

LEADER'S REPORT

1 SUMMARY

- 1.1** This report outlines key activities undertaken within the role of Council Leader since the 23rd January 2015, including; Meeting with Danny Alexander on Bute on 26th January, meeting with the Crown Estate on 27th January, Meeting with Local Dairy Farmers on 28th January, COSLA Leaders on 30th January, EJCC on 6th February, Meeting with Nicholas Ferguson on 11th February, COSLA Leaders on 27th February, Meeting with Angus Farquhar on 6th April, COSLA Conference and Convention 12th and 13th March, the Economic Forum on 17th March and COSLA Leaders on 27th March.

2 RECOMMENDATIONS

- 2.1** It is recommended that the Council notes the report and also notes that additional documents are available in a Leaders Report Pack through the Leadership Support Officer. 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 Meeting with Danny Alexander on Bute on 26th January

- 3.1** Depute Leader – Ellen Morton, Chief Executive – Sally Loudon other council officers and I were delighted to meet with Danny Alexander MP, Chief Secretary to the Treasury, on Monday 26th January, at the Rothesay Pavilion, where he announced the news that £600,000 had been secured from the Coastal Communities Fund for the refurbishment of the Pavilion.

This news was further evidence of our Council working positively to ensure that external funding opportunities are maximised for the benefit of the local area. In this case, Argyll and Bute Council's £8million project to renovate Rothesay's iconic Art Deco pavilion received a huge boost of £600,000 from the Coastal Communities Fund (CCF), the penultimate piece of a complex funding jigsaw. The final piece of funding, £3million from the Heritage Lottery Fund (HLF) was also announced at the end of January. This has been fantastic news for Rothesay and the wider area allowing work to be carried out on this amazing local asset.

Recognition should be given to the project team for their skill and commitment in successfully securing money for this area by producing excellent funding bids which can be very complex and hugely competitive for these pots of money. As a council, we have a great track record when it comes to securing funding for regeneration projects, which is testament to the professionalism of our staff.

4 Meeting with the Crown Estate on 27th January

4.1 Chief Executive - Sally Loudon, Executive Director – Pippa Milne, other Council Officers and I met with Representatives from the Crown Estate on the above date. The items we discussed were as follow:-

- Sources of Revenue to the Crown Estate
- Investment for Coastal Infrastructure and preferential loans; plans for supporting projects within Argyll and Bute
- Supporting Communities to gain more benefit from their accessibility from the sea by improving their marine infrastructure (eg Tighnabruaich).
- A flexible approach to Crown Estate lease arrangements, to ensure that people are not penalised for improving Crown Estate Assets.
- Possibilities for involving Crown Estate in marine tourism development in the area.

The meeting was extremely positive with the Crown Estate clearly eager to work in a constructive way to ensure seamless transition, following devolution.

It was agreed that officer workshops would follow and all present acknowledged the importance of ensuring continuity for communities. The meeting provided scope for some very beneficial partnership working.

I recommend reading the detailed briefing note for the meeting in the Leader's Report Pack and I look forward to keeping you up-to-date with future developments.

5 Meeting with Local Dairy Farmers on 28th January

5.1 Chief Executive – Sally Loudon, Executive Director – Development and Infrastructure – Pippa Milne other officers and I met with a group of dairy farmers from Kintyre and Bute at the end of January to discuss the problems they are facing.

The main issues facing the farmers at this time are; the falling retail cost of milk and the significant impact of this on the dairy farmers, the current position with First Milk, (the increase in retention for capital from 5p per litre (ppl) to 7ppl, and the current position with) Campbeltown creamery and the associated Mull of Kintyre cheese. In the short term there is an urgent

requirement for capital investment in the Campbeltown Creamery. All of the above impact on our farmers' ability to continue to operate within budget, due to the drop in the price of milk and associated income, the cost of servicing loans for much needed investment in equipment, as well as the general costs of running a dairy farm.

I shared with them a letter I had sent on the matter to Richard Lochhead, earlier in the month, and agreed that I would meet with them further to discuss progress and any further assistance that we could offer, as a Council and with our partners.

It was agreed that council officers would continue to work with the farmers through Argyll and Bute agricultural Forum, NFUS, HIE and SOAS with a particular focus on Campbeltown Creamery. It was also agreed that the Council would, if necessary, write to Scottish Government to enquire about the release of the Scottish government grant to allow the new boilers to be installed at the creamery although it is now understood that this is in hand. It was also agreed that the Council would support the call for a concession on the ferry fares for taking empty milk tankers across to Bute & Gigha to make this more viable. It was also agreed that there would be on-going dialogue between the group and the Council and with HIE/SDI to ensure a co-ordinated approach. There would be an ad-hoc forum for all elected members with an interest.

Whilst it was too early to anticipate what the future will be for the Creamery, we confirmed, as a Council, that we were open to support any future scenario planning should the need arise. A further meeting has been arranged for 8th April.

6 COSLA Leaders on 30th January

6.1 Chief Executive, Sally Loudon and I attended COSLA Leaders meeting on Friday 30th January 2015. The agenda was as follows:-

Items to be taken in Private Session

1. Local Government Pay and Conditions Negotiations 2015/16
2. Improving Wage Levels in the Social Care Sector
3. Children's Hospice Association Scotland (CHAS)
4. Funding of "WithScotland"
5. Health and Social Care Partnerships: Investment and Improvement Expectations
6. Charging Guidance for Non-residential Social Care 2015/16
7. 'A Stronger Voice' – Engaging the public and service users
8. Commission on Alternatives to Council Tax
9. Scottish Government's Economic Strategy
10. Planning Penalty Clause
11. Welfare Reform Update

Items to be taken in Public Session

12. 2013/14 Local Government Benchmarking Framework - Key Messages
13. Distribution Issues
14. The Smith Commission: Update on Clauses and new Scotland Bill
15. Proposed Constitutional Change by the Gender Balance Task Group

Whilst I am unable to report on the items which were taken in Private Session, I have summarised the items taken in Public Session below:-

6.2 2013/14 Local Government Benchmarking Framework - Key Messages

The purpose of this paper was to highlight the key messages from the 2013/14 Local Government Benchmarking Overview report, which was published on 30th January. The full Overview Report was distributed to all Leaders, via COSLA, upon release.

The paper recommended that Leaders noted the key messages which were highlighted within the 2013/14 Benchmarking Overview Report.

Council Position

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

Outcome

Leaders agreed to note the recommendations within the paper

6.3 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 the 2 distribution items.

Leaders were asked to agree recommendations relating to the distribution of the:

- i. Developing Scotland's Young Workforce Early Implementation Fund as set out within the paper; and
- ii. European Youth Employment Initiative Fund as set out in the paper.

Council Position

The Council's position was to agree to the recommendations of the paper

Outcome

Leaders agreed to the recommendations of the paper

6.4 The Smith Commission: Update on Clauses and New Scotland Bill

The purpose of this paper was to provide information to Leaders on the

current state of play with the process of translating the Smith Commission recommendations into legislative proposals.

Within the recommendations, Leaders were invited to:

- i. Note the content of this update report;
- ii. Agree, subject to any changes made at today's meeting, the broad approach being adopted; and
- iii. Note that reports will be brought back to Leaders as required.

Council Position

The Council's position was to agree to the recommendations of the paper

Outcome

Leaders agreed to the recommendations of the paper

6.5 Proposed Constitutional Change by the Gender Balance Task Group

The purpose of this report was to allow Leaders to carry out their procedural role in proposing that the Convention meeting is given the opportunity to discuss the suggested alterations to COSLA's Constitution, recommended by the Gender Balance Task Group.

It was recommended that Leaders exercise their procedural responsibility with regard to proposed changes to COSLA's Constitution. To do so, Leaders should refer the findings of the Gender Balance Task Group to Convention with the proposal that Convention should discuss these proposals and make any changes to the Constitution as necessary.

Council Position

The Council's position was to agree to the recommendations of the paper

Outcome

Leaders agreed to the recommendations of the paper.

7 EJCC on 6th February

- 7.1** I attended the above meeting with Depute Leader, Ellen Morton, Policy Leads and Chief Executive, Sally Loudon.

The main purpose of the meeting was to discuss with the Employee Joint Consultative Committee the contents of the Planning and Budgeting Pack 2015 - 2016 Revenue Budget.

I set out for our colleagues in the Trades Unions, our plans to grow the Council's budget reserves and deliver on our Single Outcome

Agreement to meet the challenges ahead. I set out for them the forecast revenue budget shortfall over the next five years, explaining that this is based on assumptions, which will change over time. I also reiterated my commitment to the Trades unions that they would be very much involved in the process and that there is a place for them at the table as we move forward.

This will inevitably be a difficult period for the Council, the Trades unions and our employees. However, we recognise the reality of the financial situation facing us and are committed to working positively together.

8 Meeting with Nicholas Ferguson, CBE. on 11th February

8.1 Depute Leader, Councillor Ellen Morton, Chief Executive – Sally Loudon, Executive Director, Pippa Milne, other senior officers and I met with Nicholas Ferguson CBE, Chair of Sky PLC, on Wednesday 11 February.

The purpose of the meeting was to discuss the remit, composition and future work of the Economic Forum which was subsequently launched on 17th March and the part that he would play in Chairing a forum to address our falling population through the economic growth of Argyll and Bute.

The meeting provided a fascinating insight into Nicholas Ferguson's own background, experience, his philanthropic work, as well as his clear motivation for agreeing to take forward this major piece of work in collaboration with key economic stakeholders in tackling the causes of population decline in this area.

The areas of work discussed at the meeting included:-

- The falling population and causes
- Digital Infrastructure
- Large Private Sector Employers in Argyll and Bute
- and the sectors of; Tourism, Food and Drink, Defence, and Forestry.

The outcomes from the meeting were that:-

- A distinct piece of work would be carried out within Development and Infrastructure Department to develop a better understanding of why some areas of Argyll and neighbouring authorities are performing better than others with regard to population and economy i.e. Oban, Mull and Arran.
- Nicholas Ferguson would be kept up-to-date with Digital Infrastructure developments (both mobile and broadband) with a view to promoting actions to address the agreed need for improvement.
- As part of a wider piece of work on promoting food and drink from Argyll and Bute, Nicholas Ferguson would be sent the contact

details for Mark Steward, Marine and Coastal Development Manager for Argyll and Bute Council as well as the detail of SAMS research into lobster and shellfish farming. Contact would also be initiated between Nicholas Ferguson and Tracey Shimmield of SAMS.

- In relation to scope identified for growth in the niche sector of woodchip supply for biomass and the new recreation and leisure opportunities which the Forestry Commission are pushing elsewhere in their estate in Scotland (but not currently in Argyll), further consideration would be given to the Argyll and Bute Woodland Forestry Strategy.
- If appropriate, Nicholas Ferguson would facilitate a meeting with Rory Stewart MP, Chair of House of Commons Defence Committee to discuss economic growth opportunities from naval installations in Argyll.

As part of the information gathering exercise for establishing the Economic Forum Nicholas Ferguson was sent further links to the outcomes from the Economic Summit as well as more in depth population data to scrutinise ahead of the launch.

It was agreed that the objectives of the economic forum would be:-

- job creation
- long term, strategic development of our economy
- raising awareness of and influencing issues affecting our economy
- informing multi-agency business plans to support our economy
- enabling better communication between sectors to improve the economy
- ensuring our workforce has the skills to enable our economy to grow
- promoting inward investment

Representation at the forum was discussed and the final list of forum members can be seen below in Item 12.

The meeting was highly productive and communication with Nicholas Ferguson was on-going up until the inaugural meeting of the Economic Forum which marked the beginning of a new phase of activity, reported below.

9 COSLA Leaders on 27th February

- 9.1** Chief Executive, Sally Loudon and I attended the COSLA Leaders meeting on 27th February at Verity House in Edinburgh. The agenda was as follows:-

Items taken in Private Session

1. Carers Bill
2. National Social Work Strategy

3. Education Bill
4. Pupil / Teacher Ratio
5. Annual Policing Plan
6. Commission on Local Tax Reform
7. Phase 2: Broadband Superfast Extension Programme
8. Opencast Coal Restoration Consultation
9. European Funding Programme 2014-2020

Items taken in Public Session

10. Onshore Oil and Gas
11. Distribution Issues

Whilst I am unable to report on items taken in Private Session, I have summarised the items taken in Public Session below:-

9.2 Onshore Oil and Gas

The purpose of this paper was to inform Leaders on the outcomes of the UK Infrastructure Bill in relation to Underground Drilling Access for the extraction of Unconventional Gas and Oil, as well as Geothermal Energy in Scotland, and also the Ministerial Statement to the Scottish Parliament on 28 January regarding onshore oil and gas extraction in Scotland.

Within the recommendations, Leaders were asked to:-

- i. Welcome the retention in Scotland of existing Underground Drilling Access rights;
- ii. Note the update provided on the UK Government's Infrastructure Bill and the devolution of Onshore Oil and Gas licensing to the Scottish Parliament via the Smith Commission Command Paper process;
- iii. Provide any initial comment on the local democratic implications of the proposals outlined in the Ministerial Statement to Scottish Parliament on 28 January around Onshore Oil and Gas and particularly the moratorium on the granting of onshore oil and gas planning applications; and
- iv. Agree that the Development, Economy and Sustainability Spokesperson should seek a meeting for COSLA representatives with Scottish Ministers regarding the implications for local democracy of any future consenting proposals prior to the launch of the public consultation later this year.

Council Position

The Council's position was to agree to the recommendations of the paper

Outcome

Leaders agreed to the recommendations of the paper

9.3 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 the 2 distribution items.

Leaders were asked to agree recommendations relating to the distribution of the:

- iii. €5m Business Competitiveness and Innovation European Structural Funding for the Highlands and Islands region as set out in the paper
- iv. €35m Business Competitiveness and Innovation European Structural Funding for the rest of Scotland as set out in the paper and in particular whether to accept the proposed recommendation or delay until further work can be undertaken on rurality; and
- v. Community Justice transitional funding as set out in the paper

Council Position

The Council's position was to agree to the recommendations of the paper

Outcome

Leaders agreed to the recommendations of the paper.

10 Meeting with Angus Farquhar and David Cook from NVA on 6th April

10.1 Chief Executive – Sally Loudon, Executive Director – Development and Infrastructure – Pippa Milne, other senior officers and I met with Angus Farquhar and David Cook from NVA on 6th March

Angus Farquhar and David Cook spoke to a Laptop Presentation of the St Peters site, the project and its history. Details were provided in relation to the funding that had been secured so far for the project and the high profile publicity that it had been receiving. NVA concluded that this was a site of local, national and international importance.

The potential of the site was discussed in relation to themes of; architectural significance, historic environment, biodiversity, land management, renewables, employability and training (including specialist construction skills), outdoor crèche, arts and performance and others. It was agreed that Council Officers would assist in connecting NVA with various organisations currently involved with the above potential business avenues.

Their ambition is to launch the site for the Year of Architecture in 2016 and to coincide with the 50 year anniversary of the laying of the foundation stone on the site.

Options for collaborative working were discussed with the outcome that Officers from the Development and Infrastructure would work further

with them to see how realistic assistance could be provided to help the organisation achieve its ambitions in a manner which would benefit our area.

11 COSLA Conference and Convention 12th and 13th March

11.1 Chief Executive, Sally Loudon and I attended the COSLA Conference and Convention on Thursday 12th and Friday 13th March 2015.

11.2 COSLA Conference

The conference included presentations as follow:-

- “Where now for Localism?” Presented by Alistair Carmichael – Secretary of State for Scotland
- “The Economy, Health and Education – Room for Improvement?” presented by Colin Mair Chief Executive – Improvement Service.
- “Improving Health and Social Care”, presented by Ian Welsh – Chief Executive – Health and Social Care Alliance – Scotland.
- “Improving Educational Outcomes”, presented by Larry Flanagan General Secretary Educational Institute for Scotland
- Councillor Douglas Chapman (inv) Education, Children and Young People Spokesperson – COSLA.
- “Improving Economic Outcomes”, presented by Will Hutton, Councillor Stephen Hagan Development, Economy and Sustainability Spokesperson – COSLA, Graeme Dickson – Director General – Enterprise, Environment and Innovation – Scottish Government.
- “How Best Can National Government Support Localism in Scotland” presented by; Alex Neil MSP - Cabinet Secretary for Social Justice Communities and Pensioners Rights, Jim Murphy MP – Leader of Scottish Labour, Willie Rennie MSP – Leader of the Scottish Liberal Democrats, Ruth Davidson MSP – Leader of the Scottish Conservative Party and Patrick Harvie - Co-Convenor of the Scottish Green Party.

11.3 COSLA Awards

On the evening of 12th March, COSLA held its Annual Awards Ceremony and I was delighted to be involved in the celebration as Argyll and Bute Council, again, scooped a prize at this prestigious event.

Argyll and Bute Council’s Children and Families service redesign won the cherished gold award in the category ‘securing a workforce for the future’. Ours was one of nine Scottish councils to receive an award for outstanding quality of service to the public. A video of staff talking about their work in the process is available through a link on the Council’s website.

11.4 COSLA Convention

On Friday 13th I attended the COSLA Convention and the agenda items are listed below:-

1. Health and Social Care Integration
2. COSLA Budget 2015/16 & 2016/17
3. Educational Outcomes
4. Local Fiscal Empowerment
5. Future Public Services Delivery
6. Lobbying on Constitutional Protection for Local Government
7. Gender Balance Task Group
8. COSLA EU Priorities 2015

All of the above items were taken in Private Session so I am, unfortunately, unable to report on them.

12 Economic Forum; Luss, 17 March

12.1 I attended the inaugural meeting of the Economic forum which took place in Luss on the evening of 17th March.

The full list of attendees is a significant feature of this report and is listed below:-

- Chair - Nicholas Ferguson CBE, Chair of Sky PLC
- Jane MacLeod, Company Secretary, M&K Macleod and Secretary of Mid Argyll Chamber of Commerce
- Alistair Barge, Managing Director, Gigha Halibut
- Iain Jurgensen, General Manager, Portavadie
- Neil Wells, Managing Director, Lochs and Glens Holidays
- Cathy Craig, Commercial Director, Caledonian MacBrayne
- Alex Paterson, Chief Executive, Highlands and Islands Enterprise
- Neil Francis, Director, Scottish Enterprise
- Gordon Wales, Director of Financial Management, and Location Director for Argyll and Bute, Scottish Government
- Sally Loudon, Chief Executive, Argyll and Bute Council

The council provides support staff to the forum as follows:-

- Fergus Murray (Advisor)
- Jane Jarvie (Communications)
- Stuart Green (Secretary)

Other members of the forum who were unfortunately unable to attend the first meeting included:-

- Dr Tracey Shimmield, Managing Director, SAMS Research Services Ltd
- John Forteith, General Manager, Forteiths Food Distribution Company.

After Nicholas Ferguson CBE, Chair, welcomed everyone and initiated

the round table introductions, I provided information on the background to the economic forum, which is a continuation of the conversation from the Economic Summit last October. The key messages I wanted to reinforce were threefold:-

- despite the challenges there is a lot to be positive about,
- making the most of the opportunities,
- no one can achieve our overall objective of growing our economy and reversing our population alone but we can achieve this collectively.

I thanked the prestigious Forum members for being involved, especially Nicholas Ferguson CBE, for agreeing to be the Chairman and providing his drive, positive attitude and enthusiasm.

The suggested approach and focus for the forum was to work on what the region is already good at; where there is growth potential, where there is active investment and where the region has a comparative advantage. It was agreed that the forum should not be too broad in its considerations.

Further to discussions on proposals laid out by the Chair, it was agreed that the Forum, initially, would develop sub-groups focused on:-

1. Tourism
2. Food Productions – to include aquaculture
3. Youth and Education

And forum members divided themselves between these distinct areas of work, with Fergus Murray as an advisor in all groups.

It was agreed that all would confirm what data they required to inform their work and that they would consider what else would be required to further the work of the sub-groups. Immediately, members were offering information on pieces of work currently underway which would be useful to the groups.

At the conclusion of the meeting it was agreed that telephone conferences would be set up for each of the work groups in advance of the next meeting of the forum on 29 May.

13 COSLA Leaders on 27th March

Chief Executive, Sally Loudon and I attended the COSLA Leaders meeting on Friday 27th March at Verity House in Edinburgh. The agenda which only contained items taken in private session was as follows:-

1. Membership Issues
2. Consultation on Required Reporting of Climate Change Duties

3. Improving Wage Levels in the Social Care Sector
4. Roads Collaboration
 - a) Governance
 - b) Programme
5. Scotland's Economic Strategy
6. Public Procurement Consultation
7. Kinship Care Allowances
8. Local Government Event on Educational Attainment

I am, unfortunately, unable to report on these items although there is detail available to read in the Leaders Report Pack.

14 Up-dates in relation to Council Tax, Scottish Welfare Fund, Discretionary Housing Payments, Benefits processing, Empty homes, IT, Customer Service Centre.

14.1 Local Tax Collections

Collections of Council Tax to the end of March stand at 95.22%, which is 0.58% down on last year at this time. This includes cash in transit but is pre accruals for overpayments, discounts and exemptions. This collection figure was down 0.90%, so there has been a slight improvement here. The reason for the decrease is almost wholly down to poorer sheriff officer collections following the change in contract in June. Disappointingly, one of the schedule accounts only paid on 8 April (£18,000). As previously reported, following the Single Person Discount Review, discounts have been removed from non-responders to the review. We have collected 70% on these accounts, and most have either paid in full or not at all, so this has influenced final collections by 0.05% at most.

The department has been looking at the payment rate on accounts with the double Council Tax charge. The premium charge total was £643,437 at 31st March and of this we have collected £506,465 (78.7%). These accounts have a total liability of £1.686m and the payment rate on these accounts is only 77.1%, which is 18.12% less than on other accounts. 184 of these accounts have made no payments towards their Council Tax liability. This is adversely affecting collections by 0.49%, up from 0.48% a month ago.

Sheriff Officer collections for 2014/15 are down by £390k (0.68% on collections) because the first summary warrant was issued three weeks behind schedule this year, due to a delay in awarding the new Sheriff Officer contract and because more of their collections are being allocated to 2013/14 where these are up by £200k.

In contrast, collections are going well on the 2013/14 year, where 97.57% has been collected, which is 0.31% up on last year at this time. This is slightly more than the increase as at the end of February. Because of the handover from the previous Sheriff Officer contract, more of these collections are allocated to older years than in the past

and this is affecting collections of the current Council Tax year.

Collections of non-domestic rates are 96.09% at end of March, which is up by 0.49% on this time last year. Collections are down from the position at end of February because of a large running roll received just before year end, on which there was no time to bill or collect. These figures include all year end adjustments, unlike the Council Tax figures above.

14.2 Supplementary Guidance on Double Council Tax Charge / Empty Homes

On 31 March 2015 Margaret Burgess, Minister for Housing and Welfare and Marco Biagi, Minister for Local Government and Empowerment, issued supplementary guidance on local authority discretion to reduce Council Tax discount on second and long-term empty homes and to apply an increase to long term unoccupied homes. The legislative position remains unchanged, as does the guidance issued on 21 May 2013. This new guidance covers discretionary exemptions from the Council Tax increase and lists a number of circumstances which would merit flexibility in terms of not charging the Council Tax increase. Argyll and Bute Council recently amended its policy and now does not charge the increase until a property has been empty for over 2 years, where major repairs are in progress. There are another 3 categories where flexibility is being suggested. If our policy remains unchanged, it is possible that further appeals may be received for these types of situations, relying on this new guidance. Officers are of the opinion that it is preferable to accept this risk rather than to move to a policy based on a greater degree of discretion for individual cases.

Along with Highland Council, we gave evidence to the Scottish Parliament's Finance Committee about the financial memorandum accompanying the Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill on 18 March. This covered evidence about the impact of the change in empty rates charges for publicly/private owned unoccupied premises, and the impact of the double Council Tax charge on long term empty domestic properties. This was reported on Radio Highland.

14.3 Scottish Welfare Fund

In March, £22,980 was spent from the Scottish Welfare Fund compared to the monthly profile of £36,796 including carry forward. Cumulatively £420,749 has been spent for this year's applications compared to £372,760 profiled spend excluding carry forward (116% of profiled spend). We had a balance of £37,349 unused from last year's carried forward underspend which reduces the overspend to £10,640. This is well within the amount approved by Policy & Resources Committee on 19 March 2015 to be met from Scottish Government welfare reform monies for this purpose.

In view of the predicted overspend, we only funded high priority items for March. This has been increased to fund both high and medium priority items for April. Programme funding for 2015/16 is at the same level as for 2014/15; £372,760. It is expected that we will be able to continue with this level of funding for the full year. 21 applications are currently awaiting processing and a further 16 were part paid at the end of March.

14.4 Discretionary Housing Payments (DHPs)

£649,752 has now been either paid out or committed to the end of March. There were 16 cases still awaiting further information and 2 awaiting reconsideration at the year end. Of this spend, £437k (67%) has been for under-occupancy cases. This has utilised all of the Department of Work and Pensions allocation of £409,580 and used £240,172 of the Scottish Government allocation of £375,838. This has left an underspend of £135,666 to be carried forward to 2015/16 as agreed by Policy & Resources Committee on 19 March 2015. Argyll and Bute Council are still supporting medium and high hardship cases for all other priority groups.

The allocation from DWP for 2015/16 has been announced as £371,352 (a 9.3% reduction). The initial allocation from Scottish Government for 2015/16 is £65,991. This is set to cover 80% of expected expenditure. There is a further £9m to distribute nationally, of which we may receive up to c £110k. So the total funding available could be c £546k supplemented by a carry forward of underspend from 2014/15 of £136k; a total of c. £681k. I am informed that this is sufficient to allow continued support in 2015/16 at the same levels as for 2014/15.

The High Court made a decision on 30 March 2015 that has implications for how we do financial assessments for people in receipt of disability living allowance care component. This particular case related to an under-occupancy situation where this council always awards a DHP. However it potentially affects other cases involving people with disabilities. This Council's practice has been to include Disability Living Allowance care component and associated expenditure on care into our financial assessment. Last year there were c 30 such cases of refused DHPs, of which around one third would have been eligible had we excluded this component from the financial assessment. Following this judgement, this practice will need to be amended where individual circumstances would prevent someone from moving due to having made significant adaptations to their house to suit their needs or other personal needs which make that property particularly suitable. This means that we should expect to make more awards on non-bedroom tax cases in 2015/16.

As there is still uncertainty about the totality of funding available for 2015/16 and as our Council will have to support more disabled cases in future, SMT has been asked to reconsider the definition of medium hardship. This was set as an excess of income over essential

expenditure from September 2013 to February 2014 of £30 (single) £60 (couple) and £90 (family). As we were underspending at that time, this was widened in March 2014 to £40 (single) £80 (Couple) and £120 (family). It is now recommended that we reduce this down to £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.

14.5 Benefits processing

New claims processing, year to date to end of March, has taken on average 22.09 days which well within the Scottish average of 27 days for 2013/14. Changes in circumstances in the year to date to end of March have taken on average 5.79 days which is also below the Scottish average of 9 days for 2013/14. In 7 of the last 8 months our council has met its accuracy target of 95% although year to date it has only achieved 94.4%.

The Council has been notified of December's actual performance and January's provisional performance, in terms of meeting the Fraud and Error Incentive Scheme (FERIS) targets. Our actual reduction for these two months was £20,900 compared to target of £21,656, 3.5% below target. Only one Scottish council met its target. Audit Scotland is considering writing to DWP as they consider that targets have been set incorrectly for Scotland. Scottish error rates are probably lower than in England reflecting the continued work carried out by Audit Scotland on benefits processing in contrast to England where this work stopped a number of years ago. It should also be noted that our new work to increase errors did not start until March, the Council did not expect to achieve the target in the first quarter as it pre-dates the formal launch of the scheme.

14.6 IT Service Contract with ACHA

I reported previously that the IT services contract with ACHA expires in November 2015 and that Acha notified the Council of their decision not to award a contract on Friday 13 February. We were the lowest priced tenderer but they feel that they could save money by moving to a different arrangement. They have asked that we consider extending the current contract till March 2016 to provide them with more time to transition to an in-house service and to migrate to an alternative managed wide area network service. They intend buying in certain support direct from their existing IT provider, and are re-tendering the wide area network contract. This new tender closes in early May.

14.7 Public Service Network re-accreditation

Our council's current accreditation expired on 26 January 2015. We received formal re-accreditation on 11 February 2015 for a further one year period. As last year, our council was one of the first local authorities to go through the new re-accreditation process.

14.8 Other IT matters

A new contract for an IT Infrastructure Library (ITIL) compliant IT service management system has recently been awarded to TopDesk with a view to implementing the new system by September. The new system will allow more IT faults to be handled on a self service basis, and will help us identify root causes of recurring faults. Members of staff have recently achieved their Prince 2 practitioner re-accreditation. This lasts for the next 5 years. All staff who sat the exam passed, which is an excellent testament to their project management skills.

Good progress is being made with the creation of Information Asset Registers which is a key part of the information management action plan, recently approved by committee. 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 orders. Alternative cheaper connections are expected to be higher risk. The order is not due to be placed until the end of June.

14.9 Website Better Connected evaluation

The results of the Society of Information Technology Management (SOCITM) better connected review was announced on 2 March 2015 and our council was successful in regaining 4 stars. We were listed as one of the top 20 local authority websites across the UK. We were highlighted as a best practice website for our eBooks in particular.

14.10 Customer Service Centre (CSC)

The percentage of calls to CSC being abandoned for March was 7.8% - just below our 7% target, and much better than January at 17.5%. The quarter figures were 11.2% reflecting the issues in January due to telecoms downtime. The average call length for the quarter was 2.61 minutes, a little above the target of 2.5 minutes. More memory was added to IT systems in February which has helped, as calls were running slow before this. Over the full 2014/15 year we answered 118,231 calls (89.1% of calls offered) and 12,169 more calls than in 2013/14 (an increase of 11.5%).

14.11 Joint CRM/ACD procurement with Highland Council

Policy & Resources Committee previously approved participation in a joint procurement with The Highland Council which they had agreed to lead. This was the preferred option, but it was agreed that if it was not possible, Argyll and Bute Council should progress on an individual basis. Extensive efforts were made to progress collaboratively but unfortunately partners were not able to do this within the timescales which we had mutually agreed. We have therefore issued our own tender on 10 April 2015. We have agreed to continue to share best practice going forward as far as is practicable.