

LEADER'S REPORT

1 SUMMARY

- 1.1** This report outlines key activities undertaken within the role of Council Leader between 20th April and 1st June, including meetings, as follow; Dalriada Arts and Culture on 22 April, Gourock - Dunoon Ferry Services Steering Group 5 May, HIEP Board Meeting on 18 May, Meeting with Paul Flanagan (External Relations Director, First Milk) on 19 May, Gourock - Dunoon Ferry Service Meeting on 20 May, meetings at the Scottish Parliament Building with Derek MacKay and Derek Stewart on 28 May, COSLA Leaders Meeting on 29th May, Convention of the Highlands and Islands on 1st June, Marco Biagi on 3rd June, Scottish Canals representatives on 3rd June and the Service Choices Members Workshop on 5th June.

I have also provided Policy Lead up-dates in relation to Council Tax, Scottish Welfare Fund, Discretionary Housing Payments, Benefits processing, IT Contracts, Pathfinder North, and the Customer Service Centre.

2 RECOMMENDATIONS

- 2.1** It is recommended that the Council notes the report and also notes that additional documents are available in a Leader's Report Pack through the Leadership Support and Member Services Manager. COSLA papers and briefings are available for viewing by members, shortly after each meeting, in the Leaders Office and items which were taken "in public session" can be made available electronically if required.

3 Dalriada Arts and Culture 22 April

- 3.1** Fergus Murray Head of Economic Development and Strategic Transportation and I met with Mags Trenouth Russell and colleagues; Messrs Saich and MacFarlane, from Dalriada Arts and Culture in the Leaders Office in April.

Dalriada Arts and Culture provided an up-date on their work and their ambitions for the future.

The meeting began with a round table introduction; the background to the group; early beginnings, involvements and current developments. It

was made clear that the purpose of the meeting was not to seek money from the council but to explore areas of common interest.

The main focus of their up-date was as follows:-

- Donation of the Argyll segment of the Richard Di Marco collection, which they are now seeking to share with the public for the economic/cultural benefit of the area. Possible sites for this had been looked at.
- Ongoing work to open a centre for an Arts and Culture hub (in the wider sense, including performance) not only to house the Di Marco collection but also to encourage Scottish, national and international focus within Mid Argyll with an agenda to benefit; health and well-being, creativity and tourism as well as to inspire young people.

It was confirmed that Dalriada Arts and Culture were looking for assistance from the council in the form of help with identifying funding streams and by forging beneficial relationships with groups and individuals which the council may already have established links with.

Fergus Murray provided information on existing and well established networks of arts and cultural heritage groups active in and around Mid Argyll. He explained that, given their development ambitions, the first consideration for Dalriada Arts and Culture could be in relation to forging relationships with them as soon as possible. He confirmed that funding from the council was already fully committed with existing groups but that other external funding information was available.

It was agreed that Dalriada Arts and Culture would continue to develop an Arts network along the lines discussed and by pursuing some of the links that Fergus Murray had suggested. An application would be made by the group to the Provost, Councillor Len Scoullar, for a Civic Reception for the Richard di Marco collection, giving careful consideration to appropriate invitees to raise the profile of the project and demonstrate a will to network with other groups in the area. Dalriada Arts and Culture accepted an offer to meet up further with Fergus Murray and Audrey Martin to look at additional opportunities for joint working.

4 Gourock - Dunoon Ferry Services Steering Group 5 May

- 4.1** Pippa Milne, Executive Director Development and Infrastructure and I attended the above meeting which was held at Atlantic Quay, Glasgow.

The main agenda items covered options for the procurement of the next ferry service contract with the vehicle portion being non-subsidised and looking at; the future service requirement, future service specification, vessels, harbour charges and the cost allocation

methodology.

We also discussed the contractual performance of Argyll Ferries Limited on the route and the MV Coruisk deployment report.

Transport Scotland agreed to explore a number of new issues raised at the meeting.

5 COSLA Leaders Meeting, 24th April

5.1 Chief Executive, Sally Loudon and I attended the above meeting at Verity House Edinburgh. All agenda items were taken in “Private Session” and I am therefore unable to report on them although I have listed them below:-

1. Carers (Scotland) Bill
2. The One in Five Campaign: Involving Disabled People in Politics
3. Broadband and Digital
4. Scottish Business Pledge
5. Leaders Work Plan
6. Rurality Distribution
7. Commission on Local Tax Reform

6 HIEP Board Meeting 18 May

6.1 Ishabel Bremner, Economic Development Manager, Mary-Louise Howatt, Senior Development Officer and I attended the above meeting by VC from Kilmory.

The agenda papers included:-

- i. An update on the delivery of the European Structural investment Funds and the Strategic Interventions in the Highlands & Islands
- ii. Issues arising from the meeting of the Highlands & Islands Territorial Committee.
- iii. Issues arising from the Joint Programme Monitoring Committee
- iv. Review of the Partnership – Draft consultant report and approval of direction of travel.

The discussion on the delivery of the European Structural Funds, Issues arising from the meeting of the H&I Territorial Committee and the Issues arising from the Joint Programme Management Committee were part of one larger discussion. As a result of this debate it was agreed that letters would be written to Keith Brown, in response to his

letter to Councillor Drew Hendry of 27 April and to John Swinney MSP, seeking a meeting at a senior political level, to discuss the numerous issues that have emerged at this early stage of programme delivery.

It was also agreed that Cllr Steven Heddle would ascertain who the most suitable MSP would be to approach at the Convention of the Highlands and Islands in order to pursue a conversation for the group using the above correspondence as a basis for discussion on the issues at hand, with a view to a future meeting to discuss the more technical issues.

The discussion on the Review of the Partnership centred around a Draft consultant report seeking approval for:-

- Rebalancing of resources – reducing the Brussels presence while connecting more effectively with wider Team Scotland resources, together with consideration of a new resource in Scotland, as the preferred “direction of travel” for HIEP and;
- the HIEP officer group to explore and define, in precise terms, the staffing, location, resourcing and operational details of this option, reporting back to the August Board meeting.

The above was approved on the basis that:

- the Partnership retains an independent voice in Brussels;
- the review goes beyond performance to reflect the potential of doing things in a different manner: and
- the other avenues of doing business in Brussels are fully taken into account.

It was agreed that further work would be carried out by the officer group on looking at the option for a rebalanced resource with a closer connection with Team Scotland in Brussels and the possibility of a staff resource to be based in Scotland. A further report will be brought to the August Board meeting.

7 Meeting with Paul Flanagan, External Relations Director, First Milk on 19th May

- 7.1** Chief Executive, Sally Loudon, Pippa Milne, Executive Director, Development and Infrastructure and I met with Paul Flanagan from First Milk in the Leaders Office in May as part of our on-going efforts to work with all partners, including the Scottish Government to improve the economic outlook for our much valued dairy farmers.

Paul Flanagan set context for the meeting in terms of the history and detail of the current issues facing First Milk and explained that he believed that there is confidence that price will rise to sustainable

levels but that the current focus had to be on keeping dairy farmers in business through these difficult times.

In recognition of all the issues being faced by our farmers it was agreed that; working closely with partners, lobbying for support and targeted communication activities were all key to ensuring the best possible assistance our much valued local milk industry.

8 Gourock - Dunoon Ferry Service Meeting between Inverclyde and Argyll and Bute Councils, on 20 May

- 8.1** Pippa Milne, Executive Director for Development and Infrastructure Services and I met with Aubrey Fawcett, Gwen Murphy and Brendan Hurrell from Inverclyde Council.

The meeting of the two councils discussed the Gourock – Dunoon Ferry Service and in particular, some of the legal and procurement issues associated with our ongoing dialogue for a passenger and vehicle service on the route. The meeting was productive and as a result of the discussion, a paper is included in this Council meeting pack, addressing the issues discussed. It also seeks endorsement of reinstatement of a passenger/vehicle as the preferred position of the Council.

9 Meeting with Derek MacKay, Minister for Transport and Islands, 28 May

- 9.1** Sally Loudon, Chief Executive and I met with Derek MacKay, Minister for Transport and Islands at the Parliament Building in Edinburgh. The main items discussed on the day were:-

- Islands – ahead of the Convention of the Highlands and Islands on Monday 1st June, I continued to press for empowerment for Argyll and Bute’s island communities.
- Crown Estate – devolution of powers
- RET Extension and the impact on our islands – Bute, Mull.
- Clyde & Hebrides Ferry Services Tender – Implications for Argyll & Bute. We agreed that a meeting should be arranged between Argyll and Bute Council, Inverclyde Council and the Scottish Government, looking particularly at the Dunoon-Gourock ferry issue
- Future Investment on A82 & A83 – discussions will continue when the A83 Taskforce next meets.

Our discussions were very positive and continued at the COHI event on the following Monday.

10 Meeting with David Stewart 28 May 2015

10.1 Chief Executive - Sally Loudon, Executive Director for Development and Infrastructure - Pippa Milne, Leadership Support and Member Services Manager - Aileen McNicol and I met with David Stewart MSP at the Scottish Parliament building, as part of a series of meetings which I am planning to hold with senior Scottish politicians in order to raise the profile of Argyll and Bute Council's ambitions to develop its economy through a growing population.

David Stewart is a Member of the Scottish Parliament for the Highlands and Islands with a personal interest in subject areas of transport, rural development, oil and gas, international development and diabetes. He has an interesting portfolio which strongly accords with much of our ongoing work.

In particular, he is a member of the Infrastructure and Capital Investment Committee, which has, as its key role, the scrutiny of Scottish Government policies as follow; Housing, Transport, Capital Investment, Digital Infrastructure and Broadband, Fuel Poverty and Energy assistance, Scottish Water and Public Procurement.

The main issues for Argyll and Bute which we wanted to highlight for him were; Machrihanish Spaceport Bid, priorities within our Single Outcome Agreement (including population issues), renewables and transport.

The conversation was extremely positive. David Stewart is already a regular visitor to Argyll and Bute and is keen to see more of the good work that the council is doing. He is currently making arrangements to visit the area over the summer; we will be meeting with him again during his visit and this will give us an opportunity to continue these productive discussions.

11 COSLA Leaders Meeting, Friday 29th May

11.1 Chief Executive Sally Loudon and I attended the above meeting which was held at Verity House in Edinburgh. The agenda was as follows:-

Items taken in Private Session

1. Scottish Tribunals and Administrative Justice Advisory Committee – COSLA report and presentation from Marieke Dwarshuis, Chair of STAJAC
2. Leaders Work Plan
3. National Transport Strategy Refresh
4. Spending Review
5. Membership Issues
6. National Collective Bargaining
7. Pay Negotiations Update
8. Future of NCHC

9. Youth Employment
10. Community Justice (Scotland) Bill
11. Scottish Business Pledge
12. Gypsy/Traveller Strategy

Items taken in Public Session

13. Distribution Issues
14. Rurality Distribution
15. Educational Attainment Event
16. Supporting the Rights of Disabled People

Although most items were taken in private session, I have provided a brief report on each of the items taken in public session below:-

11.2 Distribution Issues

The purpose of this report was to ask Leaders to consider and agree recommendations from the Settlement and Distribution Group (SDG) in relation to 2 distribution items noted within the recommendations as follow:-

- i. The National Care Home Contract for 2015-16 as set out in the paper
- ii. The Regeneration Capital Grant Fund as set out in the paper

Council Position

The council's position was to accept the recommendations of the paper

Outcome

Leaders agreed to accept the recommendations of the paper

11.3 Rurality Distribution

The purpose of this report was to update Leaders on the Settlement and Distribution Group's (SDG) work on rurality, as requested by Leaders in April.

The recommendations requested Leaders to:

- i. Note the initial work of the Data Issues Working Group on the review of Rurality distribution; and
- ii. Note that a final report will be brought to Leaders for their consideration at the next Leaders meeting in August.

Council Position

The Council's position was to agree to note the paper

Outcome

Leaders accepted the recommendations of the paper

11.4 Educational Attainment Event

The purpose of this item was to update Leaders on the educational attainment event organised for Friday 5 June 2015.

Within the recommendations, Leaders were invited to:

- i. Note that the event would be held on Friday 5 June 2015 in COSLA's conference centre;
- ii. Note the final programme which has previously been circulated to Leaders;
- iii. Note that there were still places available and COSLA wished to encourage more elected members from all COSLA member authorities to attend, and
- iv. Note that the Cabinet Secretary had been invited but had since confirmed that she was unable to attend the event.

Council Position

The council's position was to agree to note the paper

Outcome

Leaders agreed to note the paper

11.5 Supporting the Rights of Disabled People

The purpose of this paper was to ask Leaders to consider the contribution of local authorities to supporting the rights of disabled people

In the recommendations, Leaders were invited to:-

- i. Note that the UN would, this year, examine the UK's progress towards implementing the UN Convention on the Rights of Persons with Disabilities (UNCRPD);
- ii. Note that COSLA's Health and Well-being Executive Group asked that we prepare a local government delivery plan to sit alongside the Scottish Government's national plan; and
- iii. Consider a proposed Delivery Plan, and if satisfied, agree that COSLA consult with Disabled People's Organisations, over the summer months, on the content of that plan before coming back to Leaders in the autumn for final sign-off.

Council Position

The council's position was to agree with the recommendations of the paper

Outcome

Leaders agreed to the recommendations within the paper

12 Highlands and Islands Leader Group

- 12.1 The Highlands and Islands Leaders Group met briefly in Orkney on Sunday 31st May, prior to the Convention of the Highlands and Islands.

The main purpose of the meeting was to discuss the papers and the tracker which would be discussed at the Convention although there was also a short discussion around some of the lobbying issues with which the Leaders Group is currently involved, as follow:-

- Renewable energy
- Employability
- Welfare Reform
- Crown Estates
- Emergency Towing Vehicles
- Fuel Costs
- Transport
- Connectivity /Broadband
- Renewing local democracy/joint working/public sector reform
- Europe
- Housing debt

There will be a further and more formal meeting of the Highlands and Islands Leaders Group in the Autumn.

13 Convention of the Highlands and Islands, Orkney, 1st June 2015

- 13.1** Councillor Aileen Morton, Chief Executive - Sally Loudon and I attended the “spring” Convention of the Highlands and Islands which was held in Kirkwall.

As usual, the agenda contained three main items plus an update on a development work tracker grid. All papers and briefings from this meeting can be accessed from the Leaders Office.

The main items were discussed as follow:-

13.2 Tracker Action Tracker Up-date

The tracker is a standing item on the Convention agenda although the themes may vary slightly as work on each topic develops the main topics discussed were; Community Planning – Joint Resourcing, Tourism, Rural Parliament, Renewables, Health and Social Care Integration, Community Planning – Joint Resourcing, Community Planning – Prevention, Housing and Infrastructure, Connectivity, Planning, Emergency Towing Vessels, UKBA Processing Cruise Ship Passengers.

13.4 Item 1 Priorities for 2015

This item was presented by our First Minister, Nicola Sturgeon. It set out the Scottish Governments main priorities for 2015, which I have listed below:-

- One Scotland – Programme for Government 2014 – 2015, Scotland’s Economic Strategy,
- Smith Commission
- Our Islands Our Future
- Rural Parliament
- Community Empowerment

The outcomes from this item are as follow:-

- COHI partners agreed to work on further embedding strong collaboration to ensure a coordinated strategic approach to economic development and tackling inequalities across the Highlands and Islands, and to work through CPPs in each area to ensure coordinated and joined up working which maximises local impact is a key feature of local service delivery including in health and skills development.
- COHI partners agreed to identify examples of emerging approaches and activities which have the potential to positively address the economic challenges in the Highlands and Islands and to explore how to build on these to increase the attractiveness of the area.
- Convention Members agreed that delivering fast, reliable digital connectivity is the 21 century equivalent of the mid 20 century provision of electricity to homes and locations across the Highlands and Islands. As a result, COHI partners will undertake further work to develop options to ensure connection to the premises in the areas which are not anticipated to be covered by the current broadband contract.
- COHI partners agreed to explore how they want to engage with SG around island issues, considering whether existing structures were sufficient and ensuring they communicated an island perspective effectively.
- COHI members recognised that tackling transport costs for remote and islands communities needed to be further explored as this created considerable inequalities and stifled economic growth.

13.3 Item 2 Infrastructure

This paper, which was produced by Highlands and Islands Enterprise aimed to update the Convention on progress towards their ambition to develop the Highlands and Islands as a globally competitive and connected region. The paper focused on infrastructure developments associated with digital connectivity, transport and energy.

The digital connectivity part of this discussion produced outcomes as follow:-

- An update would be requested from Scottish Future Trust's Demonstrating Digital project team following their visit to Shetland.
- Scottish Government agreed to explore the potential to build on the UK Government's Emergency Services Mobile Communications Procurement and to report back to COHI.
- BT and the main mobile network operators to be invited to autumn 2015 COHI to outline in detail what activities they are delivering, when and in which locations to increase connectivity in the Highlands and Islands area.

In relation to the transport part of this discussion, the outcomes were as follow:-

- Minister for Transport and Islands (Derek MacKay) agreed he would raise issues of resilience and commercial opportunities/activity at Wick Airport with HIAL.
- The Timber Transport Forum would be tasked with looking at issues and challenges around subsidiary road suitability/upgrades associated with forestry extraction in remote areas anticipated in the next 10-15 years.
- It was agreed that issues around the sustainability of the fleet operated by Loganair would be considered at the transport session of the Islands Forum and would be reported back to COHI.

13.4 Item 3 Land Reform

This paper, by Highland Council was written to demonstrate their commitment to working with partners and the Scottish Government to support Land Reform. It was explained that Highland Council is an associate member of Community Land Scotland (CLS) and, in partnership with CLS, has delivered a series of Land Reform seminars designed for those communities aspiring to become asset owners or wishing to register an interest in land. As a result of these seminars, Key Learning points had been established and Highland Council were keen to share these with Convention partners.

The outcomes from this agenda item were as follow:-

- COHI partners agreed to share best practice in the support of community ownership and empowerment,

particularly through experience of supporting communities to take on assets and services.

- Rural housing remains an important issue which the COHI would like to look at in the context of the Land Reform Review Groups recommendations on housing and there would be an opportunity to do this though a rural housing conference being organised by Highlands Council. COHI partners are to liaise with Highland Council on this conference and report outputs to a future COHI meeting.

14 Wednesday 3rd June – Meeting with Marco Biagi MSP, Minister for Local Government and Community Empowerment.

14.1 Mr Biagi came to Kilmory on Wednesday 3rd June as the keynote speaker for the Argyll and Bute Volunteer of the Year Awards. Ahead of the award ceremony, I had the opportunity to meet with him and was joined by our Chief Executive Sally Loudon. We spoke about the challenges that Argyll and Bute is currently facing and set out the council's response to these challenges. Mr Biagi was interested to hear about the Argyll and Bute Economic Forum, which is driven by the private sector and focuses on key aspects of the Argyll and Bute economy like tourism and food and drink.

Our meeting was also a chance to highlight some of the ways that communities across Argyll and Bute are taking action – for example, the Tìree Community Development Trust who are looking at ways of investing in ports and harbours. As Minister for Community Empowerment, Mr Biagi is keenly interested in this and it was encouraging to hear that the Scottish Government is aware of our strong track record in working in partnership and working with our communities.

Other key issues like boosting the skills base in the area, housing and investment in infrastructure were also discussed and the fact that with Argyll and Bute's diverse geography, remote and rural areas and islands, there is no one-size-fits-all solution.

Although there was only time for a short discussion, it was extremely useful and productive.

15 Wednesday 3rd June – meeting with Scottish Canals representatives, Kilmory.

15.1 Andrew Thin, Steve Dunlop and Katie Hughes came to Kilmory to talk with myself and Sally Loudon about how the council might work with Scottish Canals as it develops its vision for the Crinan Canal, with a particular focus on the Ardrishaig community. While everyone faces

challenges in today's economic climate, we were all keen to find ways that we could possibly work collaboratively, also with other agencies involved. The vision for the canal is an exciting one and we look forward to hearing more about it from Scottish Canals.

16 Friday 5th June – Service Choices Workshop

16.1 I attended and made the opening presentation at the Service Choices workshop for all elected members on Friday 5th June in Kilmory. The aim of the event was to get a steer from colleagues on what areas of the council's work to continue exploring for savings. Feedback from the workshop will help to shape the report for the special Policy and Resources Committee in June.

17 Policy Lead up-dates in relation to Council Tax, Scottish Welfare Fund, Discretionary Housing Payments, Benefits processing, IT contracts, Pathfinder North, and Customer Service Centre.

17.1 Local Tax Collections

Collections of Council Tax for the 2014/15 year to the end of March 2015 were finalised at 95.51%, down 0.29% on last year at this time. As previously reported the reason for the decrease is down to poorer Sheriff Officer collections following the change in contract in June. Collections for the new Council Tax year 2015/16 were 20.08% as at the end of May, virtually identical to this time last year. Collections on the 2014/15 year continue to be slow and are now 95.55%, down 0.8% on the previous year at this time, but earlier years are well up.

Collections of Non-Domestic Rates for 2015/16 are 29.49% at end of May, up 0.31% on this time last year. Collections on 2014/15 year are now at 97.66%, down by 0.43% on the previous year at this time, although well up on the year end position of 96.09%.

17.2 Scottish Welfare Fund

At the end of May £63,512 has been spent compared to the profiled budget of £62,126 (102% of profiled spend). Since the start of April medium and high priority cases have been supported and it is hoped that this level of support will be continued for the remainder of the year. 14 applications are currently awaiting processing and a further 19 were part paid at the end of May.

17.3 Discretionary Housing Payments (DHPs)

£250,872 has now been either paid out or committed as at the end of May, with awards made to 431 cases. There are 370 cases still

awaiting processing as all under-occupancy cases have to be re-assessed for the new financial year. Of this spend, nearly all has been for under-occupancy cases. Medium and high priority cases are being supported for all non-bedroom tax cases. All bedroom tax cases are still being supported irrespective of hardship.

As there is still uncertainty about the totality of funding available for 2015/16 and as disabled cases have to be supported, following the Sandwell case, SMT has revised the definition of medium financial hardship. This was originally set as an excess of income over essential expenditure from September 2013 to February 2014 of £30 (single), £60 (couple) and £90 (family). As there was an underspend at that time, this was increased in March 2014 to £40 (single), £80 (Couple) and £120 (family). From April 2015, however this is now £30 (single), £50 (couple or family of 2) and £80 (family of 3 or more). This recognises that many expenses do not increase proportionately for a larger household.

17.4 Benefits processing

New claims processing year to date to end of May has taken on average 19.86 days, which is well below the Scottish average of 27 days for 2013/14, and better than our target of 23 days. Changes in circumstances in the year to date, to end of May, have taken on average 7.27 days which is also below the Scottish average of 9 days for 2013/14 and our target of 8 days. Unfortunately, the accuracy target fell short of expectation and the provisional figures are currently being looked into.

The Council has been notified that its application to the Fraud and Error Incentive Scheme (FERIS) maintenance fund for £13,659 has been successful. However, actual performance for the 4 months to March 2015 was 3% below the target set, so we have not yet achieved any incentive payments which would be on top of the start-up and maintenance fund monies. It was not expected that the target would be achieved in the first quarter as it pre-dates the formal launch of the scheme and most of our new initiatives to improve performance will only impact from May onwards.

17.5 IT Service Contract with ACHA

I reported previously that ACHA were re-tendering the wide area network contract. The council submitted a bid but unfortunately were unsuccessful. Exit management activities are now taking place to accommodate a smooth conclusion for the end of the contract in

November 2015.

17.6 Pathfinder North migration to SWAN

Preparation for placing the initial order under the Scottish Wide Area Network is continuing. The requirement to make considerable savings under Service Choices is likely to affect the order placed and prices are awaited for lower bandwidths for smaller schools with 31 pupils or less to see if these would be better value. Vodafone carried out a bandwidth analysis during May and this information will be considered along with the updated prices before any decision is made on what type of circuits to order. Capita are taking 5 weeks longer to respond than planned, due to the scale of changes since the original tender and this may delay the placing of the order from the planned date of end of June. The deadline is 1st October and will be achieved.

17.7 Customer Service Centre (CSC)

The percentage of calls to CSC being abandoned for May was 6.7% - just below our 7.5% target. For the quarter to date, it is 8.0% which is a big improvement since the last quarter, at 11.2%, which had been badly affected in January due to telecoms downtime. The average call length for the quarter to date is 2.65 minutes, a little up on last quarter at 2.61 minutes but it is within the target of 3 minutes.

The Council received 6 responses following the issue of its tender for new customer service centre systems on 10 April 2015. Detailed evaluation is being undertaken on these, and it is hoped that a contract will be awarded in early August.