detailed statistics on; road safety and road crime; violence, disorder and antisocial behaviour; public protection; major crime and counter terrorism and acquisitive crime.

Discussion took place on Group 2 sexual crimes seeing an increase due to victims reporting on historical crimes, the possible use of police dogs in the local area and how detection rates are reported.

**Decision**

The Committee noted the contents of the report.

(Referenced: Report by Local Police Commander, dated March 2016, submitted).

**11. SCRUTINY OF SCOTTISH FIRE AND RESCUE**

The Committee considered a report by the Scottish Fire and Rescue Service (SFRS) which provided detail on the performance of the SFRS in the Argyll and Bute area for FQ1 – FQ4 2015 / 2016.

Discussion took place in relation of causes of false alarms and the difference between smoke and heat detectors.

**Decision**

The Committee;

- 1) noted the contents of the report; and
- 2) asked that data being included in the next report presented to the Committee to include how Capital Spend is being used to maintain and repair fire stations.

(Reference: Report by Local Senior Officer, Scottish Fire and Rescue Service, dated May 2016 submitted).

**12. PERFORMANCE, REVIEW AND SCRUTINY COMMITTEE WORKPLAN**

The Committee considered the outline workplan to facilitate planning of reports to the Performance, Review and Scrutiny Committee.

**Decision**

The Committee noted the outline work plan and agreed the addition of the Performance Review and the Role of the PRS Committee.

(Reference: Report by Executive Director of Customer Services, dated 26 May, submitted)

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**ARGYLL AND BUTE COUNCIL****PERFORMANCE REVIEW AND SCRUTINY  
COMMITTEE****STRATEGIC FINANCE****25 AUGUST 2016**

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**TREASURY MANAGEMENT MONITORING REPORT 30 JUNE 2016**

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**1. EXECUTIVE SUMMARY**

- 1.1 This report sets out the Council's treasury management position for the period 1 April 2016 to 30 June 2016 and includes information on:
- Overall Borrowing Position
  - Borrowing Activity
  - Investment Activity
  - Economic Background
  - Interest Rate Forecast
  - Prudential Indicators.
- 1.2 Borrowing is below the Capital Financing Requirement for the period to 30 June 2016, however, there are substantial internal balances, of which £72.6m is currently invested.
- 1.3 Long term borrowing was taken out during the period 1 April 2016 to 30 June 2016 of £15m from the PWLB: as interest rates fell considerably during the period a decision was taken to reduce the Council's refinancing risk.
- 1.4 The net movement in external borrowing in the period was an increase of £7.3m.
- 1.5 The levels of investments have increased to £72.6 at 30 June 2016. The rate of return achieved was 0.764% which compares favourably with the target of 7 day LIBID which was 0.361%.
- 1.6 This report is for noting.

## TREASURY MANAGEMENT MONITORING REPORT 30 JUNE 2016

**2. INTRODUCTION**

2.1 This report sets out the Council's treasury management position for the period 1 April 2016 to 30 June 2016 and includes information on:

- Overall Borrowing Position
- Borrowing Activity
- Investment Activity
- Economic Background
- Interest Rate Forecast
- Prudential Indicators.

**3. RECOMMENDATIONS**

3.1 The treasury management monitoring report is noted.

**4. DETAIL****Overall Borrowing Position**

4.1 The table below details the estimated capital financing requirement (CFR) and compares this with the estimated level of external debt at 31 March 2017. The CFR represents the underlying need for the Council to borrow to fund its fixed assets and accumulated capital expenditure.

	Forecast 2016/17 £000's	Budget 2016/17 £000's	Forecast 2017/18 £000's	Forecast 2018/19 £000's
CFR at 1 April	253,896	259,000	267,473	261,395
Net Capital Expenditure	24,748	17,937	4,166	2,656
Less Loans Fund Principal Repayments	(9,236)	(9,236)	(8,236)	(8,236)
Less: NPDO Repayment	(1,935)	(1,935)	(2,008)	(2,117)
<b>Estimated CFR 31 March</b>	<b>267,473</b>	<b>265,766</b>	<b>261,395</b>	<b>253,698</b>
Less Funded by NPDO	(74,059)	(74,059)	(72,051)	(69,934)
<b>Estimated Net CFR 31 March</b>	<b>193,414</b>	<b>191,707</b>	<b>189,344</b>	<b>183,764</b>
Estimated External Borrowing at 31 March	169,589	169,589	179,589	181,589
<b>Gap</b>	<b>23,825</b>	<b>22,118</b>	<b>9,755</b>	<b>2,175</b>

4.2 Borrowing is below the CFR for the period to 31 March 2017. This reflects the approach taken to minimise surplus cash on deposit in order to avoid overdue exposure to investment / credit worthiness risks.



- 4.3 The Council's estimated net capital financing requirement at the 30 June 2016 is £193.4m. The table below shows how this has been financed. Whilst borrowing is less than the CFR there are substantial internal balances (mainly the General Fund) of which £72.6m is currently invested.

	Position at 31/03/2016 £000's	Position at 30/06/2016 £000's
Loans	158,090	165,489
Internal Balances	65,570	100,535
Less Investments & Deposits	(46,438)	(72,610)
<b>Total</b>	<b>177,222</b>	<b>193,414</b>

### Borrowing Activity

- 4.4 The table below summarises the borrowing and repayment transactions in the period 1 April 2016 to 30 June 2016.

	Actual £000's
External Loans Repaid 1st April 2016 to 30th June 2016	(7,784)
Borrowing undertaken 1st April 2016 to 30th June 2016	15,046
<b>Net Movement in External Borrowing</b>	<b>7,262</b>

- 4.5 The external borrowing of the Council increased by £7.3m during the period as £15m of long term borrowing was taken out from the PWLB taking advantage of historic low interest rates. This was offset by the repayment of £7.0m of short term borrowing along with £0.8m of long term borrowing.
- 4.6 The table below summarises the movement in level and rate of temporary borrowing at the start and end of the period.

	£000s	% Rate
Temp borrowing at 31st March 2016	7,649	0.45%
Temp borrowing at 30th June 2016	663	0.30%

### Investment Activity

- 4.7 The average rate of return achieved on the Council's investments to 30 June 2016 was 0.764% compared to the average LIBID rate for the same period of 0.361% which demonstrates that the Council is achieving a reasonable rate of return on its cash investments. At 30 June 2016 the Council had £72.6m of short term investments at an average rate of 0.764%. The table below details the counterparties that the investments were placed with, the maturity date, the interest rate and the credit rating applicable for each of the counterparties.

Counterparty	Maturity	Amount £000s	Interest Rate	Rating
Clydesdale Bank Instant	Instant Access	600	0.50%	Short Term A-2, Long Term BBB+
Handel 35 Day	35 Day Notice	5,000	0.55%	Short Term A-1+, Long Term AA-
BOS Corp	Instant Access	10	0.40%	Short Term A-1, Long Term A
Santander TD	175 Day Notice	5,000	0.90%	Short Term A-1, Long Term A
BOS 175 Day	95 Day Notice	5,000	0.80%	Short Term A-1, Long Term A
Helaba Landesbank	31/08/2016	5,000	1.03%	Short Term A-1, Long Term A
Helaba Landesbank	19/04/2017	2,500	0.93%	Short Term A, Long Term A-1
Toronto Dominion	19/04/2017	2,500	0.90%	Short Term A-1+, Long Term AA-
Goldman Sachs	06/12/2016	5,000	0.75%	Short Term A-1, Long Term A
Commonwealth Bank of Australia	02/06/2017	5,000	0.985%	Short Term A-1+, Long Term AA-
Commonwealth Bank of Australia	22/06/2017	2,500	0.96%	Short Term A-1+, Long Term AA-
CD - Credit Industrial Et	07/07/2016	5,000	0.76%	Short Term A-1, Long Term A
CD - Toronto Dominion	12/01/2017	5,000	0.97%	Short Term A-1+, Long Term AA-
CD - National Australia Bank	04/11/2016	5,000	0.76%	Short Term A-1, Long Term A
MMF - BNP Paribas	Instant Access	5,000	0.55%	AAA
MMF - Federated	Instant Access	5,000	0.54%	AAA
MMF - Standard Life (formerly Ignis)	Instant Access	4,500	0.53%	AAA
MMF - LGIM Stirling Liquidity	Instant Access	5,000	0.52%	AAA
MMF- Blackrock	Instant Access	0	0.00%	AAA
MMF - Insight	Instant Access	0	0.00%	AAA
<b>Total</b>		<b>72,610</b>		

- 4.8 All investments and deposits are in accordance with the Council's approved list of counterparties and within the limits and parameters defined in the Treasury Management Practices. The counterparty list is constructed based on assessments by leading credit reference agencies adjusted for additional market information available in respect of counterparties.
- 4.9 The current market conditions have made investment decisions more difficult as the number of counterparties which meet the Council's parameters has reduced making it harder to achieve reasonable returns while limiting the exposure to any one institution.

### **Economic and Interest Rate Forecasts**

- 4.10 The economic background at 30 June 2016 is shown in appendix 1 with the interest rate forecast in appendix 2.

### **Prudential Indicators**

- 4.11 The prudential indicators for 2016-17 are attached in appendix 3.

## **5. CONCLUSION**

- 5.1 The Council's borrowing increased by £7.3m but it is still below the Capital Financing Requirement for the period to 30 June 2016. There are substantial internal balances, of which £72.6m is currently invested. The investment returns were 0.764% which is above the target of 0.361%.

## **6. IMPLICATIONS**

- |     |                    |       |
|-----|--------------------|-------|
| 6.1 | Policy –           | None. |
| 6.2 | Financial -        | None  |
| 6.3 | Legal -            | None. |
| 6.4 | HR -               | None. |
| 6.5 | Equalities -       | None. |
| 6.6 | Risk -             | None. |
| 6.7 | Customer Service - | None. |

**Kirsty Flanagan, Head of Strategic Finance**  
**Dick Walsh Council Leader and Policy Lead for Strategic Finance**

For further information please contact Peter Cupples, Finance Manager – Corporate Support 01546-604183.

Appendix 1 – Economic Background  
Appendix 2 – Interest Rate Forecast  
Appendix 3 – Prudential Indicators

## Appendix 1

### **Economic background:**

- During the quarter ended 30 June 2016:
  - The UK voted to leave the EU;
  - The economic recovery lost some momentum ahead of the vote;
  - Growth remained highly dependent on consumer spending;
  - The jobs recovery slowed, but wage growth picked up;
  - Inflation remained stuck at very low levels;
  - Sharp fall in sterling following the referendum result;
  - Post-referendum uncertainty brought the prospect of a near-term rate cut onto the agenda;
  - Both the ECB and the Federal Reserve kept policy unchanged.
- The economic recovery lost a little momentum in Q1 2016, with real GDP growth slowing from 0.7% q/q in Q4 to 0.4% – an annual rate of 2.0%. The recovery remained highly unbalanced too, with net trade subtracting from GDP growth for the second time in three quarters. And the current account deficit stood at 6.9% of GDP in Q1, only a little off the record 7.2% of GDP seen in Q4 2015. Business surveys suggest that activity slowed further in Q2 ahead of the EU referendum. Indeed, the Markit/CIPS composite PMI for May is consistent with quarterly growth slowing to 0.2% or so in Q2.
- However, the official output data for Q2 so far have been a little more upbeat. Industrial production rose by a monthly 2% in April – which suggests that the sector may have pulled out of recession in the second quarter – and construction output rose by a monthly 2.5%. Beyond the referendum, the first PMI survey conducted after the vote – released on August 1st – will provide an initial indication of the extent to which the vote to leave has affected activity. The first post-referendum official activity data are for industrial production, due to be released on August 9th.
- Consumers generally appear to have taken pre-referendum uncertainty in their stride, with household spending still the principal driver of economic growth. The pace of retail sales volumes growth has picked up, rising to a healthy annual rate of 6% in May. Away from the high street, the Bank of England's Agent's scores of consumer services turnover growth rose too. Admittedly, GfK/NOP consumer confidence has slipped back from its 2015 highs in the run-up to the referendum but remained elevated prior to the vote. Indeed, the balance for major purchases stayed at +9 in June, well above its long-run average of -6, pointing to solid growth in durable goods spending. However, consumer confidence is likely to weaken following the referendum result: the extent of any immediate impact on confidence will be evident in the next GfK/NOP data, due on July 29th.

- The labour market performed fairly well prior to the EU referendum too, with employment rising by 55,000 in the three months to April. Admittedly, this is below the strong rises seen last year, but some easing in the pace of the jobs recovery was always to be expected given how much slack has already been eroded. Indeed, the ILO unemployment rate fell to 5.0% in the three months to April, it's lowest in over a decade. The timelier claimant count measure held at 2.2% in May. Pay growth also picked up in April – annual growth in regular pay (ex. bonuses), jumped from 1.9% to 2.5%.
- However, the labour market story hasn't been entirely positive. At least some of April's rise in pay growth was probably down to the imposition of the National Living Wage, so may not entirely be a reflection of a tighter labour market. And much of the rise in employment in the three months to April was driven by self-employment, which may reflect people struggling to find employee roles. In any case, employment growth may slow markedly in the next few months due to the disruption associated with the vote to leave the EU.
- Away from the labour market, inflation has been very subdued in the months preceding the EU referendum. CPI inflation has stood at just 0.3% every month so far this year, with the exception of March when Easter timing effects distorted the figures. But price pressures are likely to pick up in the months ahead. Around 80% of the difference between headline inflation and the Bank of England's 2% target is due to low food and energy price inflation. But the dampening influence of food and energy prices is set to wane as last year's sharp falls drop out of the annual comparison. What's more, sterling dropped by more than 8% following the UK's decision to leave the EU, leaving it around 14% below its mid-November peak. **This should eventually feed through to higher inflation, which we expect to rise above the Bank of England's 2% target in the first half of next year.**
- This leaves the MPC with an awkward trade-off between minimising the short-term hit to the economy and overshooting its inflation target. However, given how low inflation currently is, the MPC has some room for manoeuvre. We expect interest rates to be cut from 0.5% to 0.25%, probably at the MPC's next meeting on July 14th. Indeed, in a speech on 30 June, Governor Carney stated that "some monetary easing will likely be required over the summer", and markets are pricing in a rate cut at the MPC's next meeting. A ramp-up in the Bank's asset purchase programme is also a possibility, depending on the scale of the short-term economic damage.
- Like the Bank of England, both the Federal Reserve and the ECB kept rates on hold during Q2. However, despite leaving its economic projections largely unchanged, the FOMC nonetheless cut its interest rate projections quite sharply. Six of the 17 officials anticipate just one hike in the US this

year, and median interest rate forecasts for end-2017 and 2018 were revised down too. What's more, this was before the financial market turmoil which followed the results of the UK's EU referendum. At the margin, this could delay hikes even further. Meanwhile, we expect the ECB to respond to the economic damage generated by the UK's vote to leave the EU by accelerating the pace of its asset purchases and possibly with another small cut in interest rates.

- Turning to the public finances, the data released since March's Budget will only have added to the Chancellor's worries. Public sector net borrowing (excluding public sector banks) was only slightly down on a year earlier at £9.7bn in May, indicating that borrowing was already on course to overshoot the OBR's forecast of a 25% fall in FY 2016/17 as a whole before the effects of any post-referendum disruption are accounted for.
- The plans laid out in the March Budget stated that fiscal tightening would intensify this year – and Chancellor Osborne has warned that he would impose an austere emergency budget following a vote to leave the EU. However, Mr Osborne has already rowed back on this threat. What's more, if the OBR projects that the four-quarter average of annual GDP growth will fall below 1%, this activates a get-out clause in the government's fiscal rules. This could lead to some of the near-term tightening described in the Budget being deferred to help reduce the damage caused by the referendum result.
- Finally, the FTSE 100 has now recovered the ground it lost following the UK's vote to leave the EU, and stands around 3% higher than at the start of Q2. But the multinational-heavy FTSE 100 has benefitted from sterling's collapse, which boosts the value of firms' overseas earnings. The FTSE 250, which better reflects the domestic economy, is down 5% since the start of the quarter. Meanwhile, 10-year bond yields have sunk to new record lows of just under 1% on the back of safe-haven demand.

Appendix 2

## Interest Rate Forecast:

Our treasury management advisers, Capita Asset Services have provided us with the following update to their interest rate forecasts.

### Post EU referendum interest rate review

- The outcome of the EU referendum has necessitated a review of our interest rate forecasts. The UK now faces a very different situation from what it was in ten days ago both politically and economically. This mix of both political and economic uncertainty makes this the most difficult interest rate review we have done in recent years due to the sheer number of known unknowns. However, the impact on financial markets in the last ten days has not been as great as some had feared.
- This also puts the Monetary Policy Committee (MPC), in a very difficult position in terms of knowing how much the vote for Brexit will impact the real economy. What most forecasters expect is that the first two quarters growth in 2016 of around +0.4% is likely to fall to zero in the second half of the year. However, after the initial shock, the economy may recover some momentum so Capital Economics are forecasting growth of 1.5% for 2017, (after average overall growth for 2016 of 1.5%), and then recovery back to 2.5% in 2018. In his speech last Friday, the Governor of the Bank of England, Mark Carney, made clear that the MPC will consider cutting Bank Rate in the very near future but will also give consideration to using further quantitative easing (QE) purchasing of gilts, (and possibly other assets), as a means of providing further stimulus to economic growth by lowering borrowing rates.
- **Our own interest rate forecast is based on a cut of Bank Rate of 0.25% in the current quarter; this could come at the next MPC meeting of July 14 or at the next quarterly Inflation Report meeting on August 4. However, we would certainly not rule out a further cut to zero or possibly 0.10%. The first increase in Bank Rate does not then occur until quarter 2 2018 and the pace of increases thereafter has also been slowed down from that in our previous forecast. However, we have to emphasise that there are so many variables over this time period that it is very likely that these forecasts will be subject to significant updating as events evolve on both the political and economic scenes.**
- Carney's comments last Friday on the possibility of further quantitative easing caused an immediate fall in gilt yields of around 25 – 37 basis

points (bps) in gilts with a duration of 10 and 50 years, so it could be said that just the threat of further QE has already achieved a significant drop in gilt yields and so borrowing costs. This, arguably, means that the benefits of actually implementing further QE are reduced. We have therefore revised down our forecasts for PWLB rates to take account of these movements in gilt yields since the referendum - which have fallen to all-time lows (with 2 year gilt yields even briefly turning negative!).

- However, Carney did make a strong point that it is not the role of the Bank of England to be the sole combatant in helping to stimulate growth of the UK economy and employment by using the monetary policy measures at its disposal. The Government has fiscal policy as a powerful tool to promote growth and it has various policy measures it could employ. Already the Chancellor of the Exchequer has said that the target of achieving a budget surplus in 2020 will need to be put back to avoid austerity measures creating an unwelcome headwind for growth during the near future. In addition, there are already comments in the public arena around lowering corporation tax - from falling from 20% to 17% by 2020 to falling from 20% to 15% as a stimulus to stop corporates moving out of the UK and attracting corporates to come to the UK. Fiscal policy could also include cuts in income tax, national insurance, VAT etc to stimulate consumer demand in the economy: however, such cuts may impact on the size of the budget deficit.
- In addition, the Government could take advantage of the plunge in gilt yields to borrow extra money to invest in infrastructure to improve the productivity of the UK economy.
- However, what will be vital will be to ensure that the UK retains the trust of international investors, both in terms of the fact that about 30% of all gilts are owned by overseas investors, who will want to be assured that the Government is not borrowing beyond the means of the economy to sustain the ability to pay interest and to repay the debt, and in terms of the value of sterling against other currencies. The current size of the balance of payments deficit of 6.9% of GDP is a major concern. The fall of 14% in the value of sterling since November 2015 will feed through eventually to stimulate demand for UK exports and to choke off imports into the UK by making home made goods and services more competitive. However, this will take time to feed through into reducing the size of this deficit.
- What will make the decision making of the MPC more difficult in the next few years is that the fall in the value of sterling will feed through over the next 3-4 years into the economy and cause an increase in inflation. But manufacturers and service providers could absorb some of the extra costs from the increased cost of imports of materials etc, or could increase productivity to offset extra costs, so there is



considerable uncertainty about the timing and size of this feedthrough into inflation. Capital Economics have revised their interest rate forecast for inflation as follows: - 2016 0.6%; 2017 2.2% (was 1.5%); 2018 2.8% (was 2.1%). The MPC's target for CPI inflation is 2% but in the past they have looked through temporary spikes of imported inflation on the basis that they will drop out of the calculation of CPI after 12 months. So it is by no means certain that the MPC will, or will not, take action to counter such a rise in inflation.

- What we do have to emphasise at this point in time is that there are huge variables which could have a major impact on the UK economy and interest rates over the next four to five years in particular: -
  - Political uncertainty: the Conservative party is currently facing a leadership election and the situation in respect of the Labour party is under major stress. There is also another general election due in May 2020.
  - Political uncertainty in the EU if other countries hold referendums or there is a strong growth in anti EU political parties.
  - Uncertainty about when Article 50 will be initiated to start the UK withdrawal from the EU and what form any final agreement with the EU will take over access to the single market and requirements to conform to EU rules and to contribute to the EU budget etc. This in turn, could have a major influence on corporates deciding whether, or not, to move jobs away from the UK into the EU.
  - Whether the potential impact of all of the above could bring to the fore the question of whether Scotland remains as a part of the UK.
  - Consumer confidence in the UK will have a major impact on consumer expenditure and so on GDP growth; many factors could affect confidence e.g. house prices, inflation rising to outweigh pay inflation and so depressing disposable income, the outcome of Brexit negotiations, etc.

We will be undertaking a further review of our interest rate forecast following the release of the Bank of England Quarterly Inflation Report on 4th August where the Bank of England will update all its forecasts for growth, inflation etc and will explain its thinking around Bank Rate and QE.

## **CAPITA ASSET SERVICES' FORWARD VIEW**

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. An eventual world economic recovery may also see investors switching from the safe haven of bonds to equities.

We have pointed out consistently that the Fed. rate is likely to go up more quickly and more strongly than Bank Rate in the UK and recent events have not changed that view, just that the timing of such increases may well have been deferred somewhat. While there is normally a high degree of correlation between the two yields, we would expect to see a decoupling of yields between the two i.e. we would expect US yields to go up faster than UK yields. We will need to monitor this area closely and the resulting effect on PWLB rates.

The overall balance of risks to economic recovery in the UK remains to the downside. Although economic growth remains relatively steady, only time will tell whether some of the global headwinds sap some of the strength from the UK's future growth.

We would, as always, remind clients of the view that we have expressed in our previous interest rate revision newsflashes of just how unpredictable PWLB rates and bond yields are at present. We are experiencing exceptional levels of volatility which are highly correlated to emerging market, geo-political and sovereign debt crisis developments. Our revised forecasts are based on the Certainty Rate (minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Apart from the uncertainties already explained above, downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or Fed. rate increases, causing a further flight to safe havens (bonds).
- Geopolitical risks in Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- A resurgence of the Eurozone sovereign debt crisis.

- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and combat the threat of deflation in western economies, especially the Eurozone and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

## APPENDIX 3 : PRUDENTIAL INDICATORS

PRUDENTIAL INDICATOR	2015/16	2015/16	2016/17	2017/18
<b>(1). EXTRACT FROM BUDGET</b>				
	<b>Forecast Outturn £'000</b>	<b>Original Estimate £'000</b>	<b>Forecast Outturn £'000</b>	<b>Forecast Outturn £'000</b>
<b>Capital Expenditure</b>				
Non - HRA	28,044	45,505	20,273	10,140
<b>TOTAL</b>	<b>28,044</b>	<b>45,505</b>	<b>20,273</b>	<b>10,140</b>
<b>Ratio of financing costs to net revenue stream</b>				
Non - HRA	8.24%	8.24%	7.96%	7.55%
<b>Net borrowing requirement</b>				
brought forward 1 April *	256,079	257,823	272,746	258,878
carried forward 31 March *	252,018	272,746	258,878	249,276
in year borrowing requirement	(4,061)	14,923	(13,868)	(9,602)
<b>In year Capital Financing Requirement</b>				
Non - HRA	(4,061)	14,923	(13,868)	(9,602)
<b>TOTAL</b>	<b>(4,061)</b>	<b>14,923</b>	<b>(13,868)</b>	<b>(9,602)</b>
<b>Capital Financing Requirement as at 31 March</b>				
Non - HRA	252,018	272,746	258,878	249,276
<b>TOTAL</b>	<b>252,018</b>	<b>272,746</b>	<b>258,878</b>	<b>249,276</b>
<b>Incremental impact of capital investment decisions</b>				
Increase in Council Tax (band D) per annum	£ p 35.36	£ p 35.36	£ p 5.23	£ p 0.39

PRUDENTIAL INDICATOR	2015/16	2016/17	2017/18
<b>(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS</b>	<b>£'M</b>	<b>£'M</b>	<b>£'M</b>
<b>Authorised limit for external debt -</b>			
borrowing	203	220	215
other long term liabilities	83	83	83
<b>TOTAL</b>	<b>286</b>	<b>303</b>	<b>298</b>
<b>Operational boundary for external debt -</b>			
borrowing	198	215	210
other long term liabilities	80	80	80
<b>TOTAL</b>	<b>278</b>	<b>295</b>	<b>290</b>
<b>Upper limit for fixed interest rate exposure</b>			
Principal re fixed rate borrowing	195%	190%	190%
<b>Upper limit for variable rate exposure</b>			
Principal re variable rate borrowing	60%	60%	60%
<b>Upper limit for total principal sums invested for over 364 days</b> (per maturity date)	£20m	£20m	£20m

Maturity structure of new fixed rate borrowing during 2014/15	upper limit	lower limit
under 12 months	30%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	30%	0%
5 years and within 10 years	40%	0%
10 years and above	80%	0%

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ARGYLL AND BUTE  
COUNCIL

PERFORMANCE REVIEW AND SCRUTINY  
COMMITTEE

STRATEGIC FINANCE

25 AUGUST 2016

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## ANNUAL TREASURY REPORT 2015-16

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### 1. EXECUTIVE SUMMARY

- 1.1 This report outlines the Council's Treasury Management position for 2015-16.
- 1.2 The Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual review of treasury management activities and the actual prudential and treasury indicators and submit this to Council. The report at Appendix 1 meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.3 The key points to note from the annual report are:
- Savings in interest of £1.1m have been achieved through postponing borrowing.
  - Reporting requirements under the Code were met during 2015-16.
  - Borrowing reduced from £173m to £158m during the year with an average rate of 5.5%. The Council was able to access a project loan of £9.5m from the Public Works Loans Board (PWLB) at 2.96%. Repayments were made of £10.6m of long term loans and £13.9m of temporary borrowing.
  - The Capital Financing Requirement (excluding NPDO commitments) was £178m leading to under borrowing of £20m (up from £6m).
  - Investments at 31 March 2016 were £46m at an average rate of 0.782% compared to £56m at an average rate of 0.644% for 31 March 2014.
  - The average investment rate for 2015-16 was 0.685% compared to the average 7 day rate of 0.363% generating an additional return of £0.2m
- 1.4 This report meets the Code requirement for a treasury annual report. The Council remains under borrowed (around 11% of the CFR is not supported by borrowing) but current borrowing and investment rates mean additional costs would be incurred to address this. The Council was able to access a Project Rate Loan from the PWLB at a rate of 2.96% and whilst investment rates are low we exceeded our benchmark.

### 2. RECOMMENDATIONS

- 2.1 The Treasury Management Annual Report is noted.

**3. IMPLICATIONS**

- 3.1 Policy – None
- 3.2 Legal – None
- 3.3 Human Resources – None
- 3.4 Financial – None
- 3.5 Equal Opportunities – None
- 3.6 Risk – None
- 3.7 Customer Service – None

**Dick Walsh, Council Leader and Policy Lead for Strategic Finance**

**Kirsty Flanagan  
Head of Strategic Finance**

For further information please contact Peter Cupples, Finance Manager – Corporate Support 01546-604183

Appendix 1 – Annual Treasury Report 2015-16



**ANNUAL TREASURY  
REPORT**

**2015-2016**

## 1. Introduction

This Council is required by regulations issued under the Local Government in Scotland Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2015/16. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2015/16 the minimum reporting requirements were that the full Council or the Policy and Resources Committee should receive the following reports:

- an annual treasury strategy in advance of the year (Council 12 February 2015)
- a mid-year (minimum) treasury update report (Policy and Resources Committee 17 December 2015)
- an annual review following the end of the year describing the activity compared to the strategy (this report).

In addition, the Policy and Resources Committee has received treasury management update reports on 20 August 2015, 29 October 2015, 11 February 2016 and 17 March 2016.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council also confirms that it has complied with the requirement under the Code to give scrutiny to all of the above treasury management reports by the Performance Review and Scrutiny Committee.

## 2. The Economy and Interest Rates

Market expectations for the first increase in Bank Rate moved considerably during 2015/16, starting at quarter 3 2015 but soon moving back to quarter 1 2016. However, by the end of the year, market expectations had moved back radically to quarter 2 2018 due to many fears including concerns that China's economic growth could be heading towards a hard landing; the potential destabilisation of some emerging market countries particularly exposed to the Chinese economic slowdown; and the continuation of the collapse in oil prices during 2015 together with continuing Eurozone growth uncertainties.

These concerns have caused sharp market volatility in equity prices during the year with corresponding impacts on bond prices and bond yields due to safe haven flows. Bank Rate, therefore, remained unchanged at 0.5% for the seventh successive year. Economic growth (GDP) in 2015/16 has been disappointing

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with growth falling steadily from an annual rate of 2.9% in quarter 1 2015 to 2.1% in quarter 4.

The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back. In addition, a notable trend in the year was that several central banks introduced negative interest rates as a measure to stimulate the creation of credit and hence economic growth.

The European Central Bank (ECB) commenced a full blown quantitative easing programme of purchases of Eurozone government and other bonds starting in March at €60bn per month. This put downward pressure on Eurozone bond yields. There was a further increase in this programme of QE in December 2015.

As for America, the economy has continued to grow healthily on the back of resilient consumer demand. The first increase in the central rate occurred in December 2015 since when there has been a return to caution as to the speed of further increases due to concerns around the risks to world growth.

The UK elected a majority Conservative Government in May 2015, removing one potential concern but introducing another due to the promise of a referendum on the UK remaining part of the EU. The government maintained its tight fiscal policy stance but the more recent downturn in expectations for economic growth has made it more difficult to return the public sector net borrowing to a balanced annual position within the period of this parliament.

### 3. Overall Treasury Position as at 31 March 2016

At the beginning and the end of 2015/16 the Council's treasury (excluding borrowing by PFI and finance leases) position was as follows:

	31 March 2015 Principal	Rate/ Return	Average Life yrs	31 March 2016 Principal	Rate/ Return	Average Life yrs
<b>Total debt</b>	<b>£173m</b>	<b>5.4%</b>	<b>29.18</b>	<b>£158m</b>	<b>5.5%</b>	<b>30.97</b>
<b>CFR</b>	<b>£180m</b>			<b>£178m</b>		
<b>Over / (under) borrowing</b>	<b>(£6m)</b>			<b>(£20m)</b>		
<b>Total investments</b>	<b>£56m</b>	<b>0.6%</b>		<b>£46m</b>	<b>0.8%</b>	
<b>Net debt</b>	<b>£117m</b>			<b>£112m</b>		

## 4. The Strategy for 2015/16

The expectation for interest rates within the treasury management strategy for 2015/16 anticipated low but rising Bank Rate, (starting in quarter 1 of 2016), and gradual rises in medium and longer term fixed borrowing rates during 2016/17. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back.

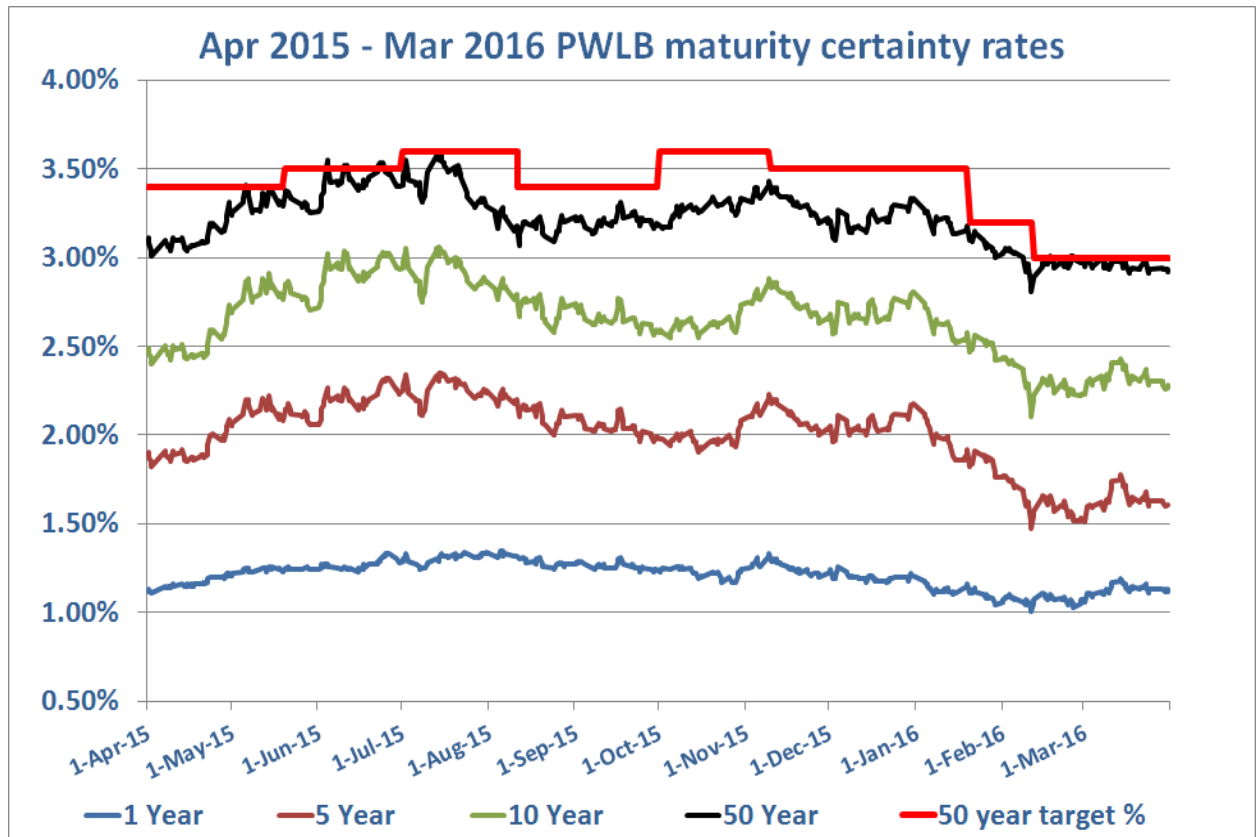
## 5. The Borrowing Requirement

The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

	31 March 2015 Actual	31 March 2016 Budget	31 March 2016 Actual
CFR (£m)	258	273	254
Less NPDO	78	78	76
Net CFR	180	195	178

## 6. Borrowing Rates in 2015/16

**Public Works Loans Board (PWLB) certainty maturity borrowing rates** - the graph below shows how PWLB certainty rates have fallen to historically very low levels during the year.



## 7. Borrowing Outturn for 2015/16

**Borrowing** – the following loans were taken during the year: -

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£9.5m	Fixed interest rate	2.96%	50 years
East Renfrewshire Council	£2.0m	Fixed interest rate	0.50%	2 Months
West Mercia Police Authority	£5.0m	Fixed interest rate	0.45%	7 Weeks

**Rescheduling**

No rescheduling was carried out during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

**Repayments**

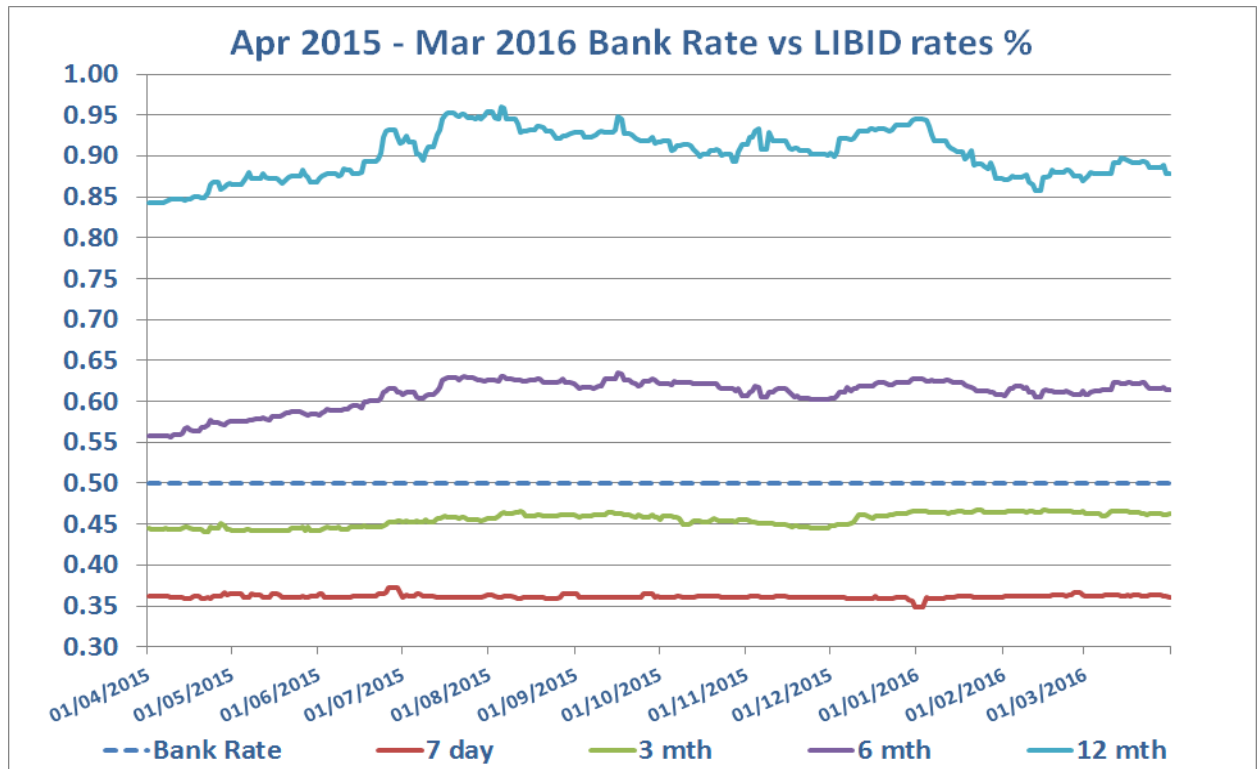
The Council repaid the following loans during the year using investment balances.

Lender	Principal	Type	Interest Rate
Prudential Assurance	£1.0m	Fixed interest rate	11.375%
PWLB	£2.4m	Fixed interest rate	9.375%
PWLB	£0.4m	Fixed interest rate	9.125%
PWLB	£3.3m	Fixed interest rate	10.000%
PWLB	£0.1m	Fixed interest rate	11.625%
PWLB	£0.4m	Fixed interest rate	11.000%
PWLB	£3.0m	Fixed interest rate	3.280%
Greater Manchester Combined Authority	£10.0m	Fixed interest rate	0.35%
Surrey County Council	£10.0m	Fixed interest rate	0.30%
Other Temporary Borrowing	£1.7m	Fixed interest rate	0.30%

**Summary of debt transactions**

Management of the debt portfolio resulted in an increase in the average interest rate of 0.1% due to a reduction in temporary borrowing, overall the reduction in interest payments resulted in net General Fund savings of around £1.1m.

## 8. Investment Rates in 2015/16



Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for seven years. Market expectations as to the timing of the start of monetary tightening started the year at quarter 1 2016 but then moved back to around quarter 2 2018 by the end of the year. Deposit rates remained depressed during the whole of the year, primarily due to the effects of the Funding for Lending Scheme and due to the continuing weak expectations as to when Bank Rate would start rising.

## 9. Investment Outturn for 2015/16

**Investment Policy** – the Council's investment policy is governed by Scottish Government investment regulations which have been implemented in the annual investment strategy approved by the Council on 12 February 2015. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

**Investments held by the Council** - the Council maintained an average daily balance of £59.8m of internally managed funds. The internally managed funds earned an average rate of return of 0.685%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.363%. This generated additional interest income of £0.2m

## Prudential and Treasury Indicators

During 2015/16, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual prudential and treasury indicators	2014/15 Actual £000	2015/16 Original £000	2015/16 Actual £000
Capital expenditure	36,281	45,505	24,185
Capital Financing Requirement	257,556	272,746	253,896
Gross borrowing	247,280	250,710	233,986
External debt	173,378	158,090	158,089
Investments	56,408	20,000	46,438
Net borrowing	116,970	138,090	111,651

**Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2015/16) plus the estimates of any additional capital financing requirement for the current (2016/17) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2015/16.

	2015/16
Authorised limit	£286m
Maximum gross borrowing position	£251m
Operational boundary	£278m
Average gross borrowing position	£236m
Financing costs as a proportion of net revenue stream	7.7%

**The authorised limit** – this Council has kept within its authorised external borrowing limit as shown by the table above.

**The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

**Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

The maturity structure of the debt portfolio was as follows:

	31 March 2015 actual	2015/16 original limits	31 March 2016 actual
Under 12 months	£31.9m	£47.4m	£16.6m
12 months and within 24 months	£18.4m	£47.4m	£8.9m
24 months and within 5 years	£16.4m	£47.4m	£16.4m
5 years and within 10 years	£6.5m	£63.2m	£6.5m
10 years and within 20 years	£0.0m	£126.4m	£0.0m
20 years and within 30 years	£12.9m	£126.4m	£12.9m
30 years and within 40 years	£15.3m	£126.4m	£28.9m
40 years and within 50 years	£30.0m	£126.4m	£36.8m
50 years plus	£42.0m	£126.4m	£31.0m
<b>Total</b>	<b>£173.4m</b>		<b>£158.0m</b>

All investments were for under one year.

The exposure to fixed and variable rates was as follows which demonstrates that the year end position was within the agreed limits:

	31 March 2015 Actual £000	2015/16 Original Limits £000	31 March 2016 Actual £000
Fixed rate (principal or interest) based on net debt	95%	195%	100%
Variable rate (principal or interest) based on net debt	35%	60%	42%



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**ARGYLL AND BUTE COUNCIL**

**PERFORMANCE REVIEW AND  
SCRUNITY COMMITTEE**

**CHIEF EXECUTIVE**

**25 August 2016**

**PERFORMANCE REPORT – FQ1 2016-17**

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**1. SUMMARY**

- 1.1 The Planning and Performance Management Framework sets out the process for presentation of the council's quarterly performance reports. This paper presents the Council and Departmental performance reports with associated scorecards for performance in FQ1 2016-17 (April - June 2016).
- 1.2 It is recommended that the PRS Committee reviews the reports and scorecards as presented.

**Cleland Sneddon  
Chief Executive**

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ARGYLL AND BUTE COUNCIL

PERFORMANCE REVIEW AND  
SCRUTINY COMMITTEE

CHIEF EXECUTIVE

25 August 2016

PERFORMANCE REPORT – FQ1 2016-17

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## 2. SUMMARY

- 2.1 The Planning and Performance Management Framework sets out the process for presentation of the council's quarterly performance reports. This paper presents the Council and Departmental performance reports with associated scorecards for performance in FQ1 2016-17 (April - June 2016).
- 2.2 Performance is reviewed by the Strategic Committees on the following dates, and is presented to the PRS Committee for high level review and scrutiny.

Community Services	September 8 <sup>th</sup>
Environment, Development & Infrastructure	August 11 <sup>th</sup>
Policy & Resources	August 18 <sup>th</sup>
Planning, Protective Services & Licensing	August 17 <sup>th</sup>

## 3. RECOMMENDATIONS

- 3.1 It is recommended that the PRS Committee reviews the reports and scorecards as presented.

**Cleland Sneddon**  
Chief Executive

Performance Report for <b>Customer Services</b>	Period <b>April – June 2016</b>
<p><b>Key Successes</b></p> <ol style="list-style-type: none"> <li>1. The Property Design Team was successful at the Council’s Sustainable Design Awards and received a Commendation Award for works at Tayvallich PS.</li> <li>2. Positive external surveillance audit of the Catering Quality Management system.</li> <li>3. Scottish parliamentary election process completed successfully</li> <li>4. By election Oban North and Lorn ward –June 2016 completed successfully</li> <li>5. Reaccreditation of Customer Excellence Standard with full compliance and five plus ratings</li> <li>6. New PCIP (procurement capability improvement programme) assessment carried out and top F1 ranking achieved.</li> <li>7. Won top council task in UK wide Socitm Better Connected awards</li> <li>8. Finalist in IRRV 2016 Excellence in partnership working awards for Universal Support Delivered Locally trial</li> </ol>	
<p><b>Key Challenges</b></p> <ol style="list-style-type: none"> <li>1. Managing loss of the Asset Manager from the Estates Service and the subsequent difficulty in recruiting for this post.</li> <li>2. Delivery of New Carbon Management Plan – potential impact from Service Choices. Delay to delivery of the plan</li> <li>3. Ongoing work taking place to review school transport fleet during allocation of seats for start of new term in August.</li> <li>4. Review of the Catering and Cleaning Service with FMS Consultants is under way, final report due 22 July 2016.</li> <li>5. Boundary Commission review ongoing</li> <li>6. Manage transition to Scottish Wide Area Network and make contingency plans for sites now expected to overrun beyond September 2016</li> </ol>	
<p><b>Action Points to address the Challenges</b></p> <ol style="list-style-type: none"> <li>1. Options are being explored for the appointment of a replacement officer with wider commercial skills and experience to take forward the Council’s Property Investment Strategy. In the short term, the Estates Team is being enhanced through the use of agency surveyors.</li> <li>2. A generic Carbon Management Plan which identifies the way forward, subject to the outcome of Service Choices is being developed. The new Plan will therefore recommend a flexible and incremental approach with more frequent short term targets informed by resource availability, adopting the reporting requirements of the Scottish Government.</li> <li>3. Working with colleagues in Education Services to ensure effective and efficient transport solutions.</li> <li>4. Service involvement in the FSM Consultant’s review has taken place throughout the process, both DMT and the Transformation Working Group have been appraised of progress made.</li> <li>5. Election team will monitor progress and assess any issues that require action</li> <li>6. Continued engagement with Capita and Vodafone on contingency arrangements, and financial modelling of impact of delay.</li> </ol>	



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

**Customer Services Scorecard 2016-17**

Scorecard owner **Douglas Hendry**

FQ1 16/17

[Click for Full Outcomes](#)

**P** Priorities for 2015-17: Customer Services

IMPROVEMENT					Status Trend	
Improvement Plan Outcomes CU	Outcomes	Total No	Off track	On track	Complete	<b>A</b> ↑
		63	1	24	38	
CARP Customer Services		Total No	Off track	On track	Complete	<b>G</b> →
		4	0	0	4	
<b>Customer Service CU</b>		Number of consultations			0	
Customer Charter		Stage 1 complaints		100 %	<b>G</b> ↑	
Customer satisfaction	91 %	<b>G</b> ↑	Stage 2 complaints		100 %	<b>G</b> →
Customer Services Audit Recommendations	Overdue	Due in future		Future - off target		
	0 →	8 ↑		2 ↓		
CU Average Demand Risk	Score	6	Appetite	6	→	
CU Average Supply Risk	Score	6	Appetite	6	→	
<b>Health &amp; Safety</b>		Overdue	Rescheduled	Actions in Plan	Complete	
Service H&S Plan Actions		0	0	14	1	
H&S Investigation Actions		0	0	0		

RESOURCES				
People	Benchmark	Target	Actual	Status Trend
Sickness absence CU		1.93 Days	2.07 Days	<b>R</b> ↑
PRDs % complete		90 %	98 %	<b>G</b>
Financial		Budget	Forecast	
Finance Revenue totals CU	£K 37,569	£K 37,569		<b>G</b> ↑
Capital forecasts - current year CU	£K 26,126	£K 24,748		<b>R</b> ↑
Capital forecasts - total project CU	£K 112,784	£K 112,867		<b>A</b> ↑
Asset management red risks	6	On track	6	<b>G</b> →

**Customer Services Scorecard 2016-17**

FQ1 16/17

Click for Full Scorecard

SOA Outcome - The economy is diverse and thriving <span style="float: right;">A</span>			
CS02 Businesses supported in claiming Non Domestic Rates relief	Success Measures	1	<span style="color: red;">R</span>
	On track	0	↓
CS03 Maximise opportunities for SME's to sell to the Council ...	Success Measures	5	<span style="color: green;">A</span>
	On track	3	
CS05 Increased value is delivered from procurement ...	Success Measures	4	<span style="color: green;">G</span>
	On track	4	↑

SOA Outcome - Children and young people have the best possible start <span style="float: right;"><span style="color: green;">G</span> ↑</span>			
FS01 Children are healthier because nutritionally balanced school meals are available ...	Success Measures	6	<span style="color: green;">G</span>
	On track	6	→
GL04 The best interests of children at risk are promoted	Success Measures	1	<span style="color: green;">G</span>
	On track	1	↑

SOA Outcome - People live active, healthier and independent lives <span style="float: right;">A</span>			
CS01 Benefits paid promptly whilst minimising fraud	Success Measures	6	<span style="color: green;">A</span>
	On track	5	
CS08 Financial and digital inclusion barriers are removed from disadvantaged citizens ...	Success Measures	3	<span style="color: green;">G</span>
	On track	3	→

Supporting Outcome - Service Delivery Enablers			
CS04 Income from local taxes and sundry debtors is maximised ...	Success Measures	6	<span style="color: green;">A</span>
	On track	5	
CS06 IT applications & infrastructure available ... and meet business needs	Success Measures	8	<span style="color: green;">A</span>
	On track	7	→
CS07 Customers can access council services more easily ... service quality	Success Measures	9	<span style="color: green;">A</span>
	On track	7	→
GL01 High quality support and governance enables open transparent decision making	Success Measures	5	<span style="color: green;">G</span>
	On track	5	
GL02 Council compliance with governance & info arrangements	Success Measures	3	
	On track	0	
GL05 Provision of high quality, timely legal advice and documentation	Success Measures	4	<span style="color: green;">G</span>
	On track	4	↑
GL06 Timely provision of Liquor Licences & Civic Government Licences to the public	Success Measures	5	<span style="color: green;">G</span>
	On track	5	↑
IH03 Our customers and employees are informed and engaged	Success Measures	9	<span style="color: green;">A</span>
	On track	9	
IH04 Improve efficiency and delivery through systems and frameworks	Success Measures	2	<span style="color: green;">A</span>
	On track	2	
IH05 Performance, continuous improvement and organisational change is developed ...	Success Measures	2	<span style="color: green;">A</span>
	On track	2	→
IH06 Workforce has skills, knowledge and behaviours that support our culture and vision	Success Measures	6	<span style="color: green;">A</span>
	On track	5	
IH07 Provide high quality support services to our workforce	Success Measures	3	<span style="color: red;">R</span>
	On track	3	→

SOA Outcome - People live in safer and stronger communities <span style="float: right;">A</span>			
FS02 Communities are safer ... through improved facilities	Success Measures	10	<span style="color: green;">A</span>
	On track	8	→
FS03 We contribute to the sustainability of the local area	Success Measures	5	<span style="color: green;">A</span>
	On track	5	↓
FS04 School & public transport meets the needs of communities	Success Measures	3	<span style="color: green;">G</span>
	On track	3	↑
GL03 Improved quality of life and reduced risks for residents and visitors	Success Measures	1	<span style="color: green;">G</span>
	On track	1	→
IH01 Managers are enabled to manage health and safety effectively	Success Measures	6	<span style="color: green;">G</span>
	On track	6	→
IH02 We recognise and tackle discrimination and promote equality	Success Measures	3	<span style="color: green;">G</span>
	On track	3	

**Key Successes**

- 22 Classroom and Additional Support Needs Assistants received certificates for the SQA Professional Development Award (PDA) in Education Support Assistance
- Three turf cutting events were held in June to celebrate the new schools that are being built in Argyll and Bute. The new £26 million high school in Campbeltown, the £36 million new high school in Oban and the new Kirn primary school. A special thanks to Schools Development Manager Michael Casey and David Logan Special Projects Manager and their teams for making the new investment happen
- % of positive destinations is at 92.7% which is slightly higher than the National average
- Number of exclusions within secondary schools – number of incidents recorded remains below the target for this quarter
- Secondary schools attendance figures are above the target of 93% for the quarter, with the actual figure sitting at 94.7%
- Luss Primary School are the Scottish Champions of this year's Total Green Award
- Number of adults accessing community based adult learning exceeds the target of 350 with 698 users
- The number of people accessing Council pools far exceeds the target of 75,000 with the actual figure 93,194 for this quarter
- The number of people accessing Council gyms far exceeds the target of 23,000 with the actual figure 28,245 for this quarter
- The number of times libraries have been used by external agencies is well above its target of 360 with the actual figure being 593 for the quarter
- The number of children's swimming lessons completed for this quarter is above the target of 4,500 with the actual figure being 4,617
- 15 Syrian families have now been resettled in Bute
- One of our Syrian men has secured permanent employment. The Home Office has selected Argyll and Bute Council to pilot their project which provides support for families wishing to set up their own business on Bute. We currently have six of our families taking part in this pilot. This is a huge endorsement of the excellent work that is being carried out and a huge credit to Argyll and Bute Council. The process continues to be so successful due to the fantastic contribution from partners and the local community highlighting the importance of partnership working and show casing how successful it can be

**Key Challenges**

1. Reducing the number of days lost through sickness absence across Community Services.
2. Reviewing the implementation of the new National Qualifications.
3. Meeting the requirements of new legislation e.g. Self-Directed Support Act, Children and Young People's Act 2014 and Community Empowerment Act, etc. and emerging legislative changes such as the Education Bill and Carers Bill.
4. Achieving target for the completion of PDRs during the quarter.
5. Increasing positive destinations for young people in the current economic climate

6. Continue to raise attainment specifically in reading, writing and numeracy for every child in line with the new National Improvement Framework for Education.
  - o Continue to work to close the gap between the most and least disadvantaged children in school as outlined in the new National Improvement Framework.
  - o Introduction of new national standardised assessments in P1, P4, P7 and S3 which focus on progression on literacies and numeracy as part of the new National Improvement Framework.
7. Ongoing challenges associated with teacher recruitment in certain locations and for certain subjects to assist the authority to meeting its commitment in relation to teacher numbers.
8. Our refugee re-settlement on the Isle of Bute and support arrangements
9. Delivering excellence and equity in Scottish Education – deliver on the outcomes for the authority
10. Inspection of Education Services

### **Action points to address the challenges**

1. Continue to work to ensure that return to work interviews are completed for all periods of sickness absence by targeting individual Managers and Team Leaders in the context of performance. Staff to be offered appropriate support in the management of this issue.
2. Continue to support work on curriculum design to reflect the new Curriculum for Excellence framework and training on the new secondary benchmarking toolkit. The examination results for session 2014/15 will be analysed in detail and used to review the curricula available within secondary schools.
3. Meeting the requirement of all new legislation.
4. Implementation of a new process for the recording of PRDs which will include a review of the quality of completed reviews.
5. Detailed and individualised information and advice for school leavers is being provided in conjunction with Skills Development Scotland. Multi agency plan to meet the recommendations of Scotland's Young Workforce currently being implemented.
6. Continue to develop the new Education Strategy to deliver on the new National Improvement Framework and the additional duties in the updated Education Act.
7. Recruiting and retaining staff who have a focus on developing consistency and quality. Continue to work with the Council's HR service to advertise and recruit into vacant posts within the Oban and Mid Argyll areas.
8. Detailed multi agency support arrangements in place for the refugee families, co-ordinated by the refugee resettlement group.
9. A timetable will be shared at Community Services Committee and with the Education Team, Head Teachers and parents
10. A detailed programme is in place for the delivery of the Education Inspection.



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

### Community Services Scorecard 2016-17

Scorecard owner

**Ann Marie Knowles**

FQ1 16/17

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**P** Priorities for 2015-17: Community Services

IMPROVEMENT					Status Trend	
Improvement Plan Outcomes CM	Total No	Off track	On track	Complete	A →	
	49	0	13	36		
CARP Community Services	Total No	Off track	On track	Complete	G →	
	91	0	89	2		
<b>Customer Service CM</b>		Number of consultations			3	
Customer Charter		Stage 1 complaints	36 %		R ↓	
Customer satisfaction		Stage 2 complaints	75 %		R ↑	
Community Services Audit Recommendations	Overdue	Due in future	Future - off target		0 →	7 ↓
	0	7	0			
CM Average Demand Risk	Score	9	Appetite	9	→	
CM Average Supply Risk	Score	8	Appetite	8	→	
Health & Safety	Overdue	Rescheduled	Actions in Plan	Complete		
Service H&S Plan Actions						
H&S Investigation Actions	0	0	0			

RESOURCES				
People	Benchmark	Target	Actual	Status Trend
Sickness absence CM [LGE]		2.0 Days	2.2 Days	R ↑
Sickness absence CM [teachers]		1.6 Days	1.5 Days	G ↑
PRDs % complete		90 %	53 %	R
<i>Financial</i>		<i>Budget</i>	<i>Forecast</i>	
Finance Revenue totals CM	£K 79,533	£K 79,533		G ↑
Capital forecasts - current year CM	£K 0	£K 0		
Capital forecasts - total project CM	£K 0	£K 0		
Asset management red risks	0			



SOA Outcome - The economy is diverse and thriving			
CC05 Argyll and Bute's economic success is built on a growing population	Success Measures	2	
	On track	2	
SOA Outcome - We have infrastructure that supports sustainable growth			
CC07 People access a choice of suitable & affordable housing options ...	Success Measures	2	
	On track	2	
SOA Outcome - Education, skills and training maximises opportunities for all			
CC03 Our adults are supported to access learning opportunities ...	Success Measures	2	
	On track	2	
ED01 Primary school children are enabled to increase levels of attainment ...	Success Measures	25	
	On track	24	
ED02 Secondary school children are enabled to increase levels of attainment ...	Success Measures	17	
	On track	17	
ED03 Education Central Management Team ensures continuous improvement ...	Success Measures	8	
	On track	7	
ED05 An effective system for Opportunities for All will operate in all secondary schools	Success Measures	4	
	On track	3	
ED06 Education staff have increased capacity for leadership ...	Success Measures	5	
	On track	5	
ED08 Young people have the opportunity to access accredited wider learning opportunities	Success Measures	3	
	On track	3	

**Community Services Scorecard 2016-17**

FQ1 16/17

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SOA Outcome - Children and young people have the best possible start			
CC01 Our young people are supported to lead more active and healthier lives	Success Measures	2	
	On track	2	
ED04 Educational additional support needs of children & YP are met ...	Success Measures	8	
	On track	8	
ED07 Young children and their families assisted to achieve best start in life ...	Success Measures	12	
	On track	11	
SOA Outcome - People live active, healthier and independent lives			
CC02 Raised lifelong participation in sport ... healthy lives	Success Measures	3	
	On track	3	
CC04 Less people will become homeless ... thru proactive approach ...	Success Measures	3	
	On track	1	
SOA Outcome - People live in safer and stronger communities			
CC06 Third Sector & communities ... enabled ... developing communities	Success Measures	1	
	On track	0	
CC08 Improved literacy, health ... access to ... culture, libraries & museums	Success Measures	4	
	On track	3	

**Key successes**

1. The council's engagement and broad support provided to Scottish Sea Farms, along with Highlands and Islands Enterprise (HIE) to encourage £35million investment in Barcaldine will create up to 25 jobs and include spin off benefits such as the £900k order placed with Argyll based, Fusion Marine for fish farm pens. Working with HIE, the council will continue to work proactively to find alternative locations for any firms displaced as a result of the investment of Scottish Sea Farms at Barcaldine. This includes looking at available council and HIE property in the Oban and Lorn area.
2. The review of the Local Development Plan (LDP2) which will direct development within Argyll and Bute for the period 2020 – 2025 opened with a 'Call for Sites' 6 month period (closing on 8 December 2016). This important part of the preparation process seeks to identify opportunities at an early stage allowing landowners and prospective developers to put forward sites of 5 units or more for consideration.
3. Following the reopening of the Regional Grant Capital Fund, the council took advantage of a short window of opportunity to submit 3 bids to support existing projects which best met the criteria for the fund, namely the Redevelopment of the North Pier in Oban; the development of the Gleaner site in Ardrishaig prepared by Scottish Canals; and a bid to create the first phase of a new industrial site at Tobermory prepared by the Mull and Iona Development Trust. Announcements for this highly competitive fund are due in August on which bids proceed to stage 2.
4. The Economic Development Marketing Plan gained approval and the council is working together with AITC and external stakeholders to develop a strategic approach to tourism marketing for the area. Discussions on how to make best use of available budgets, joint working and potential for leveraging in additional funding are being progressing.
5. Following on from the success of the council's building standards team gaining an MOD contract, the amenity services team has secured a commercial contract with Scottish Canals to provide grounds maintenance services in Mid Argyll. The value of this annual contract will help sustain local employment and there is an opportunity for contract continuation in 2017/18.
6. A range of key recommendations and possible projects were considered and prioritised by over 400 people attending the 4 day Crinan Canal Charrette. The Charrette's findings will now be used to inform the priorities for the £3million Tarbert and Lochgilphead Regeneration Fund.
7. Helensburgh's revitalised town centre public realm continues to gain recognition winning a Scottish Design Award and a prestigious Royal Incorporation of Architects in Scotland (RIAS) Award recognising the very best being built in Scotland. RIAS commended the CHORD project for delivering the design ethos to create a town centre with attractive, usable and flexible public space.
8. Funding of £300k has been secured from Sustrans Community Links for Hermitage Park Path network upgrade and a further £50k secured for the new footway at Letterdaill (Cairnbaan) providing links to the Crinan Canal.

9. With the full funding requirement now in place for the £3million plus Hermitage Park project permission to start the project was given by the principal funder, Heritage Lottery Fund (HLF). The tender process is already underway with potential suppliers bidding for the works. Recently a successful 'Tea in the Park' event, hosted by The Friends Group attracted 1,100 people will help to raise funds for further park developments.
10. In Oban work on the 2<sup>nd</sup> phase of the public realm works is progressing very well including enhancements made to the original scheme providing 3 additional bus shelters incorporating real time information display boards; a large totem style board at Station Square displaying real time train, ferry and bus service information; enhanced street lighting and widening and extended dropped kerbs to disabled parking bays.
11. Planning applications have now been submitted for Oban's new 56 berth transit berthing facility which will act as a key facility for yachts accessing the wider Argyll coast and a maritime reception centre on the North Pier for the expanding cruise ship trade.
12. Planning approval was granted for camping facilities including parking for 25 vehicles, 6 wigwam type glamping pods and a café at Rhubodach, on the Isle of Bute. This new development will see new jobs created, better recreational facilities for local people and attract new visitors to Bute.
13. A highly successful Sustainable Design Awards ceremony recognised examples of exceptional design quality across Argyll and Bute. Category winners included the Park Square development in Campbeltown providing 32 new build flats and houses; redevelopment or refurbishment of a historic Listed Building awarded to Greystones Hotel in Oban which has provides a long term future for the building and tourism benefit for the town; and a new build non-residential commendation for Tayvallich Primary School Early Years Unit where the new build, adjacent to the existing Victorian school building has set a high standard in an area within a national scenic area.
14. The Furnace Coastal Protection Scheme was completed with 50% of the project funded by the council and 50% by Scottish Water. Bridge strengthening at Braigo Bridge on Islay and Ar Taigh Bridge on East Loch Awe Side were also substantially completed signifying an investment in excess of £400k supporting important local connectivity.
15. The National Scottish Transport Awards 2016 highly commended the council's work supporting cycling on the South Islay Distilleries Path where initial monitoring indicates that in excess of 2500 people use this path per month enhancing tourism and the local economy. The Saturday Telegraph also ranked this walking and cycling route as no.1 driving free tasting tour in their article 'Experience the spirit of the Isles'.
16. The newly refurbished Dunoon Pier buildings were used as the events hub for the Dunoon Ride and Run in April. Plans are also in place for the Pier to be used as an events hub for other BID 'Dunoon Presents' events later in the year, for more info refer to [www.dunoonpresents.co.uk](http://www.dunoonpresents.co.uk).
17. With over 400 public nominations nationally, Rothesay Pavilion, The Winter Gardens, Cour House in Kintyre, St Conan's Church at Lochawe, Mount Stuart Visitor Centre and House no.7 on Tiree have been selected among Scotland's top 100 buildings in the Festival of Architecture's Scotstyle exhibition and publication. The exhibition will tour throughout Scotland showcasing at over 30 venues ranging from galleries to railway stations giving the public the opportunity to vote for their favourite building with the council encouraging support for Argyll and Bute nominations.

18. The Kintyre Way has been recognised in the '10 most beautiful walks in the UK' by the online guide 'the Culture Trip'. Supported by the council's access team and having received financial assistance from the council, this core path is currently being assessed by Scottish Natural Heritage (SNH) for Improving Public Access funding (estimated up to £400k collectively).
19. Business Gateway delivered 279 workshops to existing businesses and supported 27 new business start-ups during this period, bringing the total of new business start-ups to almost 950 since the service commenced in 2009. One year business survival remains ahead of target at 87%, 10% points ahead of target, however the three yearly business survival trends remain challenging.
20. The council continues to target new opportunities that support economic growth throughout Argyll and Bute; during this period, the Kilmory Industrial Estate Masterplan gained approval following joint commissioning between Argyll and Bute Council, Highlands and Islands Enterprise and MacLeod's construction.
21. Machrihanish remains well placed to be part of an industry expected to be valued at £40billion in the UK by 2030 and the council continues to highlight this potential site for the UK's first Spaceport with a number of companies with an interest in aerospace visiting the Machrihanish Base during this period and further visits planned during the summer and autumn.
22. The new LEADER 2014-2020 programme opened to Expressions of Interest under the themes of the Local Development Strategy; potential audience of 1300 reached via funding alert; 55 expressions of interest have already been received and 7 potential applicants visited.
23. Supporting the council's 'Open for Business' ethos, 95% of planning applications determined in this period were approved, with the average number of weeks taken to grant approval ahead of the target 12 week period and comparing favourably with the national average. The council's planners also report an increase in pre-application enquiries as the favoured route for prospective planning advice; and, working in tandem with Building Standards and the Planning Policy team a successful joint User Forum was attended by 35 local agents and architects.

### **Key challenges**

1. Implementing service changes to Argyll and Bute's waste and recycling collections.
2. Addressing the challenges associated with recycling and waste treatment in the medium to longer term in view of the longer term financial risks and future landfill ban affecting this statutory service.
3. Ensuring that the promotion and marketing of Argyll and Bute as a great place to live, visit, invest and work remains a strategic priority for the council and a wide range of stakeholders.

4. Progressing effective workforce planning, balancing short to longer term skills requirements, whilst addressing the current financial challenges.
5. Realising the full potential of the marine infrastructure to support economic growth; undertake a review of Piers and Harbours fees and charges and a review of marine service operating expenditure.
6. Address the financial challenges associated brought about by flooding events and resourcing the council's liabilities associated with the Flood Risk Management Plan.
7. Converting managerial action on sickness absence into improved attendance performance.

### **Actions to address the challenges**

1. Effectively communicate waste and recycling service changes to the public and trade waste businesses as well as supporting staff adapt to the service changes in collection routes and working arrangements.
2. Develop a new Waste Strategy based upon a new 25 Year Waste Financial Model and continue to work with the community to improve and increase recycling performance.
3. Work closely with a wide range of stakeholders to progress the opportunities associated with tourism in Argyll and Bute.
4. Progress workforce planning requirements to mitigate short to medium term job loss as a result of budgetary pressures; support sustainable future service delivery, create employment opportunity to address concerning workforce demographics and specific occupational recruitment challenges.
5. Ensure that effective consultations, communications and management of the work streams necessary to undertake the review of Piers and Harbours fees and charges. Progress economic opportunities inherent in the Marine Sector independently and collaboratively; and ensure that future marine service operating costs are sustainable.
6. Continuing to work with SEPA and other Local Plan District partners managing flood risk, this includes preparing Surface Water Management Plans and working with plan district groups to deliver a programme of actions; and confirming the financial allocations for the first 6 year cycle of the Flood Risk Management Plan.
7. Supporting managers in their efforts to improve performance attendance and effectively apply the council's Maximising Attendance Policy.



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

**Development and Infrastructure Scorecard 2016-17**

Scorecard owner **Pippa Milne**

FQ1 16/17

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**P** Priorities for 2015-17: Dev't & Infrastructure

IMPROVEMENT					Status Trend	
Improvement Plan Outcomes DI	Outcomes	Total No	Off track	On track	Complete	<b>A</b> →
		23	0	4	19	
CARP Development & Infrastructure		Total No	Off track	On track	Complete	<b>G</b> →
		10	0	0	10	
<b>Customer Service DI</b>		Number of consultations			3	
Customer Charter		Stage 1 complaints		68 %	<b>R</b> ↓	
Customer satisfaction	91 %	<b>G</b> ↓	Stage 2 complaints		88 %	<b>R</b> ↓
DI Services Audit Recommendations	Overdue	Due in future	Future - off target			
	0 ↑	19 ↑	0		→	
DI Average Demand Risk	Score	8	Appetite	8	↑	
DI Average Supply Risk	Score	7	Appetite	7	→	
<b>Health &amp; Safety</b>		Overdue	Rescheduled	Actions in Plan	Complete	
Service H&S Plan Actions		0	0	23	0	
H&S Investigation Actions		0	0	0		

RESOURCES				
People	Benchmark	Target	Actual	Status Trend
Sickness absence DI		3.03 Days	3.67 Days	<b>R</b> ↓
PRDs % complete		90 %	93 %	<b>G</b>
Financial	Budget	Forecast		
Finance Revenue totals DI	£K 29,779	£K 29,779		<b>G</b> ↑
Capital forecasts - current year DI	£K 20,380	£K 18,776		<b>R</b> ↓
Capital forecasts - total project DI	£K 110,960	£K 110,960		<b>G</b> ↓
Asset management red risks	6	On track	6	<b>G</b> ↑

**Development and Infrastructure Scorecard 2016-17**

FQ1 16/17

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SOA Outcome - The economy is diverse and thriving <b>A</b>			
ET01 Sustainable economic growth in Argyll and Bute	Success Measures	19	<b>A</b>
	On track	16	
PR01 Local economy improved by delivery of sustainable development	Success Measures	4	<b>A</b>
	On track	3	→
RA04 Capital projects improve the transport infrastructure	Success Measures	6	<b>A</b>
	On track	5	
RA05 High level of street cleanliness	Success Measures	1	<b>G</b>
	On track	1	→
RA06 Sustainable disposal of waste	Success Measures	2	<b>G</b>
	On track	2	→
SOA Outcome - We have infrastructure that supports sustainable growth <b>G</b>			
ET02 A&B better connected, safer & more attractive	Success Measures	6	<b>G</b>
	On track	6	
PR05 Improved & enhanced access to natural environment & green networks	Success Measures	2	<b>G</b>
	On track	2	→
PR07 Creation of well designed and sustainable places ...	Success Measures	2	<b>G</b>
	On track	2	→
RA07 Marine Services - maintenance/management of piers/harbours/slips	Success Measures	1	<b>G</b>
	On track	1	→

SOA Outcome - People live in safer and stronger communities <b>A</b>			
ET03 Renewables ... developed ... for the benefit of communities	Success Measures	2	<b>A</b>
	On track	2	↓
ET04 Harness the potential of the third sector ...	Success Measures	3	<b>G</b>
	On track	3	↑
PR02 Empowered ... customers ... exercising their legal rights ...	Success Measures	2	<b>G</b>
	On track	2	↑
PR03 Secure standards re public health & health protection ...	Success Measures	3	<b>G</b>
	On track	3	→
PR04 Health, safety etc of people in & around buildings is protected ...	Success Measures	3	<b>G</b>
	On track	3	→
PR06 We live and work in an environment which is safe, promotes health & supports local economy	Success Measures	3	<b>A</b>
	On track	2	
RA01 Proportionate, safe and available roads infrastructure	Success Measures	4	<b>A</b>
	On track	3	↓
RA02 Roads maintenance strategies ... contribute to economic growth ...	Success Measures	2	<b>G</b>
	On track	2	→
SOA Outcome - People live active, healthier and independent lives <b>G</b>			
PR08 Protect health of our communities through effective partnership working	Success Measures	2	<b>G</b>
	On track	2	
Supporting Outcome - Service Delivery Enablers			
RA03 Reliable, safe and efficient vehicles fleet	Success Measures	2	<b>G</b>
	On track	2	→

**Key Successes**

1. Unaudited Accounts prepared by 30 June 2016 deadline.
2. Deadlines and workload expectations met despite reduced resource including submission of the Projected Outturn Budget Estimate (POBE) return.
3. Investment returns continue to exceed the benchmark rate of return.
4. Key resources allocated to support various projects/initiatives e.g. Devolved School of Management project, Leisure Trust, Health and Social Care Integration, Catering and Cleaning review, Street Lighting.
5. 9 out of 9 Planned Internal Audits were completed in the quarter.
6. Department has been awarded “Accredited Training Provider” status with the accounting qualifications – Chartered Institute of Public Finance and Accountancy (CIPFA), Association of Chartered Certified Accountants (ACCA) and Association of Accounting Technicians (AAT).
7. Delivered training to NHS colleagues on the Council’s budget monitoring processes and redesigned the monthly Social Work budget monitoring reports pack to enable the integration of Social Work financial information into the IJB’s consolidated financial performance reporting.

**Key Challenges**

1. Ensuring timely completion of Annual Audit plan given reduced resource.
2. Department operating with a number of staff on long term sick (none are work related). As the number of staff within the service is relatively small, this will disproportionately affect the sickness absence percentage.
3. Ensure Budget Forecasting is underpinned by robust assumptions.
4. Managing Customer expectations, deadlines and workload.
5. Planning the replacement of the finance reporting system, Discoverer, to ensure the deadline of June 2017 is met (Discoverer support no longer available beyond this date).
6. Delivering the detailed financial and non-financial information needed by the IJB’s Locality Planning Groups to support them to identify the key service improvements and redesigns necessary to meet the IJB’s strategic objectives.

**Action Points to address the Challenges**

1. The workload within Internal Audit continues to be reviewed and reallocated in order to deliver on the approved plan.
2. The expectations of service proactively managed as well as monitoring and reallocating tasks and priorities.
3. An internal review of the budget monitoring process and cost centre risk categories is being undertaken to ensure that focus is maintained on key areas of the Council’s business and that forecasts that feed into external returns are forecast timeously and as accurately as possible. Further, there is an Internal Audit planned in Quarter 2 focusing on accounting and budgeting processes and in particular the forecast outturn position.



4. Where staff are required for particular projects, over and above normal day to day work, for example Leisure Trust, workload will be reviewed and reallocated in order to ensure that resources are available for Council priorities.
5. Link with Project Board to ensure cross departmental review of replacement options for Discoverer, establish a budget and clear timeframe.
6. Joint working with colleagues from across the finance and planning functions supporting the IJB to develop the systems, processes and procedures necessary to meet the needs of the Locality Planning Groups.

Strategic Finance Scorecard 2016-17 FQ1 16/17  
 Scorecard owned by **Kirsty Flanagan**

Click for full Outcomes

SF01 Effective planning, reporting and management of finance ...	Links to Council Outcome MiH	
SF02 Assurance...that financial and management controls are operating effectively	Links to Council Outcome MiH	

Corporate Support Team Scorecard

Departmental Support Team Scorecard

Internal Audit Team Scorecard

**RESOURCES**

People	Benchmark	Target	Actual	Status Trend
Sickness absence SF		1.5 Days	3.3 Days	
PRDs SF		90 %	100 %	
Financial	Budget	Forecast		
Finance Revenue totals SF	£K 1,774	£K 1,774		
Capital forecasts - current year SF	£K 0	£K 0		
Capital forecasts - total project SF	£K 0	£K 0		

**IMPROVEMENT** Status Trend

SF Service Improvement Plan 2015-16	Total No	Off track	On track	Complete	
Actions	15	4	0	11	
Strategic Finance Audit Recommendations	Overdue	Due in future	Future - off target		
	0	0	0		
Health & Safety	Overdue	Rescheduled	Actions in Plan	Complete	
Service H&S Plan Actions					
H&S Investigation Actions	0	0	0		
CARP Strategic Finance	Total No	Off track	On track	Complete	
	1	0	0	1	
Customer Service SF	Number of consultations				0
Customer Charter	Stage 1 complaints		100 %		
Customer satisfaction 92 %	Stage 2 complaints		100 %		
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 Council Outcome MiH					
SF01 Council Finances Managed Effectively - Net	£	Budget	£ 1,538,690				
		Forecast	£ 1,538,690				
Unaudited accounts summary and snapshot complete by 30 June	Status	Complete		CIPFA VFM % rating public audit forum - practice	Actual	70 %	
	Target	Complete			Target	70 %	
Unaudited accounts complete by 30 June	Status	Complete		% rating public audit forum - commissioner satisfaction	Actual	82 %	
	Target	Complete			Target	80 %	
Annual Efficiency statement produced by 30 June	Status	Complete		SF user satisfaction survey	Actual	73 %	
	Target	Complete			Target	73 %	
Audited accounts complete by 30 September	Status	On track		% investment returns	Actual	0.7669 %	
	Target				Target	0.3622 %	
Audited accounts summary and snapshot prepared by 15 October	Status	On track		Average loans fund rate	Actual	5.5000 %	
	Target				Target	5.5000 %	
Revenue and Capital Budget Preparation Timetable	Status	On track		Annual treasury assessment against good practice	Actual	90 %	
	Target				Target	90 %	
Comprehensive budget monitoring reports within 20 days of month end	Status	On track		Annual review of treasury management practice statements	Actual	100 %	
	Target	On track			Target	100 %	
Zero qualifications in audit certificate	Status	On track		Budgetary outlook reviewed/updated each quarter	Status	On track	
	Target				Target	On track	

Strategic Finance Scorecard 2016-17  
FQ1 16/17

Click for full Scorecard

SF02 Assurance...that financial and management controls are operating effectively		Links to Council Outcome MiH		
SF02 Internal Audit - Net	£	Budget	£ 235,444	
		Forecast	£ 235,444	
% of audits in the audit plan completed	Actual	100 %		
	Target	100 %		
	Benchmark	100 %		
Risk management policy and manual reviewed by 31 March	Status	On track		
	Target	On track		
Final audit plan approved by 31 March	Status	On track		
	Target			
% of audit recommendations accepted.	Actual	100 %		
	Target	100 %		
	Benchmark	100 %		
Annual report on risk management	Status	Complete		
	Target			
Risks are incorporated in approved service plans	Status	Complete		
	Target	Complete		
Bi-annual reports on strategic and operational risk registers	Status	On track		
	Target	On track		
Continuous Monitoring Programme report to Audit Committee	Status	On track		
	Target	On track		
Participation in National Fraud Initiative - data completion	Status	On track		
	Target	On track		
Draft audit risk assessment complete by December	Status	On track		
	Target	On track		
Internal Audit Client Feedback Survey	Actual			
	Target			
	Benchmark			

Performance Report for <b>Council Scorecard</b>	Period <b>April-June 2016</b>
<p><b>Key Successes</b></p> <ol style="list-style-type: none"> <li>1. New Chief Executive appointed</li> <li>2. One of the Syrian refugees has secured permanent employment. The Home Office has selected Argyll and Bute Council to pilot a project on Bute, providing support for families wishing to set up their own business. Six Syrian refugee families are taking part in this pilot. This is a strong endorsement of the excellent work that is being carried out and a huge credit to Argyll and Bute Council and partners within the community.</li> <li>3. Customer Satisfaction continues at a very high level of 95% across the council. This performance continues to be driven by the corporate Customer Service Board and regular review of actions and improvements as well as ongoing training for our employees</li> <li>4. All council actions in delivering the SOA Outcome – <i>‘We have infrastructure that promotes sustainable growth’</i> are on track, highlighting the council’s commitment to this important, strategic partnership priority</li> <li>5. The inclusion of Health and Safety actions on the scorecard is new for 2016/17 and highlights the high level of importance placed by the organisation on health and safety of our employees and service users. All actions are on track.</li> </ol>	
<p><b>Key Challenges</b></p> <ol style="list-style-type: none"> <li>1. Sickness absence across the council remains above the target number of working days lost.</li> <li>2. PRDs are currently below target. Completion of these remains a priority for the council, as it is key to setting individual targets and identifying training needs.</li> <li>3. The Capital Programme is currently off track by 6.4% or £2.98m from its planned profile.</li> </ol>	
<p><b>Action Points to address the Challenges</b></p> <ol style="list-style-type: none"> <li>1. The targets for absence in 2016/17 have been set to encourage ongoing improvement. Detailed reporting continues to be presented to SMT and PRS Committee. Review of the attendance policy and process is planned to start in FQ3</li> <li>2. Senior management will continue to review performance and remind managers that PRDs are an important feature of employee development and service performance.</li> <li>3. The projects with slippage are being reviewed by the Strategic Asset Management Board to try and bring them back on track and where this cannot be achieved, acceleration of projects from future years is being identified</li> </ol>	



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

**IMPROVEMENT**

A&B Council Audit Recommendations	Recommendations overdue	Recommendations due in future	Future recommendations off target	
	0	39	2	
Strategic Risk Register 2016-17 <span style="color:red">H</span> = 2 <span style="color:yellow">M</span> = 13 <span style="color:green">L</span> = 0				
Risk - % exposure	FQ1 16/17	FQ2 16/17		
	44 %	44 %		
CARP 2013-16 Critical Activity Recovery Plans	Total No	Off track	On track	Complete
	121	0	104	17
Health & Safety	Overdue	Rescheduled	Actions in Plan	Complete
Service H&S Plan Actions	0	0	37	1
H&S Investigation Actions	0	2	4	

**OUTCOMES**

<b>Customer Service ABC</b>	Number of consultations		8
Customer Charter	Stage 1 complaints	72 %	<span style="color:red">R</span>
Customer satisfaction 93 %	Stage 2 complaints	86 %	<span style="color:red">R</span>
SOA 2013-23 Delivery Plans	No of Short-Term Outcomes		42
	Number on track		3

**Council Scorecard 2016-17**

Scorecard owner **Cleland Sneddon**

FQ1 16/17

SOA 2013-23 scorecards

P Priorities for 2015-17

**RESOURCES**

<i>People</i>	<i>Benchmark</i>	<i>Target</i>	<i>Actual</i>	<i>Status</i>	<i>Trend</i>
HR1 - Sickness absence ABC		2.37 Days	2.56 Days	<span style="color:red">R</span>	
PRDs % complete		90 %	65 %	<span style="color:red">R</span>	
<i>Financial</i>	<i>Budget</i>	<i>Forecast</i>			
Finance Revenue totals ABC	£K 178,894	£K 178,894			
Capital forecasts - current year ABC	£K 46,506	£K 43,524 <span style="color:red">R</span>			
Capital forecasts - total project ABC	£K 223,744	£K 223,827 <span style="color:yellow">A</span>			
<i>Assets</i>	<i>Total Number</i>	<i>On track</i>	<i>Status Trend</i>		
Community Services red risk assets	0				
Customer Services red risk assets	6	6			
Dev't & Infrastructure red risk assets	6	6			



ARGYLL AND BUTE COUNCIL

Performance and Scrutiny Committee

CUSTOMER SERVICES

25 August 2016

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**MAXIMISING ATTENDANCE: COUNCIL PERFORMANCE APRIL - JUNE 2016**

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**1. EXECUTIVE SUMMARY**

- 1.1 This report shows absence performance during the quarter April – June 2016. For this period there has been a slight deterioration in attendance figures. The actual average days lost per FTE employee was 2.48 in quarter one of last year and has risen to 2.57 in quarter one of this year. The performance in quarter one is also above the Council's overall target of 2.37.
- 1.2 Targets for maximising attendance during 2016/17 were discussed and agreed by the Council's Strategic Management Team at their meeting on 13 June 2016. They have set an annual target of 9.46 days lost per FTE representing the Council's goal to see 6% reduction in the total work days lost during the period 2016/17 demonstrating a desire to attain a consistent downwards trend in absence figures and to exceed the previous year's Scottish Local Authority average figures.
- 1.3 The cost of sick pay in the period April – June 2016 was £771,814. This reduction in cost in comparison with the same quarter last year when the cost was £791,154.
- 1.4 The top three reasons for absence in the period April – June 2016 were Stress/Depression/Mental Health/Fatigue 29%, Medical Treatment 15% and Other Musculo-skeletal problems 11%.
- 1.5 The percentage of return to work interviews completed in each month in the reporting period was 79%. The council target of 100% completion of return to work interviews was not met and neither was the 3 working day target for average number of days taken to conduct the interview. The average number of days taken was 5.1.
- 1.6 The report also details the continued support offered to management to support them to achieve their attendance targets and progress made with the corporate actions to maximise attendance.
- 1.7 It is recommended that the PRS Committee note the content of this report.

**MAXIMISING ATTENDANCE: COUNCIL PERFORMANCE APRIL - JUNE 2016****2 INTRODUCTION**

- 2.1 The purpose of this report is to update the Performance Review and Scrutiny (PRS) Committee on the Council's performance against targets and performance indicators for Maximising Attendance during the period April – June 2016.

**3 RECOMMENDATION**

- 3.1 It is recommended that the PRS Committee note the content of this report.

**4 DETAIL**

- 4.1 Table One shows the Council's Performance indicator figures over the last three years detailing a significant improvement in absence in year 2015/16 from 8.20 to 6.86 for teachers and a slight improvement, from 11.2 to 11.05, for LGE staff – this is a positive trend.

**Table One: Trends in SPI figures (Average Work days lost per FTE employee)**

Staff Group	2013/14	2014/15	2015/16
Teachers	6.7	8.2	6.86
LGE	11.6	11.2	11.05

- 4.2 Targets for maximising attendance during 2016/17 were discussed and agreed by the Council's Strategic Management Team at their meeting on 13 June 2016. These targets represent the Council's goal to see a 6% reduction in the total work days lost during the period 2016/17. SMT also agreed that Adult Care and Children & Families should now be shown separate to Community Services under the heading Health and Social Care Partnership to reflect the creation of the Argyll and Bute Health and Social Care Partnership on 1 April 2016. Community & Culture, Education (non-teaching) and Teachers will remain under the Community Services Department heading.

**Table Two: Departmental Targets 2016/17**

Department	Actual WDL per FTE 2015/16	Target WDL per FTE 2016/17
Health and Social Care Partnership	16.27	15.12
Community Services (including teachers)	7.55	7.19
Customer Services	8.01	7.70
Development and Infrastructure	13.39	12.12
Chief Executive Unit	6.24	6.00

- 4.3 The Quarterly targets in table three below have been calculated by dividing the annual service specific target by 4. However, it should be noted that absence trends show fluctuations across the quarters. Historically, council wide absence figures have dipped in Quarter two and peaked in Quarter four with the exception of services dominated by term-time staff.

Table three compares the performance of each service, in the first quarter of the year, against the targets set and against the last two year's performance in the same quarter.



Table Three: Performance April – June 2016

Service	Target WDL per FTE Employee Q1 16/17	WDL per FTE Employee in Q1 16/17	WDL per FTE Employee in Q1 15/16	WDL per FTE Employee in Q1 14/15	% Change from Q1 15/16
Adult Care	4.10	4.30	4.52	4.24	-5%
Children & Families	3.15	3.07	3.41	4.04	-10%
<b>TOTAL HEALTH &amp; SOCIAL CARE PARTNERSHIP</b>	<b>3.78</b>	<b>3.92</b>	<b>4.14</b>	<b>4.17</b>	-5%
Community & Culture	1.50	1.55	1.48	2.43	5%
Education (Non Teaching)	2.15	2.40	2.47	2.16	-3%
Teachers	1.63	1.53	1.61	1.83	-5%
<b>TOTAL COM SERV (INCLUDING TEACHING)</b>	<b>1.80</b>	<b>1.85</b>	<b>1.90</b>	<b>2.01</b>	-3%
Customer and Support	1.50	2.31	1.44	1.29	60%
Governance and Law	1.50	1.19	1.88	0.32	-37%
Facility Services	2.28	2.30	2.60	2.79	-11%
Improvement and HR	1.50	0.89	2.52	0.41	-65%
<b>TOTAL CUSTOMER SERVICES</b>	<b>1.93</b>	<b>2.06</b>	<b>2.17</b>	<b>1.71</b>	-5%
Economic Development	1.50	1.78	1.39	3.19	28%
Planning and Regulatory Services	1.90	2.58	1.14	1.6	126%
Performance & Business Improvement	1.50	1.80	4.53	3.17	-60%
Roads and Amenity Services	3.60	4.26	3.66	2.75	17%
<b>TOTAL DEV &amp; INFRASTRUCTURE</b>	<b>3.03</b>	<b>3.63</b>	<b>2.95</b>	<b>2.66</b>	23%
<b>TOTAL CHIEF EXEC UNIT</b>	<b>1.50</b>	<b>2.29</b>	<b>0.69</b>	<b>N/A*</b>	232%
<b>COUNCIL TOTAL</b>	<b>2.37</b>	<b>2.57</b>	<b>2.48</b>	<b>2.46</b>	3%

\*N/A – Figures not available as Chief Executive Unit at this time included Improvement & HR and did not include Directorate so to compare 2014/15 figures with 2015/16 and 2016/17 wouldn't be consistent.

Overall, it outlines a poorer quarterly performance than the same quarter last year and the year before. However, it must be acknowledged that the Council is embarking on a 3 year programme of Service Choices which is undoubtedly an uncertain time for employees which is likely to be a contributory factor in increased absence due to stress.

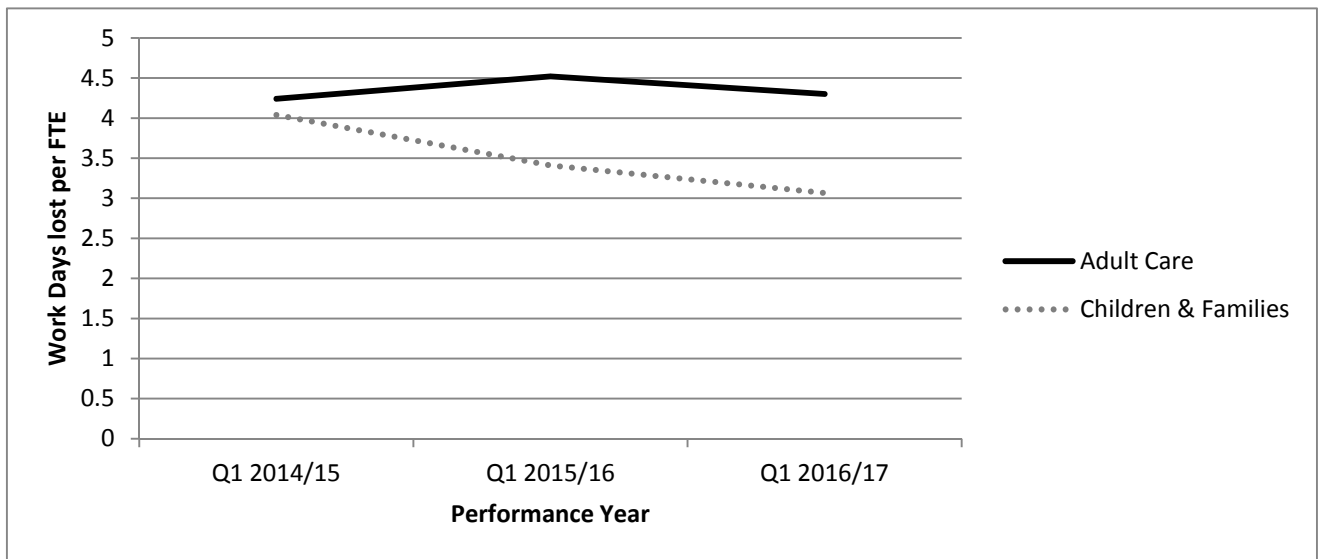
The Council's performance in quarter one has also not met the target set. However, the target was set in line with the Council's commitment to attain a consistent downward trend in absence and to reflect its desire to achieve a performance similar to other average Scottish Local

Authority figures. To achieve this against the backdrop of Service Choices will prove more challenging than last year when these circumstances did not exist.

There are currently only four services meeting their target (highlighted in yellow in the table above). However, eight out of the fourteen services (highlighted in green text in the table above) have improved upon their performance in the same quarter last year. In particular, Governance & Law, Improvement & HR and Performance & Business Improvement have made significant improvements.

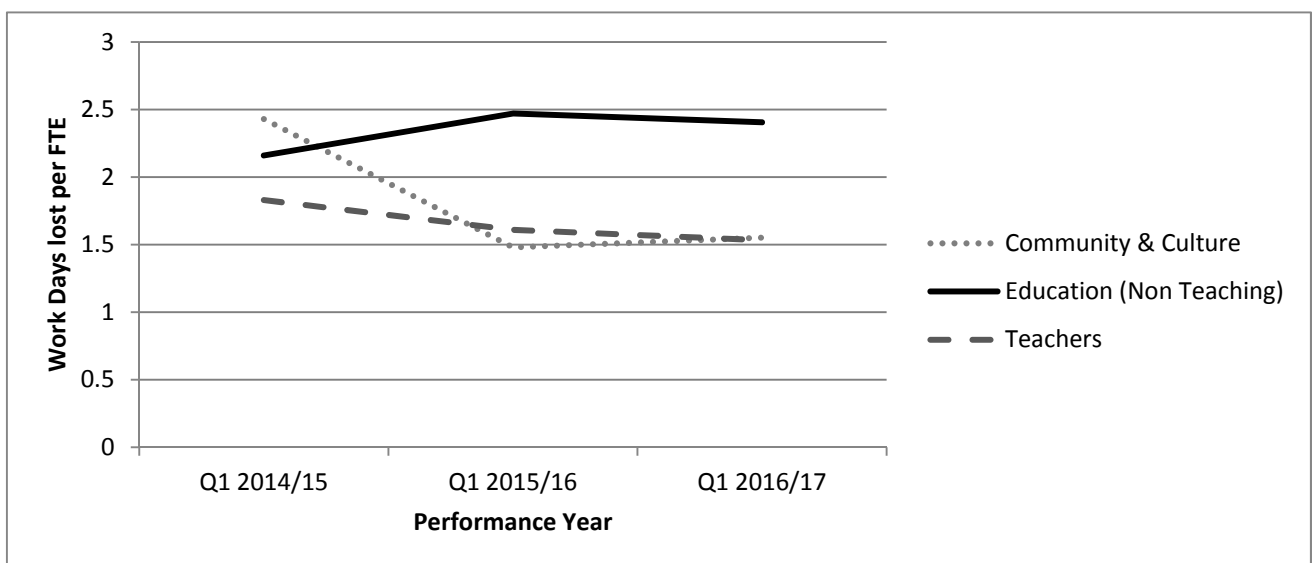
Graphs One to Four below outline the performance of each service in quarter one over the last 3 years.

**Graph One: Health and Social Care Partnership Absence Trend**



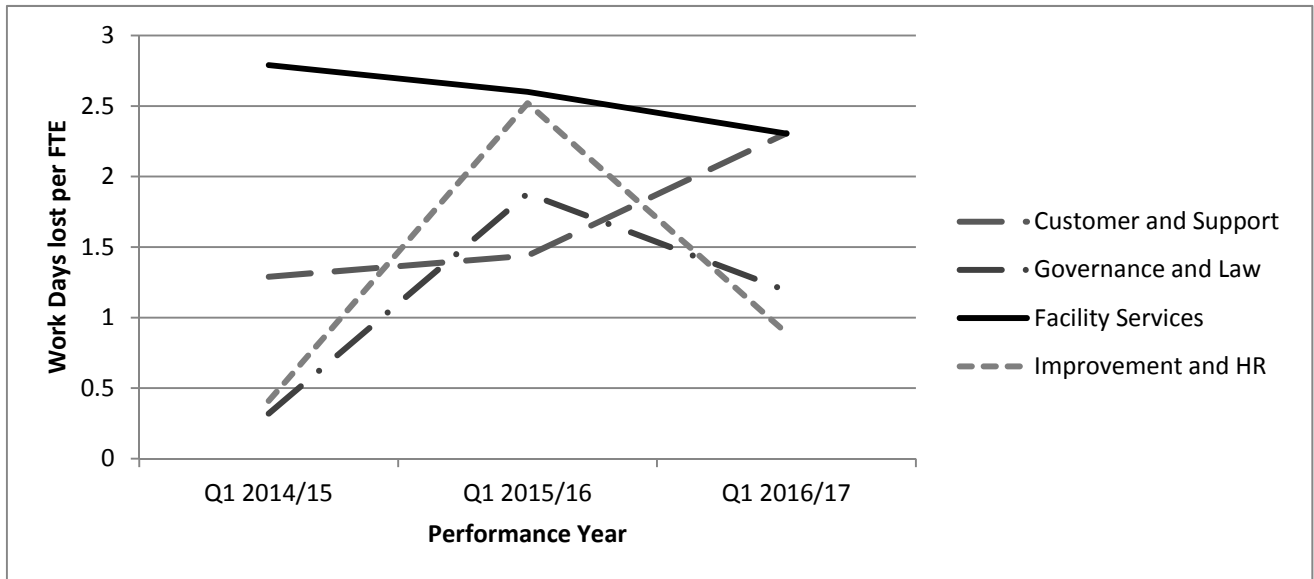
Children & Families are showing a consistent downwards trend. Adult Care’s absence trend has remained fairly stationary.

**Graph Two: Community Services Absence Trend**



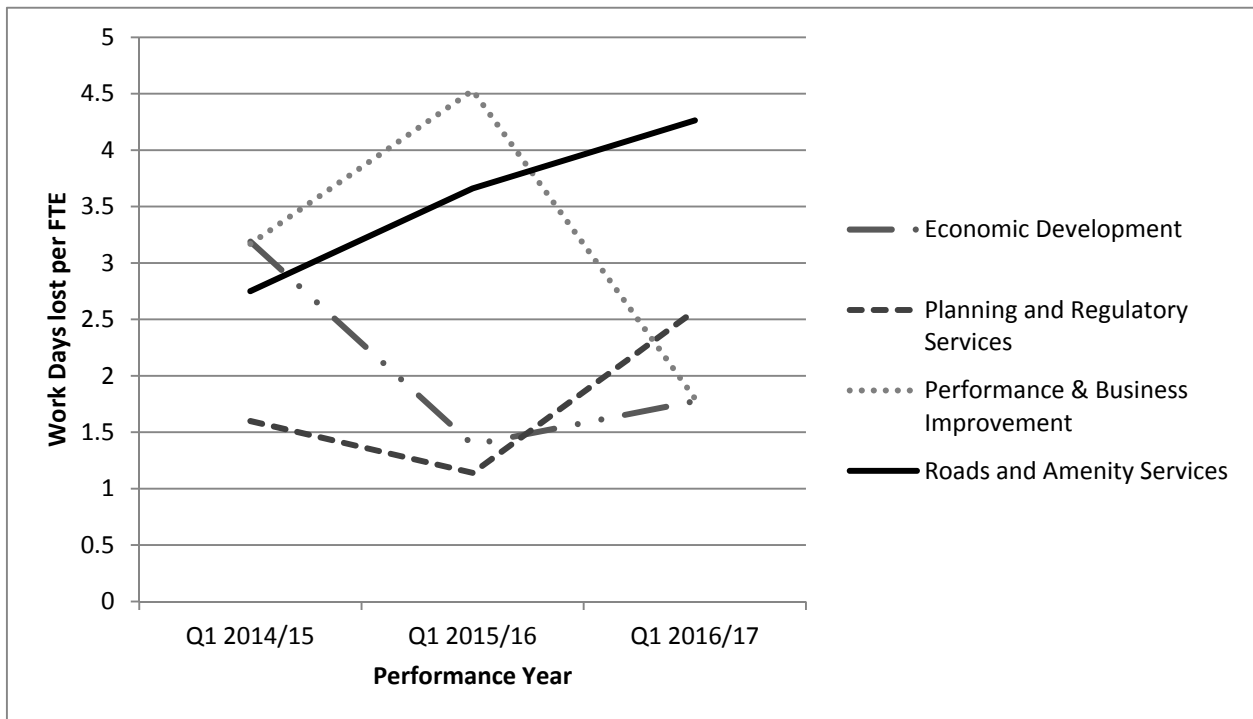
Teachers absence is showing a steady downwards trend. Education (Non –Teaching) has shown an increase and then a slight decrease. Community & Culture has shown a decrease and then has been static across the last two Q1 periods.

**Graph Three: Customer Services Absence Trend**



Facility services have shown a consistent downwards trend. Customer & Support have shown a consistent upwards trend. Both Governance & Law and Improvement & HR have had their absence peak in 2015/16 and then return to a similar level in 2016/17 as was in 2014/15.

**Graph Four: Development & Infrastructure Trend**

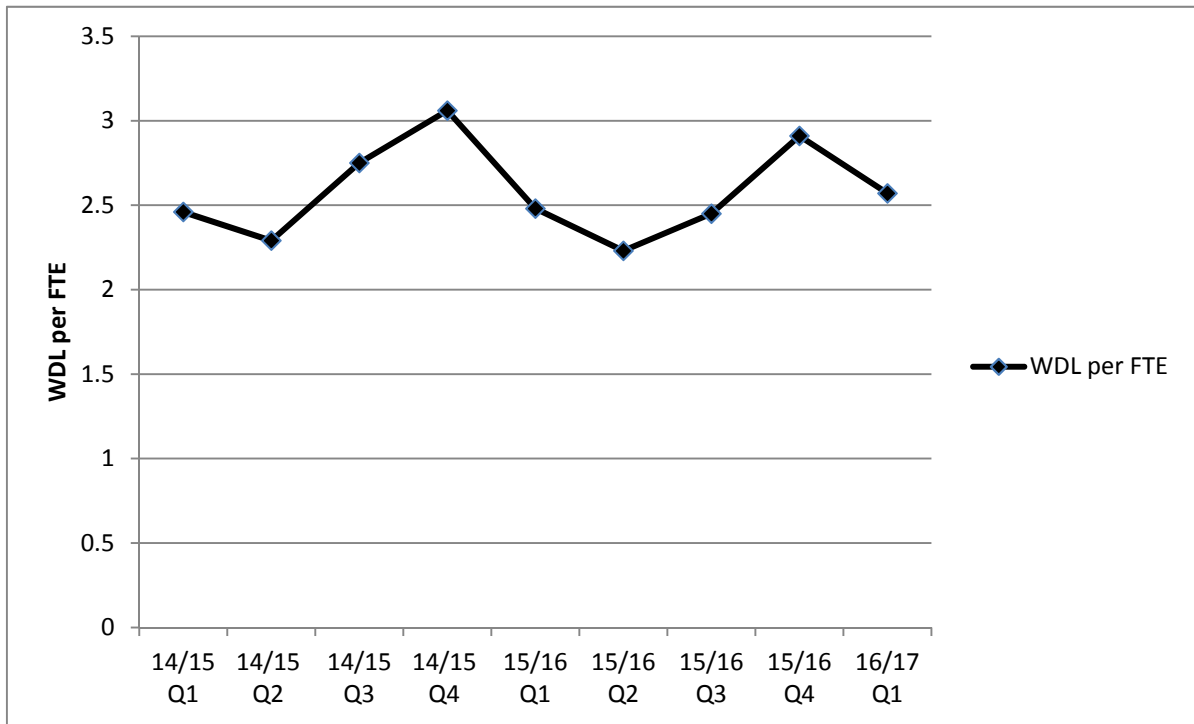


Roads & Amenity Services have shown a consistent upwards trend in their absence. Performance & Business Improvement have shown a dramatic increase and then decrease across the three years. Economic Development have shown a dramatic decrease and then

slight increase over the last three years. Planning and Regulatory Services have shown a slight decrease and then dramatic increase.

Graph Five below outlines the Council's performance in each quarter over the last 3 years.

**Graph Five: Overall Council Performance in each quarter over the last 3 years**



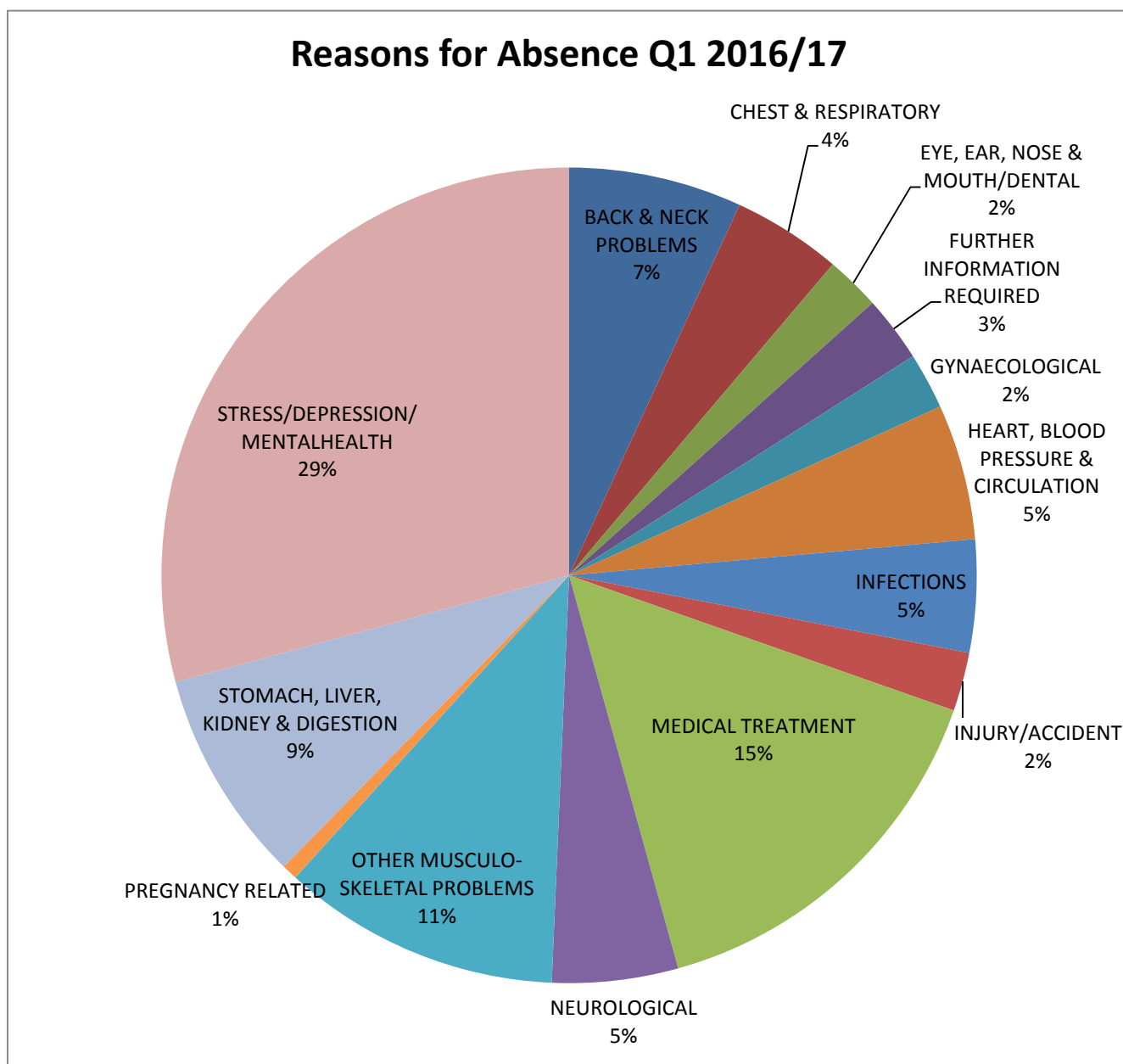
Performance in years 2014/15 and 2015/16 shows a similar trend in WDL per FTE with a dip in quarter two of around 0.2 WDL per FTE and then an increase in quarter three reaching its highest level in quarter four.

- 4.4 The table below outlines the actual cost of sick pay paid by each service of the Council during April-June 2016. The total cost for sick pay is £771,814 which is a decrease on the same quarter last year where the cost was £791,154. This table highlights services with the highest overall cost and cost per FTE indicates comparative cost between services. Those with the highest cost per FTE are Adult Care, Children & Families, Planning & Regulatory Services and Roads and Amenity Services.

**Table Four: Sick pay by Service April – June 2016**

Service	16/17 Q1 Cost	16/17 Q1 Cost per FTE £
Adult Care	£160,155	£351
Children & Families	£59,196	£288
<b>TOTAL HEALTH &amp; SOCIAL CARE PARTNERSHIP</b>	<b>£219,351</b>	<b>£331</b>
Community & Culture	£25,328	£127
Education (Non Teaching)	£84,832	£134
Teachers	£178,139	£196
<b>TOTAL COM SERV (INCLUDING TEACHING)</b>	<b>£288,299</b>	<b>£166</b>
Customer and Support	£33,493	£155
Governance and Law	£6,620	£135
Facility Services	£41,073	£118
Improvement and HR	£6,500	£81
<b>TOTAL CUSTOMER SERVICES</b>	<b>£87,686</b>	<b>£126</b>
Economic Development	£10,580	£162
Planning and Regulatory Services	£24,097	£228
Performance & Business Improvement	£4,005	£120
Roads and Amenity Services	£122,875	£263
<b>TOTAL DEV &amp; INFRASTRUCTURE</b>	<b>£161,557</b>	<b>£240</b>
<b>TOTAL CHIEF EXEC UNIT</b>	<b>£14,921</b>	<b>£197</b>
<b>COUNCIL TOTAL</b>	<b>£771,814</b>	<b>£201</b>

4.5 Graph Six: Reasons for Absence Q1 2016/17



**Table Five: Reasons for Absence Comparison Q1 2015/16 against Q1 2016/17**

Reason for Absence	Q1 2015/16 Council Total %	Q1 2016/17 Council Total %	% change
STRESS/DEPRESSION/MENTALHEALTH/FATIGUE	25	29	14
MEDICAL TREATMENT	14	15	7
OTHER MUSCULO-SKELETAL PROBLEMS	9	11	18
STOMACH, LIVER, KIDNEY & DIGESTION	11	8	-38

The top 3 reasons for sickness absence across the Council during Q1 of 2016/17 were Stress/Depression/Mental Health/Fatigue (29%), Medical Treatment (15%) and Other

Musculo-skeletal Problems (11%). In comparison with the same quarter last year the rank order has changed slightly with Other Musculo-skeletal Problems replacing Stomach, Liver, Kidney & Digestion as the third biggest reason for absence.

Given that it is an uncertain time for employees as the Council goes through its Service Choices programme it is not surprising that there has been an increase in the number of sickness absence days attributed to Stress/Depression/Mental Health/Fatigue. Given that stress related absence accounts for nearly one third of all absence further analysis of stress related absence was conducted.

In this quarter last year 72% of stress related absences were long term (more than four weeks) and 28% short term (under four weeks). In this quarter this year 66% of stress related absence were long term and 34% short term. Although there has been an overall increase in the number of days absent due to stress there has been a reduction in the number of long term cases relating to this. Given the recent stress action plan implemented following the stress audit and the roll out of stress training to all employees this may have had an impact on reducing the length of stress related absences by giving employees and managers the tools and techniques to recognise stress and manage and support employees experiencing this.

**Table Six: % of Absence due to Stress per Service**

Service	% of Absence due to Stress
Adult Care	28
Children & Families	18
Community & Culture	24
Education	28
<b>Customer and Support</b>	<b>66</b>
Governance and Law	0
Facility Services	26
Improvement and HR	22
Economic Development	4
<b>Planning and Regulatory Services</b>	<b>70</b>
Performance & Business Improvement	0
Roads and Amenity Services	21
Chief Executive's Unit	26

Table Six shows what percentage of a service’s absence is due to stress. Those Services highlighted in red – Customer & Support and Planning and Regulatory Services have a higher percentage than the Council average of 29%. This information will be useful going forward when considering the piloting of Mental Health first aiders and the launch of the Stress at Work Policy to target those Services who have higher than the Council average absence due to Stress.

**Return to work interviews completed by Service April - June 2016**

4.6

A return to work interview is an informal meeting held between an employee and line manager following a period of sickness absence which allows the manager to welcome the employee back to work in a private setting, discuss the reason for their period of absence, acknowledge any issues in relation to the employee’s attendance record over the past 12 months and let the

employee catch up with any changes or updates that have taken place at work during their period of absence.

In accordance with the Council's Maximising Attendance procedures a return to work interview must be carried out by the line manager after every instance of sickness absence. Services therefore have a 100 % target when it comes to completion of return to work interviews. In order that a return to work interview is meaningful it should ideally be carried out on the day the employee returns to work or as soon as possible thereafter and certainly within three days of the employees return to work.

Table seven below outlines each department's performance with respect to percentage of return to work interviews carried out, in the first quarter of the year, and the average length of time for them to be completed in days (including non-work days) following the employees return to work.

The Council average for % of Return to Work Interviews completed was 79% for this quarter this year but this is a reduction in comparison to the same quarter last year where the average was 89%. No department has managed to meet the target of completing their return to work interviews within three days. However, the council's average time taken has reduced from 5.7 days this quarter last year to 5.1 days.

**Table Seven: % return to work interviews completed by Service April - June 2016 (as reported each month)**

Department	% RTWI Completed Q1 2015/16	% RTWI Completed Q1 2016/17	Average Time to Complete (calendar days) Q1 2016/17
Chief Executive Unit	100%	50%	12
Community Services	84%	79%	5.9
Customer Services	94%	90%	3.3
Development & Infrastructure	87%	85%	4.4
Health & Social Care Partnership	n/a	67%	5.9
<b>Council Total</b>	86%	79%	5.1

**4.7 Specific Corporate Actions to Maximise Attendance**

The following measures continue to support services in achieving their maximising attendance targets:

- Online guidance, e-learning and resources on the Hub including guidance on how to conduct attendance review meetings and how to implement reasonable adjustments and phased returns to work.



- Issue of monthly management information reports to Heads of Service and Directors outlining performance on return to work interviews and employees who have met attendance triggers.
- Occupational Health support including provision for periodic local clinics.
- Support and guidance from the HR advice line and HR Officers where appropriate. This includes the opportunity to talk through what managers might want to cover before holding any meetings with employees or what they might want to put in an OHP referral as well as attendance at meetings in a coaching role where appropriate.
- Emails to notify managers when an employee has met a trigger and what action is required.
- Emails to notify managers when an employee begins/ ends sick leave.
- An additional HR Assistant was appointed to support Community Services with their absence. This post commenced during November 2013 and provides case management advice and training to managers in Community Services. From April 2016 this resource has been shared with Development and Infrastructure and will no longer support the Services transferred to the new Health and Social Care Partnership.
- The Council's Healthy Working Lives group continue to promote awareness amongst staff on a number of health issues. Recent initiatives have included: advice on reducing the spread of infections and additional resources on the Hub to support employees through change relating to recognising stress and personal resilience. They have also added some related training on LEON, the ELearning platform.
- Availability of the E-learning module for the Maximising Attendance procedures on LEON.
- A Council Stress audit was completed and a subsequent action plan approved and implemented.

Progress is being made on the following actions to maximise attendance:

- Due to resource issues within HR over the last year, the planned update to the Maximising Attendance procedures has not been implemented. Work on these has now recommenced under the 2016/17 work plan.
- A new stress at work policy is in the final stages of approval to be approved at the next Policy and Resources Committee on 18 August 2016. This policy proposes to introduce a risk assessment framework with clear guidelines for managing stress at work
- The Council is to pilot Mental Health first aiders with a view to rolling out across the Council. This would involve staff trained on mental health issues to support staff in a similar manner to First Aiders for physical health issues.

## 6 CONCLUSION

- 6.1 In conclusion this report has outlined the Council's performance against targets and performance indicators for the period April - June 2016.

## 7 IMPLICATIONS

Policy

This complies with the Council's Maximising Attendance Policy

## Page 64

Financial	Failure to achieve targets in relation to maximising attendance is likely to have financial implications with respect to the cost of sick pay
HR	Failure to maximise attendance is likely to have an impact on workforce productivity
Legal	None
Equal Opportunities	This complies with the Council's Equalities policy
Risk	High levels of absence present risk to organisational efficiencies
Customer Service	High levels of absence will impact on customer service

**Jane Fowler, Head of Improvement and HR**  
**Tel 01546 604466**



**POLICE  
SCOTLAND**  
Keeping people safe

# Argyll & Bute

Local Policing Plan 2014 – 2017

Quarterly Report / Q1 – 2016/17



**NOT PROTECTIVELY MARKED**

## Local Police Commander, Chief Superintendent Grant Manders

As Divisional Commander for Argyll and West Dunbartonshire Division I am pleased to present the first quarterly update in relation to the Argyll and Bute Local Policing Plan for 2016/17. The purpose of this report is to highlight current crime trends and issues identified in the previous 3 month period and provide some context around crime trends over the longer term.

As outlined in the Local Policing Plan for Argyll and Bute our focus - **Keeping People Safe** – and the policing principals which it encapsulates continue to be at the centre of all police activity carried out across Argyll and Bute. Public consultation, partnership working and our own detailed crime analysis has determined that the priorities going forward in 2016/17 remain unchanged:-

- ❖ **Road Safety & Road Crime**
- ❖ **Violence, Disorder and Antisocial Behaviour**
- ❖ **Public Protection**
- ❖ **Major Crime and Counter Terrorism**
- ❖ **Acquisitive Crime**

These priorities are also aligned to Argyll & Bute's Single Outcome Agreement 2013 – 2023. National performance frameworks continue to be utilised to measure progress, monitor activity, identify key areas where resources need to be focused and demonstrate how successful we are in meeting our key priorities and objectives. Local Policing Plans for each of the eleven multi member wards within the Argyll & Bute boundary are reviewed regularly to ensure new and emerging issues within local towns and communities within Argyll & Bute are addressed.

**Integrity, Fairness and Respect** are our policing values and the touchstones for all our interactions, forming the basis of everything we do and every decision we reach. By applying our values, we continue to receive public consent through improved relevancy, trust and support.

Local Area Commander Chief Inspector Marlene Baillie has the responsibility for addressing crime issues and concerns as they arise on a day to day basis within Oban and Lorn and Mid Argyll, Kintyre and the Islands, supported by dedicated Area Inspectors Julie McLeish (Campbeltown & Lochgilphead) and Mark Stephen (Oban). Similarly Area Commander Chief Inspector Robertson has responsibility for Helensburgh, Cowal and Bute and is currently supported by Inspector Ewan Wilson (Dunoon & Rothesay) and Inspector Coleen Wylie (Helensburgh).

In addition to ensuring our efforts and attention remain focused on the needs and expectations of the local community, local officers are required to respond to spontaneous incidents and seasonal demands where there is clearly potential for increased levels of antisocial behaviour and violence. A number of events have taken place during Quarter 1 including the Mull Music Festival and Oban Live, both of which passed without incident.

**NOT PROTECTIVELY MARKED**

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*Produced by Police Scotland Analyst Unit on 15/08/2016.*

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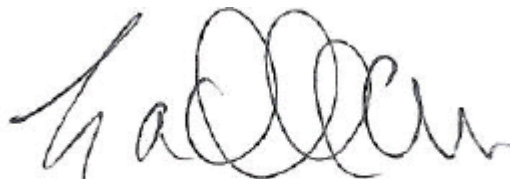
In the run up to the European Referendum, a report was received from Electoral Office staff at Campbeltown of abusive telephone calls from an individual wishing to register to vote. He made threats that polling stations in Rothesay would be barricaded. On 21<sup>st</sup> June 2016 a male was detained under for an offence under the Communications Act with a racial aggravation. The male was released from Greenock Sheriff Court on 22<sup>nd</sup> June 2016 with special bail conditions, and a curfew from 0700hrs until midnight on 23<sup>rd</sup> June 2016.

***Benchmarking***

Benchmarking is a process used by organisations to compare their processes and performance metrics against like organisations that are recognised as being the leader in their respective field. This offers organisations the opportunity to learn from the information and experience developed by those considered to be 'best in class'. Benchmarking ensures that organisations maintain both an internal and external perspective on their relative performance and challenges potential organisational complacency over results achieved.

Local Authorities in Scotland have been engaged in benchmarking over the past four years as part as of the Scottish Local Government Benchmarking Framework (LGBF). They have been working with the Improvement Service (IS) over the last four years on developing a common approach to benchmarking.

Research continues into this topic to ensure the most accurate comparisons are being drawn, particularly given that the geographic and demographic profile of an area is a significant factor in determining the nature and volume of crimes reported therein. Similar to previous reports, comparative data has been included in relation to the Highlands Local Authority however this information **MUST** only be used for guidance purpose.



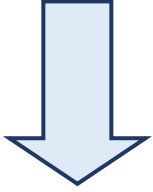
Grant Manders  
Chief Superintendent  
Local Police Commander

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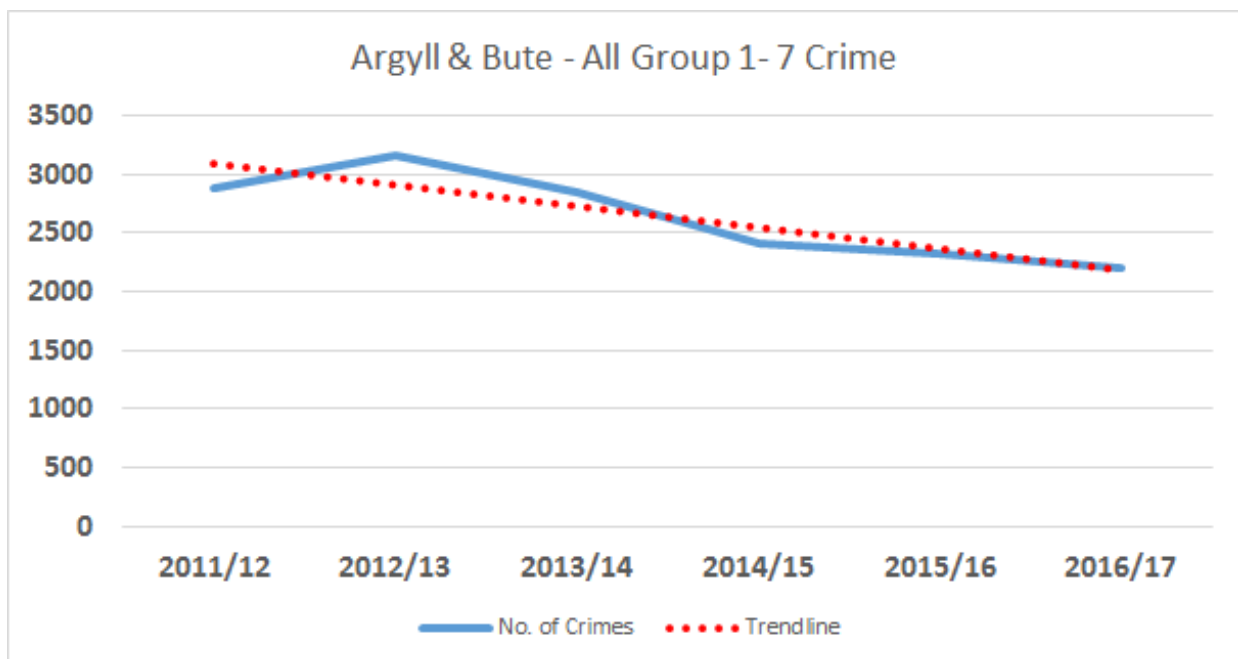
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**NOT PROTECTIVELY MARKED****Crime Overview****Group 1 -7 Crime**

At the end of Quarter 1 the total number of crimes recorded across Argyll and Bute has continued in a downward trend and remains 18.9% lower than the five year average figure. Comparing the current YTD period against last year indicates a reduction across all crime types with the exception of Group 2 Sexual Crime. Crimes of violence have reduced by 30%, acquisitive crime by 11.4% and crimes involving low level violence and antisocial behaviour (ASB) have reduced by 3.2%. Road traffic offences have also reduced by 3.1%.

**Local Authority Comparison**

End of year data produced in relation to 2015/16 shows that the total number of Group 1 – 5 crimes recorded per 10,000 population is lower within Argyll and Bute at 302.8 compared to 323.1 in Highland Local Authority area. Furthermore, year on year comparison indicates a reduction from 316.1 which is in contrast to an increase recorded in the Highlands.

This information is not available in relation to all Group 1 – 7 crime.

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## Road Safety & Road Crime

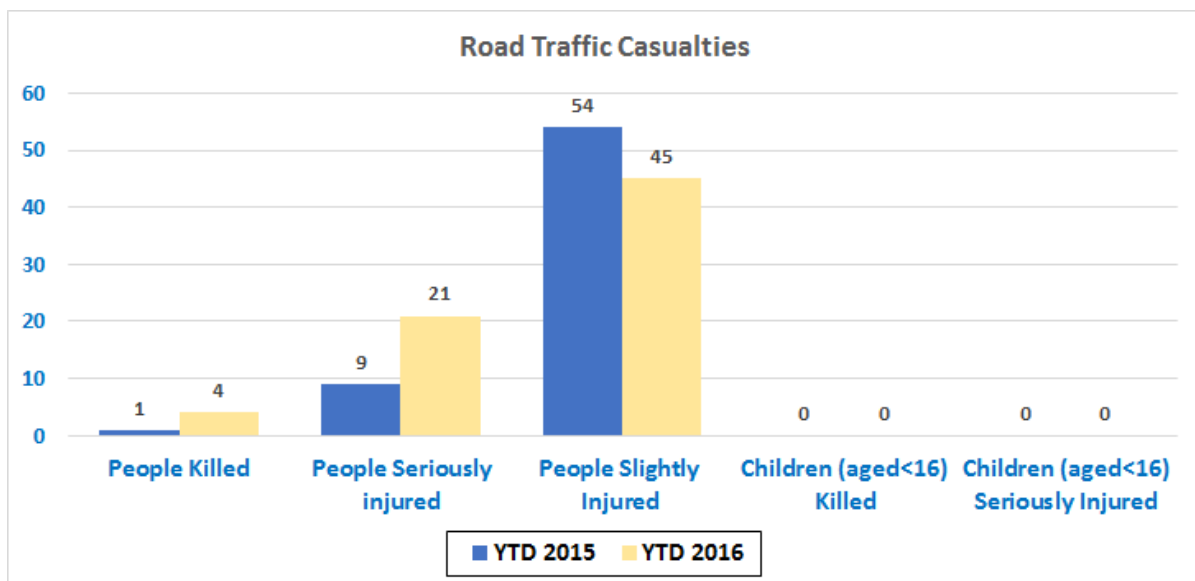
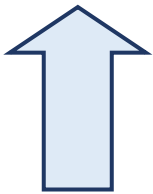
Priorities outlined in the Local Policing Plan 2014 – 2017 continue to be at the forefront of operational activity carried out in respect of road safety and road crime. These are as follows :-

- *To work with partners to develop a strategy to reduce the numbers of those killed and seriously injured on the Argyll and Bute road network.*
- *To increase enforcement activity to improve driver behaviour.*
- *To improve road safety through enhanced partnership working and preventative initiatives within the community.*

### Road Traffic Casualties

As shown below the number of persons killed or seriously injured on the road network within Argyll and Bute has increased compared to the same YTD period last year. Persons killed have increased from 1 to 4 and those seriously injured has risen from 9 to 21.

Similar to previous years, the lead up to summer coupled with the good weather spell in May saw an influx of travelling sports motorcycles within the Argyll and Bute area. This threat was compounded by the increased number of foreign touring motorcycles and resulted in a number of serious incidents occurring. The Divisional Road Policing Unit continues to support both local and national activity around Operation Zenith which is targeted at reducing motorcycle casualties. Marked and unmarked patrols are routinely undertaken at the main crash locations/routes in order to influence driver behaviour and prevent further accidents.



**NOT PROTECTIVELY MARKED**

**NOT PROTECTIVELY MARKED****Local Authority Comparison**

Figures recorded at the end of the 2015/16 financial year indicate the total number of road casualties recorded within Argyll & Bute over the year had reduced considerably and was considerably lower than in the Highlands Local Authority area. In total there were 241 casualties, which included 6 fatalities and 35 serious injuries, whereas in the Highlands there were 525 casualties which included 18 fatalities and 63 serious injuries. When considering this information however, it is pertinent to note that the road network within Highland covers around 6754 kilometres compared to just 2600 kilometres in Argyll and Bute.

The total number of road traffic offences detected within Argyll and Bute area has reduced by around 10.8% compared to the same YTD period last year. Speeding continues to account for around 80% of all offences recorded, albeit the number of offences being detected has reduced by 11.2% year on year. Detections in dangerous driving, which can be a contributory factor in many road collisions, have increased by 33.3% which equates to an additional 9 offences being recorded.

	Apr 2016 – June 2016	Apr 2015 - June 2015	% Change
Dangerous driving	36	27	33.3%
Speeding	505	569	-11.2%
Disqualified driving	0	0	-
Driving Licence	23	16	43.8%
Insurance	35	32	9.4%
Seat Belts	15	45	-66.7%
Mobile Phone	32	36	-11.1%

**Focused Police Activity*****Speed campaign (2nd – 08th May 2016)***

Speed related activity took place across Argyll and Bute, in particular at our prominent crash locations to detect and deter speeding offences. Across Argyll and Bute and West Dunbartonshire, 670 drivers/riders were detected for speeding offences and 258 people were issued with a warning. While there was significant speeding detections, the overall aim of the campaign was to provide visibility and raise the awareness of motorists and riders of the dangers of excessive and inappropriate speed.

***National Drink Driving Campaign (03 to 17 June 2016)***

This two week campaign utilised high visibility road checks and intelligence led operations to detect drink/drug drivers. During the campaign a total of 8 people were detected for Drink/Drug Driving offences across Argyll and Bute and West Dunbartonshire.

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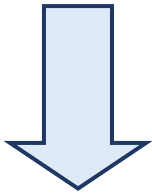


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## Violence, Disorder & Antisocial Behaviour

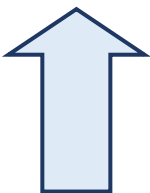
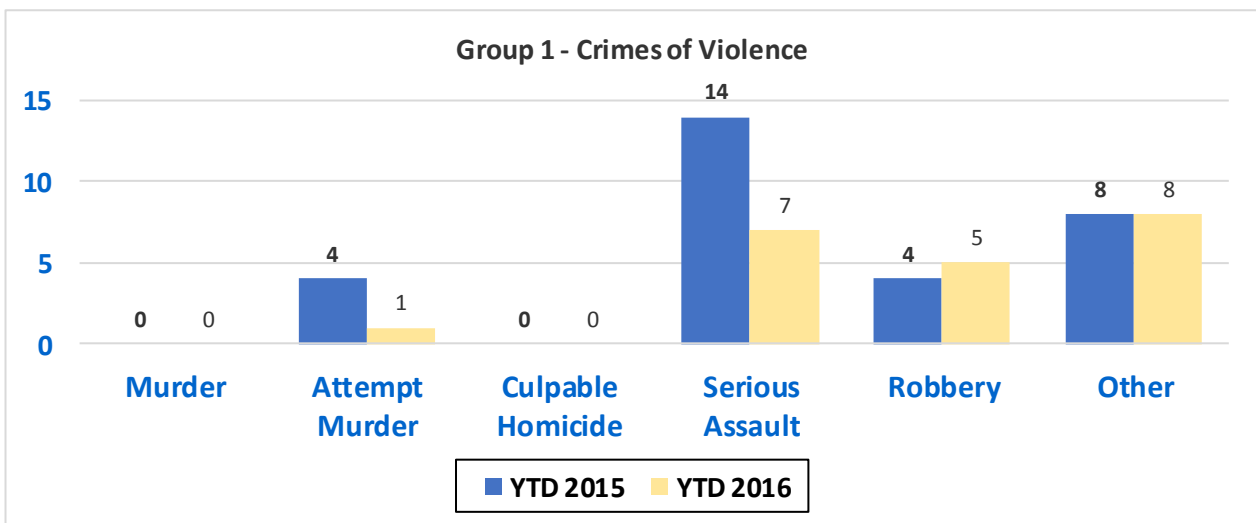
Police Scotland remain dedicated to reducing violence, disorder and antisocial behaviour within the local communities of Argyll and Bute in order to 'Keep People Safe'. Operational police activity carried out on a daily basis continues to be driven by the objectives outlined in the local policing plan:-

- ❖ *To reduce the number of victims of violent crime.*
- ❖ *To reduce the number of reported incidents of antisocial behaviour.*
- ❖ *To impact on alcohol related violence, antisocial behaviour and disorder with particular emphasis in and around licensed premises.*
- ❖ *To increase the number of people detected for violent and domestic crime.*



### Group 1 – Crimes of Violence

Levels of 'serious' violence occurring across Argyll and Bute remained low during Quarter 1 of 2016/17. In total, 21 crimes have been recorded which is 9 fewer than in the same period last year and in line with the previous 5 year average. This is due to a decrease in the number of Serious Assault and Attempt Murder crimes recorded.



Crimes involving lower level violence and incidents of disorder increased during Quarter 1 compared to the same period last year. Common Assault crimes increased by 15.1% from 152 to 175 remaining slightly below the 5 year average of 177.6. Complaints in relation to disorder also increased from 631 to 700, a difference of 69 (10.9%).

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**NOT PROTECTIVELY MARKED****Local Authority Comparison**

At the end of 2015/16 the number of Group 1 crimes of violence recorded within Argyll & Bute per 10,000 head of population was slightly higher than in the Highlands Local Authority area at 10.4 and 10.0 respectively. Whilst rates recorded in relation to both Serious Assault and Robbery remained lower in Argyll & Bute, offences relating to the cruel and unnatural treatment of children was higher at 3.5 compared to 0.5.

In terms of low level violence and ASB, Argyll and Bute recorded a considerably lower rate per 10,000 head of population in relation to Common Assault at 73.7 compared to 103.2 in the Highlands. However, public reported incidents of ASB were higher at 313.8 compared to 273.4.

The Divisional Violence Prevention Strategy and Directed Policing Plans, which are informed by analytical products produced at a local level, continue to be fully exploited to ensure local officers manage the threat and risk posed by specific individuals and at identified problematic locations. In addition various pro-active policing tactics have been utilised in order to impact on crime and incident levels.

**Focused Police Activity*****National Air Weapons Surrender Campaign***

The Air Weapon and Licensing (Scotland) Act makes it an offence for any person to use, possess, purchase or acquire an air weapon without a license. Ahead of the application process opening on 1<sup>st</sup> July, a national surrender campaign was undertaken (23<sup>rd</sup> May – 12<sup>th</sup> June) to allow anyone to dispose of unwanted air weapons in a safe and efficient manner. In the initial 3 weeks of this campaign around 355 air weapons were surrendered at the 8 designated police offices within Argyll and Bute.

***Pubwatch***

Pubwatch Schemes are established within the Helensburgh, Oban and Dunoon areas and licensing staff continue to work with both the License Holders and Licensing Standards Officer to support these. Work is currently ongoing to hand over all Pubwatches to local officers within each of the areas in order to increase local knowledge. These officers will continue to be supported by the Divisional Licensing Department who will continue to attend meetings on a quarterly basis.

In order to minimise violence occurring within licences premises, licensing staff continue to ensure that Exclusion Orders are requested for any offenders. Within Argyll & Bute one Exclusion Order has been issued for an offender for a period of 2 years, a further 6 exclusion orders are pending. Local initiatives have also recently been undertaken in Oban, Campbeltown and Rothesay in order to send a strong message about enforcement and ensure positive engagement.

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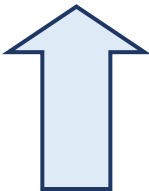
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## Protecting Vulnerable People

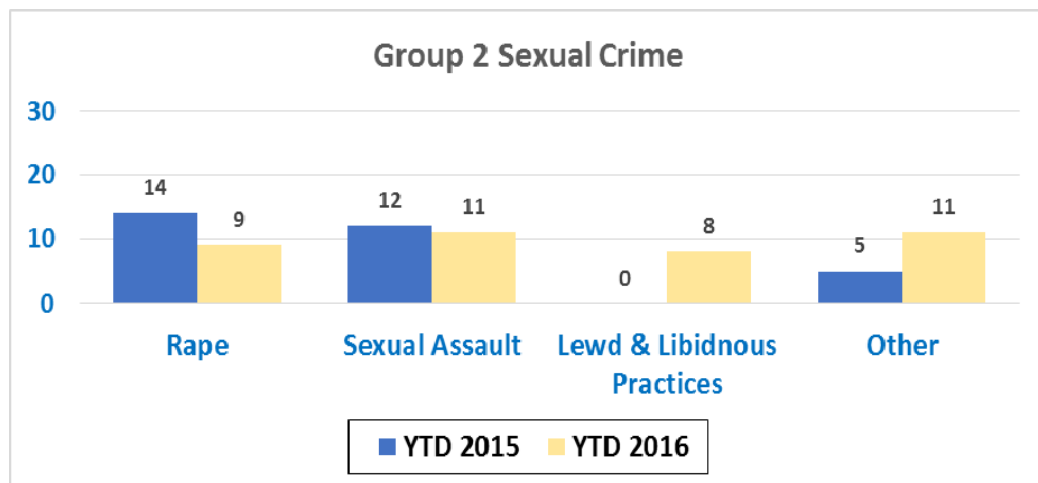
As set out in the Local Policing Plan 2014 – 2017, our priorities in respect of protecting vulnerable people remain unchanged:-

- ❖ *To work with our partners to identify those children, young people and vulnerable adults who are most at risk and through joint action reduce that risk.*
- ❖ *To continue to develop proactive strategies to deal with managed offenders, particularly those that present the greatest threat, risk and harm.*
- ❖ *To increase the number of persons detected for sexual crimes.*
- ❖ *Together with partner agencies, strive to provide a better quality of service to the victims of sexual crime.*



### Group 2 – Sexual Crime

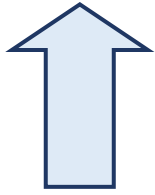
Compared to Quarter 1 last year the total number of sexual crimes reported across Argyll & Bute has increased by 25.8% which equates to 8 more victims. As shown in the graph below, increased crime levels are due to a rise in crimes involving Lewd & Libidinous Practices and those grouped as 'Other' which largely relate to indecent communication and indecent images. Over half of all crimes were historical reports.



### Detection Rates

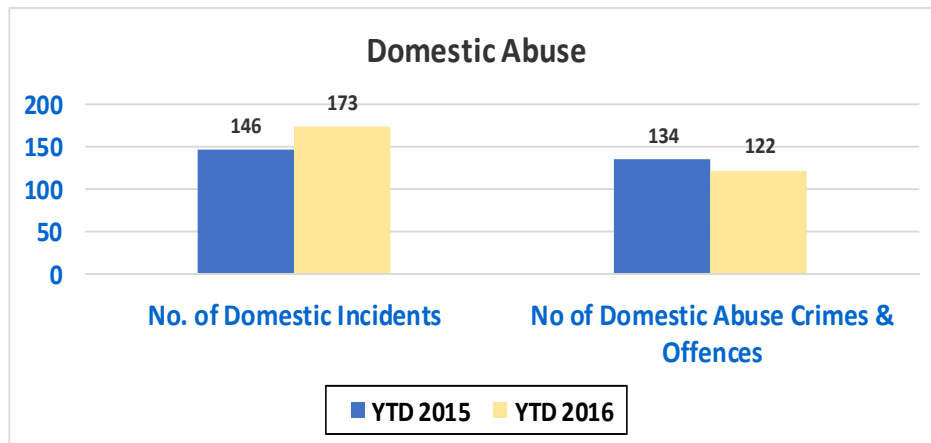
The detection rate for sexual crimes remains relatively unchanged compared to the same period last year at 38.5%. Whilst the detection rate for Rape crimes has fallen from 50% to 33.3% this is primarily due to the fact that the crimes undetected are historical.

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### Domestic Abuse

The total number of Domestic Abuse incidents recorded has also increased when compared to the same period last year. In total 173 incidents have been recorded which is an increase of 18.5% (29). Whilst incident levels have increased the number of crimes and offences resulting from domestic abuse incidents has fallen (-9.0%) which would suggest increased public awareness. Oban South and the Isles, Mid Argyll and Dunoon MMW areas recorded the highest number of domestic abuse incidents YTD.



### Local Authority Comparison

At the end of Quarter 4 for 2015/16 the number of Group 2 crimes recorded per 10,000 population was lower in Argyll and Bute at 16.8 compared to 20.9 in the Highlands Local Authority area. The number of crimes (per 10,000 population) of Rape and Sexual Assault also compare favorably at 3.5 and 6.7 respectively in Argyll and Bute, versus 4.6 and 9.0 in the Highlands.

### Focused Police Activity

#### Joint Investigative Interview developments

Police Scotland, L Division, Argyll and West Dunbartonshire, are working closely with both Local Authority areas to develop a self-evaluation process for child protection joint investigative interviews undertaken. Following agreement by the respective CPC's in August 2016, plans are at an advanced stage and implementation of a joint pilot is on track to commence early 2017. This work has been facilitated by Detective Training, JIIT at Force Training and Recruitment Centre at Jackton. Should this pilot be a success it is hoped the learning can be rolled out across the West to other Divisions.

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**NOT PROTECTIVELY MARKED****Focussed Police Activity*****GIRFEC Implementation Argyll and Bute***

Despite the latest legal ruling over the introduction of the Named Person, the Multi-Agency GIRFEC Implementation Group continues at the same pace and a number of additional multi-agency meetings have been scheduled to address any immediate issues raised by the ruling. Further guidance from the Scottish Government is anticipated to help clarify the position to be adopted by Local Authorities and the Police.

***Multi Agency Prevent Training Argyll and Bute***

The Police chaired Learning and Development sub group of the CPC is in the early stages of developing an e learning module in relation to multi agency PREVENT training for trainers. This together with an emerging implementation plan for awareness raising in schools and the wider community illustrates the ongoing commitment by all partners in the authority area.

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## Major Crime & Counter Terrorism

Keeping people safe by reducing the threat posed from organised crime and terrorism across Argyll and Bute remains a high priority for all local police officers. The Joint Terrorism Analysis Centre (JTAC) is the UK's centre for the analysis and assessment of international terrorism. JTAC has responsibility for setting international terrorism threat levels which is currently assessed as SEVERE. Recent events in other countries highlight the necessity for vigilance at all times. Police across Argyll & West Dunbartonshire division continue to implement the UK Government CONTEST strategy with local and national partners. Police Scotland also continues to target and disrupt the activities of those involved in organised crime at a local level through focused and robust interventions based on the objectives set out in the local policing plan:-

- ❖ ***To disrupt organised crime groups by targeting individuals, the businesses they operate and their access to public contracts.***
- ❖ ***To target those individuals who are intent on supplying drugs.***
- ❖ ***Through education and partnership, reduce the impact that serious and organised crime and terrorism has on our communities.***
- ❖ ***Through the Multi-Agency Serious and Organised Crime and Contest Group, raise awareness and improve information sharing between agencies.***

As per the most recent intelligence assessment relating to Serious and Organised Crime (SOC) the overall threat/risk posed to the communities within Argyll and Bute remains Low. There continues to be 2 identified SOC Groups in operation within the area both of which are assessed to Low Risk. Proactive and reactive intelligence and evidence gathering opportunities continue to be fully exploited in an attempt to reduce the threat and harm posed by individuals linked to these groups and to identify new and emerging groups. Police activity will continue to focus on arresting individuals linked to these groups, depriving them of cash and assets through full use of POCA legislation, and as well as depriving them of legitimate enterprise to ensure the maximum impact.

In line with trends identified across Scotland, the primary function of these groups continues to be assessed as drug supply and distribution within the local area. As shown in the table below, detections relating to drug supply crimes have improved compared to last year.

Serious & Organised Crime	Apr 2016 – June 2016	Apr 2015 - June 2015	% Change
Number of detections for drugs supply, drugs productions, drugs cultivation	19	13	46.2%

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**NOT PROTECTIVELY MARKED****Local Authority Comparison**

Data recorded at the end of the 2015/16 financial year indicates that the number of drug supply crimes recorded per 10,000 head of population is higher within Argyll and Bute at 10.5 than in the Highlands (6.7). When considering all drug crime, Argyll & Bute recorded 71.5 crimes per 10,000 head of population compared to 54.1 in the Highlands.

**Focused Police Activity*****Procurement***

Utilising the Information Sharing Protocol in place between Police Scotland and Argyll & Bute Council, several procurement checks were submitted to police within this quarter. There were 9 instances where links to Serious and Organised Crime were identified and the resultant action led to £11.2 million being diverted from the identified crime groups.

***Enforcement & Interventions***

Police Scotland continue to fully exploit all intelligence and evidence gathering opportunities in order to reduce the threat and harm posed by those involved in Serious and Organised Crime within Argyll and Bute. Police activity has been focussed on arresting individuals involved in this level of criminality, depriving them of cash and assets through full use of POCA legislation, as well as depriving them of legitimate enterprise to ensure the maximum impact.

- 6 individuals linked to SOC were arrested.
- Through the use of POCA legislation SOC criminals were deprived of £3136.45.

***Exercise Royal Scot – Glen Douglas – Tuesday 26<sup>th</sup> April 2016***

A multi-agency exercise took place at Defence Munitions, Glen Douglas on Tuesday 26<sup>th</sup> April. Inspector Coleen Wylie was the Police Incident Officer (PIO) and was assisted by two officers who provided the initial response. At the conclusion of the live play portion of the exercise, the partners attended a table top exercise at the Clyde Off Site Centre (COSC) Rhu. The exercise was part of the Major Accident Control Regulations (MACR) recertification.

***Exercise “Security Breach” – Finnart Ocean Terminal - Thursday 19<sup>th</sup> May 2016***

Inspector Ewan Wilson took the role of PIO at this live play exercise involving site staff and all relevant partners. Inspector Ian Wallace and Argyll and Bute Resilience Officer Carol Keeley were co-exercise directors. A hot debrief from the regulators was very positive.

***Joint Patrol with Ministry of Defence Police - Wednesday 29th June 2016***

On Wednesday 29<sup>th</sup> June 2016, PC Higgins, the Counter Terrorism Liaison Officer, participated in a joint patrol with the Ports Unit and Ministry of Defence Police officers as part of Project KRAKEN. Project KRAKEN is a National Crime Agency, Police, and Border Force initiative to increase vigilance along the UK's coastline and maritime environment.

***Argyll, Bute and West Dunbartonshire LRP – Critical Workshop – Monday 18<sup>th</sup> July 2016***

Detective Inspector Brian Harris facilitated a “Move to Critical Workshop” for the Argyll, Bute and West Dunbartonshire Local Resilience Partnership on 18<sup>th</sup> July. The workshop explored what resilience partners should do if the current threat level was raised to Critical. The template used will be replicated in all LRP's of the West of Scotland RRP.

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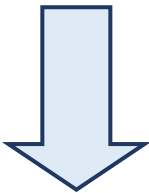
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## Acquisitive Crime

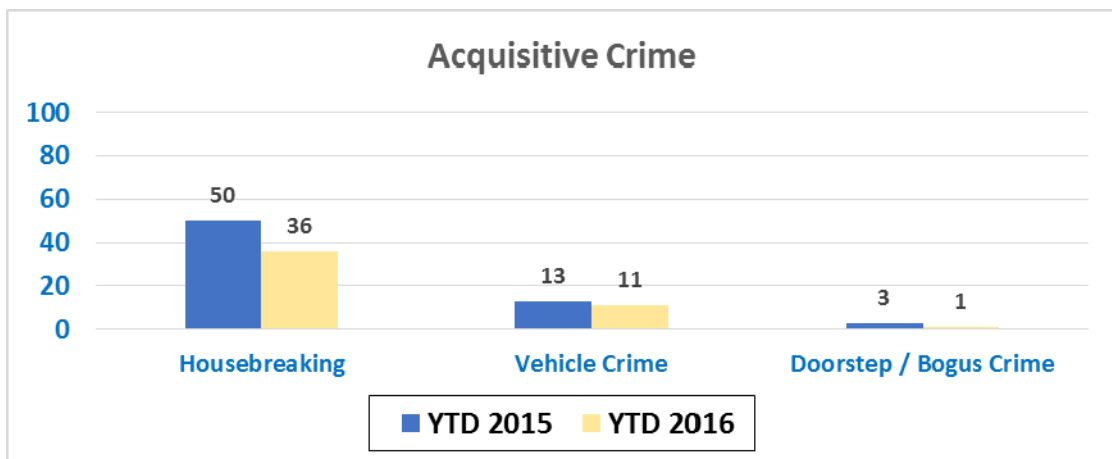
In the Local Policing Plan 2014 – 2017, Police Scotland have identified that the objectives in relation to acquisitive crime will be:

- *To reduce the number of housebreakings and improve detection rates.*
- *To target individuals involved in doorstep crime and support the victims through partnership working.*



### Group 3 - Acquisitive Crime

In Quarter 1 acquisitive crime levels continued in a downward trend recording an 11.4% reduction compared to the same period last year. Crimes involving housebreaking, vehicle crime and doorstep bogus crimes have all reduced. Whilst no specific area has experienced a high concentration of crime, more have occurred within the Helensburgh and Dunoon areas.



### Detection Rate

Compared to the same period last year the detection rate for housebreaking crime has reduced from 48% down to 36.1%. Vehicle crime detection rates have improved slightly from 30.7% to 36.4% although crime levels have been low.

**NOT PROTECTIVELY MARKED**



**NOT PROTECTIVELY MARKED****Local Authority Comparison**

At the end of Quarter 4 2015/16, the number of Group 3 crimes recorded per 10,000 head of population remained lower in Argyll and Bute at 99.9 compared to 118.1 in the Highlands. Similarly the rate for vehicle crime remained lower at 7.8 compared to 12.4 in the Highlands. Occurrences of housebreaking crimes per 10,000 head of population also remained slightly lower at 14.5 and 15.0 respectively.

**Focused Police Activity*****Acquisitive Crime Governance Group***

The Divisional Acquisitive Crime Governance Group has now been established and sits monthly. Along with analytical work, the group will identify and tackle developing issues within the division. The Group will link in with the National Acquisitive Crime Board to ensure all tactics are utilised in acquisitive crime. We will continue to work in partnership to tackle causal factors of acquisitive crime.

***Rural Crime Governance Group***

Through partnership working, the Rural Crime Day was held on Friday 17 June 2016 at Duchlage Farm, Arden on Loch Lomond. The event was well attended and positively evaluated. Awareness was raised to all who attended in relation to property and equipment security, fire safety and what can be offered by the Scottish Fire and Rescue Service. There was also positive media coverage.

***Operation Lockdown***

This operation was instigated to target travelling criminals believed to be responsible for a rise in acquisitive crime within the Argyll & Bute during at the end of Quarter 4. A number of marked and unmarked police patrols were used to monitor the roads network stopping vehicles travelling to/from the area. This led to the individuals responsible being identified and as a consequence crimes levels being reduced. This plan will continue to run over the next quarter.

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June 2016

Your Ref:

Our Ref: DCC/HO'N



**POLICE  
SCOTLAND**

Keeping people safe

**Iain Livingstone, QPM  
Deputy Chief Constable**

Tulliallan Castle  
Kincardine  
FIFE  
FK10 4BE  
Tel: 01259 733 121

DCC.office@scotland.pnn.  
police.uk

## **Police Scotland Budget Considerations**

The budget situation for Police Scotland for this and following years is challenging. This is not unique to Police Scotland but reflects the financial pressure faced by the entire Scottish public sector. In a situation that is similar to many organisations we have to look at ways of doing things differently, better or more effectively and to do this within our allocated budget.

Work is underway to identify savings across the organisation. This must be balanced with the need to ensure we continue to deliver an excellent, modern and sustainable police service that underpins our commitment to local policing as the core focus of Police Scotland.

## **Supervisory Ratios**

Following a recent budget scenario planning exercise, a review of the ratio of police supervisors to staff has taken place and it is intended that the number of supervisors will reduce while the number of officers engaged in operational policing will increase.

It is recognised that one size does not fit all in terms of policing in Scotland and as such, spans of command will continue to vary across the organisation to meet differing operational requirements.

**How this will impact communities**

The proposal will streamline Police Scotland ranks while making minimal changes to officer numbers. In particular, it will ensure an increase in the number of constables in local policing divisions and therefore visible in local communities.

These proposals seek to balance potential savings whilst considering the workload and demands placed on all supervisors and staff.

**We recognise that wider engagement with local partners is fundamental to developing and embedding a sustainable model that places policing at the heart of our communities. I would therefore greatly value your participation in this engagement and would ask you to provide feedback via your local Divisional Commanders or by making direct contact with the Secretariat for the Corporate Finance and Investment Board (via the email address below) so that we have an opportunity to consider and, where relevant, address any points raised.**

**OrganisationalDevelopment@scotland.pnn.police.uk**

On behalf of Police Scotland, I would like to take this opportunity to thank you for your ongoing support.

Yours sincerely

Iain Livingstone, QPM  
Deputy Chief Constable



**SCOTTISH**  
**FIRE AND RESCUE SERVICE**  
Working together for a safer Scotland

West Service Delivery Area  
Argyll & Bute  
2016/17 Q1  
Scrutiny Report



**DISCLAIMER**

The figures included in this report are provisional and subject to change as a result of quality assurance and review. The statistics quoted are internal management information published in the interests of transparency and openness.

The Scottish government publishes Official Statistics each year which allow for comparisons to be made over longer periods of time.

Please ensure any external partners in receipt of these reports are aware of this.

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This report provides detail on the performance of the Scottish Fire and Rescue Service (SFRS) in the Argyll & Bute area. In doing so it outlines our progress in the delivery of local priorities as set out within the Local Fire and Rescue Plan and the SFRS framework document.

The Scottish Government provides an overarching vision for public services. This vision is supported by 16 national outcomes, which demonstrate commitment to creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable growth. The SFRS can make a significant contribution to improving these outcomes for Argyll & Bute by contributing to the Community Planning arrangements across the area.

The national priorities for the SFRS are set out in the Fire and Rescue Framework for Scotland. The SFRS Strategic Plan 2013-2016 outlines how the SFRS will deliver against these priorities and the outcomes against which this delivery can be measured.

The SFRS Local Fire and Rescue Plan for the Local Authority Area of Argyll & Bute is the mechanism through which the aims of the SFRS Strategic Plan 2013-2016 are delivered to meet the agreed needs of Argyll & Bute's communities.

The Plan sets out the priorities and objectives for the SFRS within Argyll & Bute for 2014 - 2017 and allows our Local Authority partners to scrutinise the performance outcomes of those priorities. The SFRS will continue to work closely with our partners in Argyll & Bute to ensure we are all "Working Together for a Safer Scotland" through targeting risks to our communities at a local level.

The SFRS aspires to deliver very high standards to our communities and our current performance is testament to the commitment, professionalism and dedication of our staff and the positive local partnerships embedded within Argyll & Bute Community Safety working groups.

We measure how well we are meeting our priorities using 6 key indicators, depicted below

Key performance indicator	Apr to (& incl.) Jun					RAG rating
	2012/13	2013/14	2014/15	2015/16	2016/17	YTD
All accidental dwelling fires	18	14	12	13	16	◆
All deliberate dwelling fires	2	3	3	2	1	●
All accidental dwelling fire casualties (fatal & non-fatal)	4	1	1	0	1	◆
All deliberate fires	35	28	18	20	36	◆
Special Service Casualties - All	21	20	29	26	34	◆
False Alarms - All	262	223	231	239	200	●

RAG rating - KEY		
◆	RED DIAMOND	10% higher than the previous YTD period, or local target not achieved.
▲	YELLOW TRIANGLE	Up to 9% higher than the previous YTD period, or local target not achieved.
●	GREEN CIRCLE	Equal to or improved upon the previous equivalent quarter (or YTD period), or local target achieved.

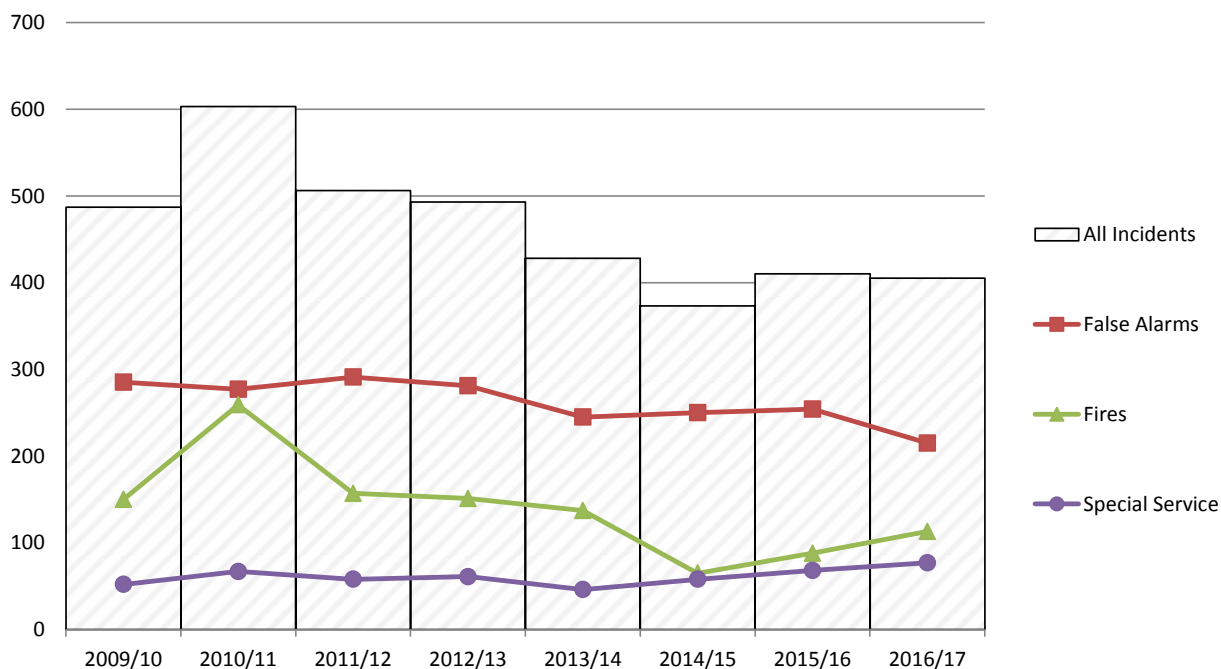
**Note**

Quarterly Performance RAG rating = the reporting period compared to the average over the previous quarterly reporting periods  
 Year to Date RAG rating = the cumulative total of all quarterly performance in the current year compared to cumulative total of all quarterly performance in the previous year

**Incident Overview**

During the Year to Date period 2016-17 (April to June) SFRS responded to a total of four hundred & five (405) incidents. This shows a decrease of five (5) from the same period last year of four hundred & ten (410). The Year to Date (YTD) period average for the previous five (5) years was four hundred & forty two (442). This shows a continual downward trend over a six (6) year period.

The chart below illustrates incidents YTD attended within Argyll & Bute council over the last 6 fiscal years





**Local Risk Management and Preparedness**

The Local Fire Plan 2014-17 sets out the priorities for the next three years in order that the SFRS will meet the objectives of the Argyll & Bute Single Outcome Agreement and associated delivery plans. This has seen the creation of Local Performance Indicators (LPI's) that provide a focus on delivering these priorities and has been set at a challenging level intended to deliver a meaningful difference to our communities and staff alike. SFRS staff will continue to identify and engage with those members of the community that are most at risk and we will reduce that risk through a targeted program of Home Fire Safety Visits.

Train our staff to deal with our local risks

Using Argyll & Bute's Non-Fatal Fire Casualty Reduction Plan 2015/2016 as our guide, we are working closely with our partners in targeting areas and groups that our risk analysis has identified for areas of improvement. We will continue to use a targeted approach to promote fire safety, to continue and develop our education and awareness programmes and to work with our communities and partners to deliver safety initiatives. The Station Managers for Helensburgh and Oban will contribute to the development of a risk based approach by monitoring activity and emerging risks at a tactical level. We will also enhance our engagement with the local business community to target those age and gender risk categories identified within our analysis.

Gather and analyse risk information

This report provides detail on the performance of the Scottish Fire and Rescue Service in the Argyll & Bute area. The outcomes and measures provided in this report detail a blend of quantitative and qualitative information to support committee members in their scrutiny role. The service aims to deliver very high standards to our communities; however we recognise that wherever our performance falls short of expectations we will respond promptly to address the areas of concern. This report contains a series of Local Performance Indicators (LPI) that provide an assessment of the risk within Argyll & Bute by: 1. Subdividing the various fire related incidents into meaningful categories. 2. Setting out our direction of travel in reducing that risk. 3. Contextualising the fire risk profile. 4. Confirming the continued proactive measures that the Scottish Fire and Rescue Service are implementing.

Work with partners to mitigate risks

We are continuing to work with Argyll & Bute Alcohol and Drug Partnership (A&BADP) to strengthen referral pathways. We have engaged with Argyll & Bute Health & Social Care highlighting the value of referring clients for our HFSV service. We are a key member of partnership groups within Argyll & Bute in targeting areas of concern and delivering safety messages to all residents. We also attend and contribute to Multi Agency meetings that may be called for specific incidents to identify and improve risks / training needs to reduce reoccurrence.

Deal with major events

During this reporting period SFRS in Argyll & Bute did not deal with an incident that would be regarded as 'Major'.



**Reduction of 'All accidental dwelling fires'**

Dwelling fires can have a significant negative impact upon both individuals and the community and are financially costly to house holders and housing providers in terms of repair and the reinstatement of homes. By proactively giving safety advice and fitting smoke detectors, the SFRS can reduce the risk of fire and its associated human and financial costs as well as enhancing community safety.

**Results**

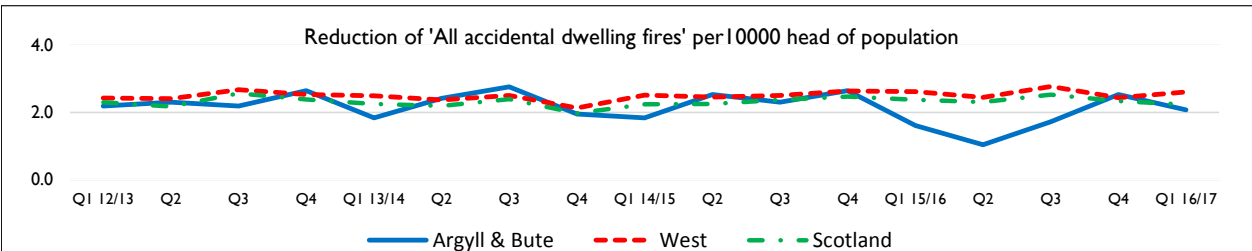
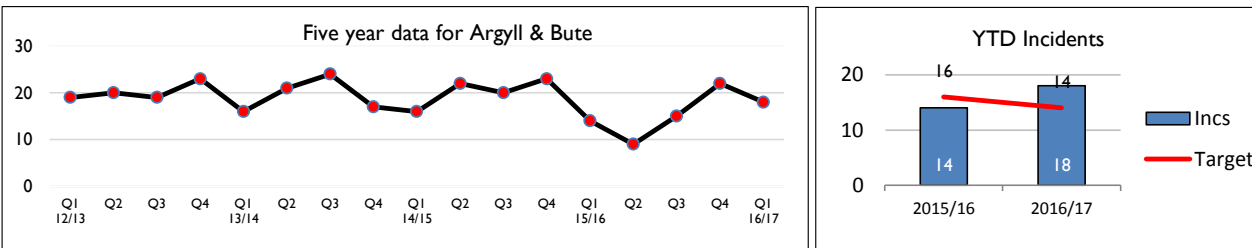
The same Year to Date (YTD) period average over the previous four years confirms an upward trend in relation to accidental dwelling house fires. The figure for the Q1 2016/17 reporting period of sixteen (16) incidents demonstrates an increase of 23% from the same reporting period in 2015/16 of thirteen (13) incidents. The average over the previous four years for the same reporting period was fourteen (14) incidents.

**Reasons**

The area analysed statistical data which has helped formulate a Casualty Reduction Plan. This has allowed us to identify the root causes of these incidents and assist us in devising an action plan to deal with these issues. The main issues for Q1 2016/17 are fires originating in the kitchen area with the major cause being cooking appliances. The most common factors relate to occupants being distracted and/or falling asleep by adults in the 18-64 age range.

**Actions**

The area will use a targeted approach to promote fire safety, education and awareness programmes, and work with our communities and partners to deliver safety initiatives. We have prioritised 'Home Fire Safety' visits in our higher risk areas to reduce the risk of fire within the home, and ensure individuals in our community remain safe from fire. We will run Cook Safe awareness programs and fit heat detectors within the homes of vulnerable adults.



YTD ward ave. for Argyll & Bute - 2	2012/13	2013/14	2014/15	2015/16	2016/17	Sparklines
Argyll & Bute	18	14	12	13	16	
South Kintyre	0	1	1	0	1	
Kintyre and the Islands	1	1	0	1	2	
Mid Argyll	0	0	2	0	1	
Oban South and the Isles	6	4	2	1	1	
Oban North and Lorn	0	2	1	2	2	
Cowal	0	0	2	0	3	
Dunoon	1	2	4	1	2	
Isle of Bute	2	2	2	2	2	
Lomond North	1	1	0	1	0	
Helensburgh Central	6	3	2	2	4	
Helensburgh and Lomond South	2	0	0	4	0	



**Reduction of 'All deliberate dwelling fires'**

Deliberate dwelling fires are defined as fires which were ignited deliberately or the Fire and Rescue Service suspect they were started deliberately. The reduction of deliberate dwelling fires continues to be a priority for the SFRS in Argyll & Bute.

**Results**

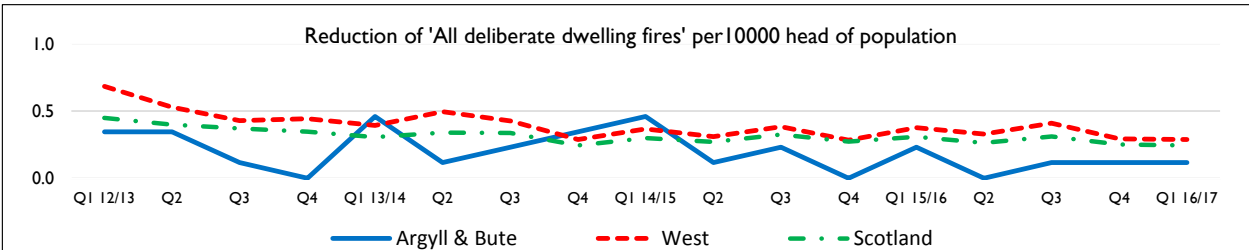
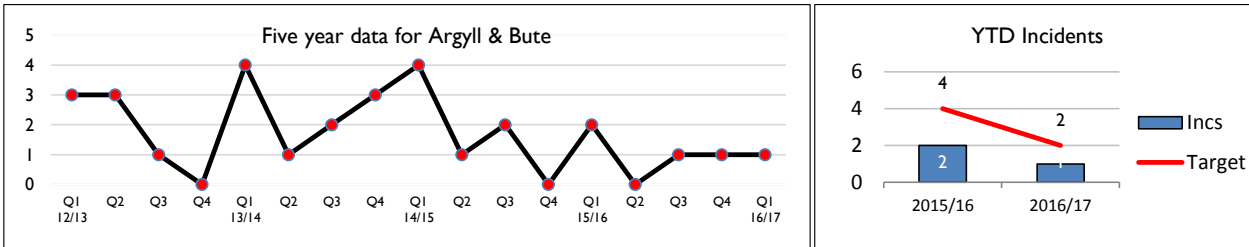
The number of deliberate dwelling fires for the Q1 YTD 2016/17 period is one (1) incident. This is a 50% decrease on the figure for the same period in 2015/16 which was two (2) incidents. When we compare the 2016/17 figure of one (1) with the average for the previous four years of three (3) we see that it represents a 66% reduction in this type of incident over a five year period.

**Reasons**

The one incident recorded relates to the cause of fire as 'deliberate – others property'. 1) Naked flame applied to doormat on the first floor of a three storey tenement property.

**Actions**

The figures in Argyll & Bute are exceptionally low with regards to the rest of Scotland, however we will continue to work closely with our partners in Police Scotland and the Local Authority to ensure that these figures remain low and ensure that all incidents are fully investigated as to cause and origin. Operational crews and Community Action Teams will continue with their youth engagement activities and will deliver a series of school programs and Young Firefighter schemes. The SFRS have a partnership arrangement with 'Crimestoppers Scotland' which encourages the public to report fire crime and vandalism.



YTD ward ave. for Argyll & Bute - 0	2012/13	2013/14	2014/15	2015/16	2016/17	Sparklines
Argyll & Bute	2	3	3	2	1	
South Kintyre	0	0	0	0	0	
Kintyre and the Islands	0	0	0	0	0	
Mid Argyll	0	0	0	0	0	
Oban South and the Isles	0	0	1	1	0	
Oban North and Lorn	0	0	0	0	0	
Cowal	0	0	0	0	0	
Dunoon	1	1	1	0	0	
Isle of Bute	1	1	0	0	1	
Lomond North	0	0	1	0	0	
Helensburgh Central	1	1	1	0	0	
Helensburgh and Lomond South	0	1	0	1	0	



**Reduction of 'All accidental dwelling fire casualties (fatal & non-fatal (incl. p/c's))'**

Fire casualty and fatality rates provide an indication of the number of serious, life threatening injuries that occur as a result of fire. Reduction of this statistic is a key indicator of the success of our risk reduction and community engagement strategies.

**Results**

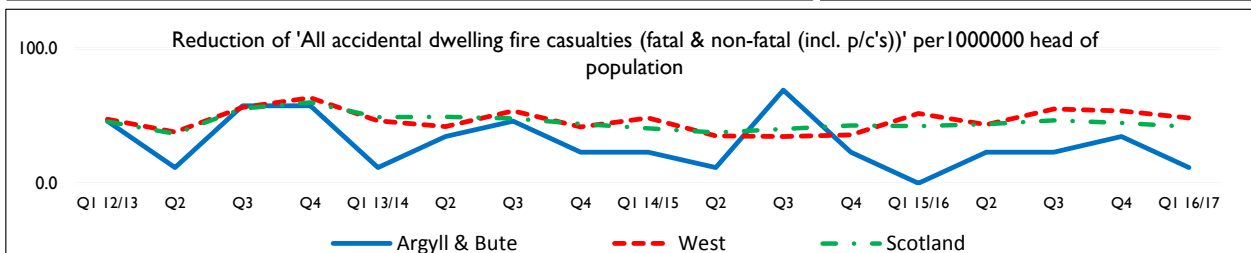
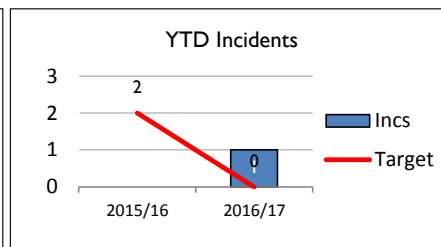
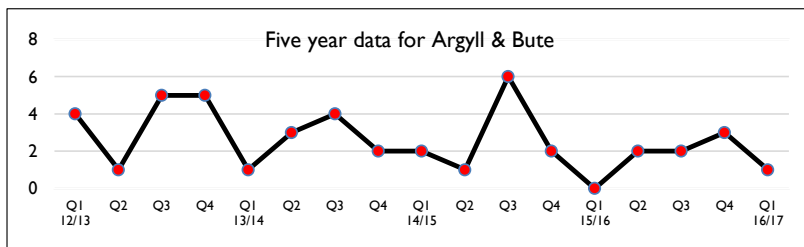
The figure for Q1 YTD 2016/17 reporting period is one (1). This figure shows an increase from the Q1 YTD 2015/16 figure which was a zero (0) figure. The average figure over the last four years is two (2) with this year's figure therefore representing a decrease on the four year average of 50%.

**Reasons**

The one reported casualty relates to an elderly female, sustaining burns while escaping from the premises.

**Actions**

Following all domestic incidents, SFRS personnel initiate effective and meaningful 'Community Engagement' through our 'Post Domestic Incident Response'. We engage with neighbouring households, and the wider community, offering Home Fire Safety Visits (HFSVs) and providing Community Fire Safety (CFS) advice and guidance. We have carried out three hundred and eighty four (384) FREE Home Fire Safety Visits and provided detection in one hundred and ninety five (195) premises in the A&B area. We will continue to engage with the local communities to target the highest risk individuals.



YTD ward ave. for Argyll & Bute - 0	2012/13	2013/14	2014/15	2015/16	2016/17	Sparklines
Argyll & Bute	4	1	1	0	1	
South Kintyre	0	0	0	0	0	
Kintyre and the Islands	0	0	0	0	0	
Mid Argyll	0	0	0	0	0	
Oban South and the Isles	3	0	0	0	0	
Oban North and Lorn	0	0	1	0	0	
Cowal	0	0	0	0	1	
Isle of Bute	0	0	1	0	0	
Lomond North	0	0	0	0	0	
Helensburgh Central	1	1	0	0	0	
Helensburgh and Lomond South	0	0	0	0	0	





**Reduction of 'All deliberate fires'**

Deliberate Fires include both Primary Fires (those that involve a building or property) and Secondary Fires (typically refuse fires or fires involving grass, trees or heathland). The majority of fires analysed in the Deliberate Fire category will be Secondary Fires, they account for approximately 94% of all fires under consideration.

**Results**

The figure for Q1 YTD 2016/17 reporting period is thirty six (36) incidents. This figure shows an increase of 80% from the Q1 YTD 2015/16 figure of twenty (20) incidents.

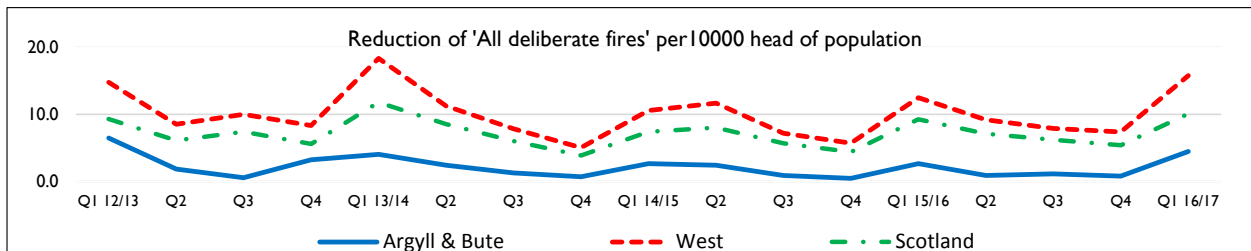
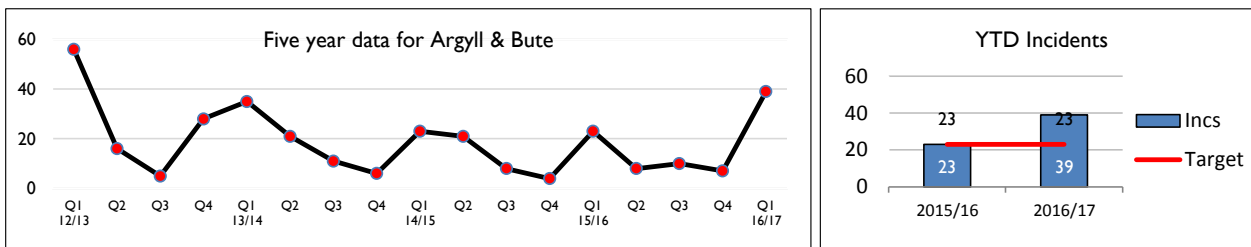
When we compare the 2016/17 figure of thirty six (36) with the average for the previous four years of twenty five (25) we see that it represents a 44% increase over the previous four year period.

**Reasons**

The annual trend for this statistic shows a steady decrease over the previous five years with the main peak being consistently during the Q1 period. The increase for the 2016/17 Q1 period from the previous year can be linked to the improved weather conditions which contributed to a rise in secondary outdoor fire incidents.

**Actions**

We will continue to work alongside our partners within the CPP to identify areas of demand including derelict or vacated properties with the aim of securing these properties or ensuring their demolition. Operational crews and Community Advocate Teams will continue with their youth engagement activities and will deliver a series of school programs and Young Firefighter schemes. We will provide information leaflets in tourist areas to inform and educate visitors to Argyll & Bute to continue to reduce the incidence of secondary fires.



YTD ward ave. for Argyll & Bute - 4	2012/13	2013/14	2014/15	2015/16	2016/17	Sparklines
Argyll & Bute	35	28	18	20	36	
South Kintyre	3	1	1	0	0	
Kintyre and the Islands	3	0	0	0	1	
Mid Argyll	4	0	0	0	1	
Oban South and the Isles	3	3	2	2	4	
Oban North and Lorn	1	9	2	2	6	
Cowal	3	0	1	2	0	
	21	7	5	3	3	
Isle of Bute	3	1	1	1	5	
Lomond North	0	2	8	4	3	
Helensburgh Central	5	6	3	4	9	
Helensburgh and Lomond South	10	6	0	5	7	



**Reduction of 'Special Service Casualties - All'**

SFRS respond to non-fire emergencies such as Road Traffic Collisions (RTCs), building collapse, water rescue incidents and flooding. The SFRS has a crucial role in supporting partner organisations when responding to special services and assisting in reducing the effects on our communities and reducing the casualties from these types of incidents.

**Results**

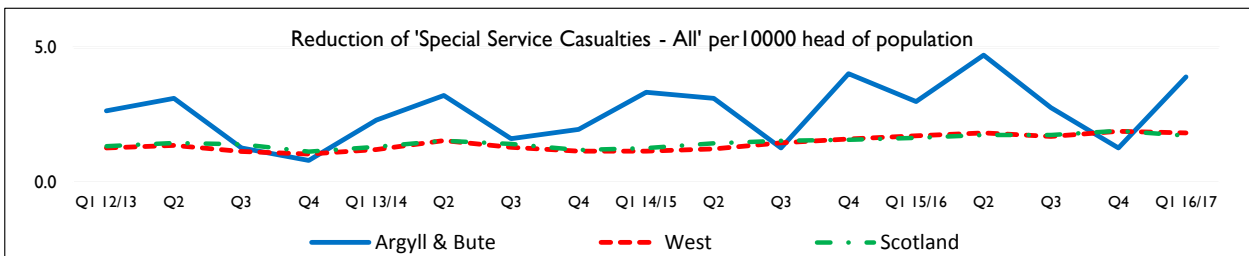
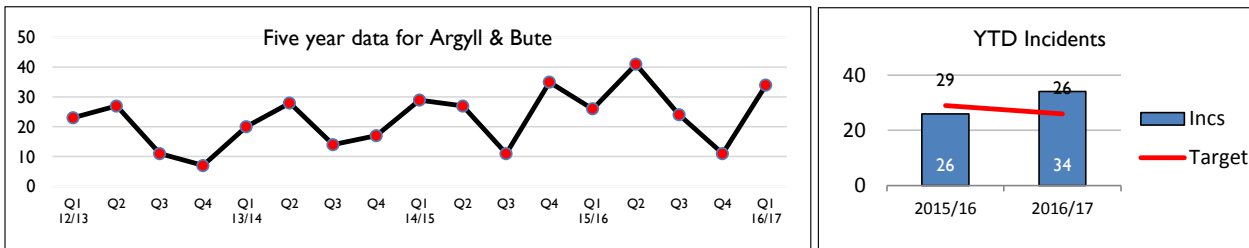
The casualty figure for the Q1 YTD 2016-17 reporting period is thirty four (34). This figure shows an increase of 31% from the Q1 YTD 2015/16 figure of twenty six (26). The average over the previous four years for the same reporting period is twenty four (24). These figures show an upward trend over five (5) years for casualties from Special Services.

**Reasons**

Road Traffic Collisions remain a major part of our attendance at 'Special Service' incidents and the major contributor to Special Service Casualties. It should also be noted that the service has seen an increase in special services where we assist our partners within the ambulance service in dealing with 'falls' and 'Out of Hospital Cardiac Arrests'. This has seen an increase in the number of casualties that we attend at these types of incidents.

**Actions**

We have engaged with young drivers in conjunction with Argyll & Bute Road Safety Team at local secondary schools to reduce the number and severity of this type of incident. There are a number of factors that present a challenge when trying to affect the number of RTC's within a local authority area, these include, the fact that drivers involved in collisions may not be resident within that local authority. SFRS have provided a road safety partner to assist in driving down RTC casualties and we will be delivering 'Biker Down Events' over the summer period. We also work closely with our partners to raise water safety awareness and flood response.



YTD ward ave. for Argyll & Bute - 3	2012/13	2013/14	2014/15	2015/16	2016/17	Sparklines
Argyll & Bute	21	20	29	26	34	
South Kintyre	3	2	0	0	0	
Kintyre and the Islands	4	0	2	2	6	
Mid Argyll	4	0	10	5	0	
Oban South and the Isles	4	1	1	4	6	
Oban North and Lorn	3	2	4	3	9	
Cowal	0	2	4	1	2	
Isle of Bute	2	0	0	0	0	
Lomond North	1	1	2	5	0	
Helensburgh Central	0	2	5	0	8	
Helensburgh and Lomond South	1	4	1	0	3	
Helensburgh and Lomond South	1	6	0	6	0	



**Reduction of 'False Alarms - All'**

Unwanted Fire Alarm Signals (UFAS) are defined as incidents where an automated fire alarm system activates and results in the mobilisation of SFRS resources, when the reason for that alarm turns out to be something other than a fire emergency. The SFRS is committed to working with partners and other stakeholders to reduce UFAS mobilisations.

**Results**

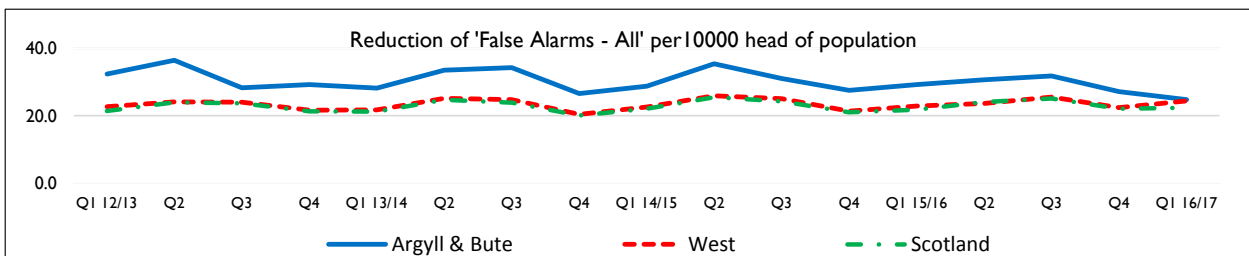
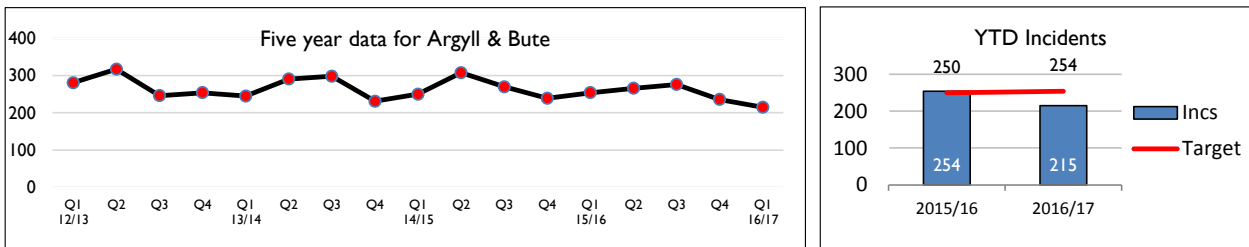
The figure for 2016/17 is two hundred (200) which shows a reduction on the figure for the same period in the previous year of two hundred and thirty nine (239), or a 16% decrease in activity. When we look at the average for the previous four years which is also two hundred and thirty nine (239) we can see that the figure for 2016/17 shows a positive reduction over a five year period.

**Reasons**

The increased prevalence of automatic fire detection systems throughout all classes of building has inevitably contributed to difficulties in terms of system faults and failures. The SFRS has long been aware of the importance of developing a robust process for managing UFAS activity and released a policy and procedure detailing the processes to be used to engage with persons responsible for managing automated alarm systems and the mechanisms available to support them in dealing with identified issues.

**Actions**

SFRS are working with Argyll & Bute Council's Health & Safety and Education departments in reducing the amount of UFAS calls to educational establishments. Engagement is also underway with different sectors within the area to introduce staged alarms including large retail premises. We have also developed a system which will allow more accurate recording of the alarm causes to allow us and our partners to tackle these types of incident more effectively.



YTD ward ave. for Argyll & Bute - 20	2012/13	2013/14	2014/15	2015/16	2016/17	Sparklines
Argyll & Bute	262	223	231	239	200	
South Kintyre	21	23	8	25	12	
Kintyre and the Islands	21	27	38	29	36	
Mid Argyll	39	25	24	16	19	
Oban South and the Isles	56	42	54	51	32	
Oban North and Lorn	33	32	29	36	22	
Cowal	16	16	16	15	13	
Isle of Bute	19	22	19	15	15	
Lomond North	36	19	20	19	19	
Lomond South	6	12	11	13	11	
Helensburgh Central	31	22	27	32	26	
Helensburgh and Lomond South	3	5	4	3	10	





**SCOTTISH**  
**FIRE AND RESCUE SERVICE**

Working together for a safer Scotland

<b>Report to:</b>	<b>ARGYLL AND BUTE COUNCIL, PERFORMANCE REVIEW AND SCRUTINY COMMITTEE</b>
<b>Date:</b>	<b>08 AUGUST 2016</b>
<b>Report By:</b>	<b>AM JIM HYMAS, LSO ARGYLL AND BUTE AND EAST AND WEST DUNBARTONSHIRE</b>

<b>Subject:</b>	<b>SFRS CAPITAL INVESTMENT PROGRAMME</b>
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## **1 PURPOSE**

- 1.1 To inform the PRS committee of the Scottish Fire and Rescue Service's (SFRS) capital budgetary allocation for 2016/2017, including how capital spends have been allocated to date, across the Argyll and Bute area.

## **2 RECOMMENDATIONS**

- 2.1 The PRS committee are recommended to note the contents of this report.

## **3 BACKGROUND**

- 3.1 The Budget (Scotland) (No.5) Bill, passed by the Scottish Parliament on 24 February 2016, set the capital Departmental Expenditure Limit (DEL) funding for the SFRS at £10.800million for 2016/17. This represents a 57% reduction on the funding provided in 2015/16.
- 3.2 In addition to Capital DEL budget, significant capital receipts are programmed to be delivered during 2016/17, from the sale of surplus properties under the service's Property Estate - Strategic Intent programme. These receipts, which had been anticipated in earlier planning, are being reinvested, with permission from the Scottish Government, to develop a fit for purpose support estate for the SFRS.

## **4 CAPITAL PLANNING CONTEXT**

- 4.1 Typically, the Board of the SFRS has previously set a rolling 3-year Capital Programme, and it was anticipated in the service Budget Strategy, that this would be the case for 2016-2019.
- 4.2 Previous 3-year programmes have been based on known future funding levels or a projection based on current funding. The funding allocation for 2016/17 represents a significant reduction on previous levels and is not considered to be sustainable beyond the 12-month period.
- 4.3 Work has also been on-going to develop a Long Term Financial Strategy (LTFS) for the SFRS. Through the LTFS, and linking to the new SFRS Strategic Plan, it is anticipated that work will be commissioned to review the composition of existing assets, to determine whether it fully meets the needs of a modern fire and rescue service. However any transitioning that may be required would have to take place over a medium to long term period, and would require up-front investment. It is anticipated that the future shape of public sector assets, particularly in rural communities, is likely to involve greater collaboration across all partner organisations.

## **5 CAPITAL INVESTMENT WITHIN ARGYLL AND BUTE**

- 5.1 Since the inception of SFRS on 01 April 2013, the service has continued, in a very tough financial climate, to invest and upgrade stations within the Argyll and Bute local area. Examples of these include:
- Low energy and low maintenance LED lighting systems have been installed at numerous stations including Campbeltown, Inveraray and Bowmore
  - Air source heat pump heating trialled at Bridge of Orchy
  - Low carbon radiant heating installed at Strachur
  - Over £400K has been invested on a new roof covering at Oban Fire Station
  - LED lighting system installed at Oban Fire station
  - Resurfacing of tarmac at front and rear of Tarbert Fire Station
  - Renewal of roughcasting at Tarbert Fire Station.
- 5.2 Moreover, the SFRS has executed a national condition survey which has formed a robust assessment of where the service has to prioritise its capital and revenue spends. This survey has highlighted that the SFRS properties within Argyll and Bute are very well maintained and required light touch or cyclic maintenance activities such as redecoration or new lighting systems etc.



5.3 There are no current plans for any further significant investment on any of SFRS sites within Argyll and Bute but these will be maintained fully functioning and ready to mobilise to assist in the protection of the local communities.

**6. EQUALITY IMPACT ASSESSMENT**

6.1 An impact assessment has been carried out as part of the budget setting process which indicates that the relationship between the Capital Budget and the general equality duty is largely indirect due to the high level nature of the budget setting process. The impact assessment highlights that the more detailed expenditure against the budget in relation to individual SFRS policies and initiatives will have more direct relevance to both the general equality duty and the protected characteristics and where deemed relevant should be subject to their own impact assessment. For example, the refurbishment of facilities would be on the grounds of preventing unlawful discrimination and promoting equality of opportunity with particular significance for age, disability, sex, pregnancy & maternity and gender reassignment. Overall, the Capital Budget does not present any obvious barriers for continuing to make a positive contribution on the grounds of equality.

**MR JIM HYMAS**  
**AREA MANAGER**  
**LOCAL SENIOR OFFICER, ARGYLL & BUTE AND EAST & WEST DUNBARTONSHIRE**

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## Performance Review and Scrutiny Committee Workplan 2016-17

Committee Date	Report Description	Lead Service	Regularity of occurrence/consideration	Date for Reports to Committee Services	Additional Comment
<b>25 August 2016</b>					
	Treasury Management Monitoring Report	Strategic Finance	Quarterly Report	2 August 2016	
	Annual Treasury Report 2015-16	Strategic Finance	Annual Report	2 August 2016	
	Quarterly Performance Reports and Scorecards	Chief Executive/ Improvement & HR	Quarterly Report	2 August 2016	
	Maximising Attendance	Chief Executive/ Improvement & HR	Quarterly Report	2 August 2016	
	Health and Social Care Partnership Performance Report	Chief Officer Health and Social Care Partnership	Quarterly Report	2 August 2016	
	Scrutiny of Police Scotland	Improvement & HR/Police	Quarterly Report	2 August 2016	Local Policing Plan performance
	Police Scotland Budget Considerations – Supervisory Ratios	Police	One Off	2 August 2016	
	Scrutiny of Scottish Fire and Rescue	Improvement & HR/Fire	Quarterly Report	2 August 2016	Local Fire Plan performance

## Performance Review and Scrutiny Committee Workplan 2016-17

Committee Date	Report Description	Lead Service	Regularity of occurrence/consideration	Date for Reports to Committee Services	Additional Comment
<b>17 November 2016</b>					
	Health and Social Care Partnership Performance Report	Chief Officer Health and Social Care Integration	Quarterly Report	25 October 2016	
	Treasury Management Monitoring Report	Strategic Finance	Quarterly Report	25 October 2016	
	Quarterly performance reports and scorecards	Chief Executive/ Improvement & HR	Quarterly Report	25 October 2016	
	Maximising Attendance	Chief Executive/ Improvement & HR	Quarterly Report	25 October 2016	
	Scrutiny of Police Scotland	Improvement & HR/Police	Quarterly Report	25 October 2016	Local Policing Plan performance
	Scrutiny of Scottish Fire and Rescue	Improvement & HR/Fire	Quarterly Report	25 October 2016	Local Fire Plan performance
<b>23 February 2017</b>					
	Health and Social Care Partnership Performance Report	Chief Officer Health and Social Care Integration	Quarterly Report	1 February 2017	
	Treasury Management Monitoring Report	Strategic Finance	Quarterly Report	1 February 2017	
	Treasury &	Strategic Finance	Annual Report	1 February 2017	

## Performance Review and Scrutiny Committee Workplan 2016-17

Committee Date	Report Description	Lead Service	Regularity of occurrence/consideration	Date for Reports to Committee Services	Additional Comment
	Investment Strategy				
	Quarterly performance reports and scorecards	Chief Executive/ Improvement & HR	Quarterly Report	1 February 2017	
	Maximising Attendance	Chief Executive/ Improvement & HR	Quarterly Report	1 February 2017	
	Scrutiny of Police Scotland	Improvement & HR/Police	Quarterly Report	1 February 2017	Local Policing Plan performance
	Scrutiny of Scottish Fire and Rescue	Improvement & HR/Fire	Quarterly Report	1 February 2017	Local Fire Plan performance
<b>Future Items</b>					
	Single Outcome Agreement (SOA) – Annual Report				
	National Audit Report areas for scrutiny				

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