

Argyll and Bute Council
Comhairle Earra-Ghàidheal Agus Bhòid

Customer Services
Executive Director: Douglas Hendry



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5 August 2016

SUPPLEMENTARY PACK 1

**ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE - COUNCIL
CHAMBER, KILMORY, LOCHGILPHEAD on THURSDAY, 11 AUGUST 2016 at 10:30 AM**

I enclose herewith **item 2 (PERFORMANCE REPORT FQ1 2016/17 AND FQ4 2015/16)** and **item 6 (RESPONSE TO CALL FOR EVIDENCE ON ENTERPRISE AND SKILLS REVIEW)** which were marked to follow on the Agenda for the above meeting.

Douglas Hendry
Executive Director of Customer Services

ITEMS TO FOLLOW

- 2. PERFORMANCE REPORT FQ1 2016/17 AND FQ4 2015/16** (Pages 1 - 18)
Report by Executive Director – Development and Infrastructure Services
- 6. RESPONSE TO CALL FOR EVIDENCE ON ENTERPRISE AND SKILLS REVIEW**
(Pages 19 - 36)
Report by Executive Director – Development and Infrastructure Services

Environment, Development and Infrastructure Committee

Councillor John Armour	Councillor Anne Horn
Councillor David Kinniburgh	Councillor Alistair MacDougall
Councillor Robert Graham MacIntyre (Vice-Chair)	
Councillor Donald MacMillan	Councillor Bruce Marshall
Councillor John McAlpine	Councillor Alex McNaughton
Councillor Aileen Morton	Councillor Ellen Morton (Chair)
Councillor Elaine Robertson	Councillor Len Scoullar
Councillor Sandy Taylor	Councillor Richard Trail
Councillor Dick Walsh	

Contact: Hazel MacInnes Tel: 01546 604269

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ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE SERVICES
COMMITTEE****DEVELOPMENT AND INFRASTRUCTURE SERVICES****11 August 2016**

**DEVELOPMENT AND INFRASTRUCTURE SERVICES
PERFORMANCE REPORT FQ4 2015-16 and FQ1 2016-17**

1.0 EXECUTIVE SUMMARY

- 1.1 The Council's Planning and Performance Management Framework sets out the process for presentation of the Council's quarterly performance reports.
- 1.2 This paper presents the Environmental, Development and Infrastructure (ED&I) Committee with the Development and Infrastructure Services departmental performance reports with associated scorecard performance in FQ4 2015-16 (January to March 2016) and FQ1 2016-17 (April to June 2016).
- 1.3 It is recommended that the Environment, Development and Infrastructure Services Committee reviews the scorecards as presented.

ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE SERVICES
COMMITTEE

DEVELOPMENT AND INFRASTRUCTURE SERVICES

11 August 2016

**DEVELOPMENT AND INFRASTRUCTURE SERVICES
PERFORMANCE REPORT FQ4 2015-16 and FQ1 2016-17**

2.0 INTRODUCTION

- 2.1 The Planning and Performance Management Framework sets out the process for presentation of the council's quarterly performance reports.
- 2.2 This paper presents the ED&I Committee with the Development and Infrastructure Services departmental performance reports with associated scorecard for performance in FQ4 2015-16 and FQ1 2016-17.

3.0 RECOMMENDATIONS

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

4.0 DETAIL

- 4.1 The performance scorecard for Development and Infrastructure Services was extracted from the Council's Pyramid performance management system and is comprised of key performance indicators incorporating the services that make up Development and Infrastructure Services.

5.0 IMPLICATIONS

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

Pippa Milne, Executive Director – Development and Infrastructure Services

For further information contact: Lesley Sweetman, Performance and Business Manager

APPENDICES

FQ4 2015/16 Performance reports and scorecards – Development and Infrastructure Services

FQ1 2016/17 Performance reports and scorecards – Development and Infrastructure Services

Key successes

1. £5million of MOD funding confirmed for Helensburgh waterfront regeneration scheme.
2. The Economic Forum Report was published, highlighting the potential for Argyll and Bute's economy in some of the world's fastest growing sectors - tourism, food and drink production, particularly aquaculture; the report also supported the council's work to address economic and population challenges.
3. Argyll and Bute has an improved Roads Condition Index (RCI) following 4 year capital investment programme. The latest RCI shows the declining trend now turned around with an improved position. This investment, at just above the steady state figure has halted the deterioration of the surfacing, begun to improve network condition and is a contributory factor in reducing the number of emergency defect repairs.
4. Completion of a 25 year financial waste model will steer the new waste strategy. Increased recycling following the expansion of the co-mingled collections resulted in a decrease of 18,812 tonnes of waste sent to landfill during 2015/16.
5. The business case securing an energy efficient programme was approved and will be implemented over a 2 year period concluding in December 2018. The programme will reduce the council's public lighting energy costs and assist in containing maintenance costs within existing budgets contributing £150k towards Service Choices; improve the street lighting infrastructure and reliability and lower the council's carbon footprint.
6. Collaborative work with Transport Scotland and Bear Scotland ensured delivery of the winter roads and emergency repairs to Kintyre A83; working with 13 other roads authorities across west of Scotland, a new single roads inspection approach has been produced.
7. Good progress is being made in relation to the rollout of next generation broadband with around 60% of premises now being connected to the fibre infrastructure (an increase from 43% at the start of the year). Additional premises are expected to be connected during the remainder of 2016 with coverage expected to reach around 83% of premises. In addition the Giga Plus Argyll community broadband project is progressing with the first connections expected during the summer and the majority of the 1,400 premises expected to be able to order a service before the end of 2016.
8. The Queens Hall, Dunoon entered the tender stage following the successful conclusion of the compulsory purchase order. In Rothesay an announcement was made for stage 1 pass for £2m of Heritage Lottery Funding linked to a further Townscape Heritage project and

an advanced works contract for the Rothesay Pavilion was awarded to a local company.

9. Oban public realm phase 2 is progressing well and is course to complete by early summer.
10. Joint working between Tiree Community Development Trust facilitated a success Charrette event. The socio-economic and Charrette reports will inform the recommendations for sustainable growth on Tiree in the Local Development Plan (LDP) 2020. Support for the Rothesay Charrette resulted in specific actions being progressed by Rothesay Alliance for Action. The Crinan Canal Charrette was approved and will be progressed during FQ1 16/17.
11. Working closely with the organiser development and infrastructure services helped ensure the success of the Hinderland event at St Peters seminary, Cardross has brought immediate economic benefit with 8000 visitors attending and £10million in external funding secured following an initial council investment of £250k (representing £40 return for each £1 of council funding).
12. Successful funding from Scottish Public Transport worth £180k has been awarded for 2016/17 public transport infrastructure; further funding bids totaling £370k have been submitted to the Sustrans 2016/17 Community Links Programme.
13. Excellent progress made over a number of heritage led regeneration projects; Hermitage Park Project was successfully secured £253k from the Covenant Fund, leaving a funding gap of only £15k.
14. The council and Highlands and Islands Enterprise, under the ABRA banner participation in the Scottish Renewables Wind Conference in Glasgow with the focus on promoting Campbeltown Harbour as well as businesses in the supply chain.
15. 97.4% of planning applications were approved during FQ4; 300 planning applications were approved during FQ4, up 20% on FQ3; and an increase of 10% compared to FQ4 2014/15. Planning application determination time averaged at 10.3 weeks compared to the target 12 weeks.
16. Presentations were given to Community Councils in Oban, Campbeltown, Tiree and Coll over 'How to engage with the planning processes received excellent feedback. Arrangements are in place to roll this out to Community Councils in Helensburgh and Dunoon during FQ1.
17. 24 new business start-ups during this period, bringing the total for 2015/16 to 116, compared to the target 100. The combined projected year one annual turnover of start-up businesses supported in FQ4 is £960k, creating 31 jobs. Tourism was the single sector benefiting most from new businesses during 2015/16, accounting for 16%. Demand for support from existing businesses was extremely high at 343 businesses in FQ4 and customer satisfaction standing at 88%.

18. Environmental Health issued over 1600 food export certificates during FQ4 and plan to fully digitise this service in order to improve customer service and support demands for urgent food export.
19. The council has supported the West of Scotland Road Safety, 3rd edition of the Scottish Biker magazine promoting road safety. Further interest has been shown from other Scottish Local Authorities in the council's iCycle training resources.
20. 33 filming enquiries were received during FQ4; 6 productions filmed including a BBC2 comedy called 'West Skerra Light' involving a cast and crew of approximately 27 on the Island of Seil for several days.
21. The Access team produced 13 Walk and Ride footpath guides which will be widely distributed and linked to the 'Where to Go Outdoors' website.

Key challenges

1. 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.
2. 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.
3. Supporting the dairy industry in Argyll and Bute as the sector grapples with the significant pressures associated with the drop in the price of milk.
4. Lorn Arc income generation project assumptions through the uplift in non-domestic rates (NDR) remain challenging as market conditions have shifted since assumptions were made.
5. Maintaining the road network with reducing (national) budgets.
6. Continue delivery of Employability contractual obligations and endeavor to increase income generation from non-DWP contract opportunities.
7. Review arrangements as a Food Authority in light of the new Food Standards Scotland body, revised Code, and current and emerging

challenges.

8. Convert robust managerial action on sickness absence into improved attendance performance.

Actions to address the challenges

1. Gain approval for the 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. Meanwhile, discussions are positive and ongoing between the council, Shanks and community groups about potential changes to waste management that will be needed in response to the introduction of landfill bans in 2021.
2. Work closely with a wide range of stakeholders to progress the opportunities associated with tourism in Argyll and Bute. Showcasing what the area has to offer at the 5th Argyll and the Isles tourism summit attracted over 100 delegates with a range of innovative initiatives being considered looking at new ways to attract visitors.
3. With the assistance of the farming community and Highlands and Islands Enterprise, the council has sponsored a report into the future of the dairy industry and the impact locally; officers are continuing to meet with the producers and First Milk to develop an acceleration plan to assist the local dairy industry. The findings of this report are being used to inform the actions that need to be taken forward within the context of a global crisis with the value of milk being produced.
4. A review of Lorn Arc assumptions will be undertaken and findings will be reported to Policy and Resources Committee in August 2016.
5. To optimise the investment made to date in the roads network and deliver the most cost effective improvement works, medium scale capital schemes will be replaced by structural patching, edge strengthening and road widening where feasible in combination with surface dressing.
6. Ensure that Employability staff are supported to focus upon contractual delivery whilst pursuing all viable income generating contracts opportunities.
7. Development of a Food Safety Improvement Plans for consideration by the PPSL Committee and prepare the service for external audit by the Food Standards Agency.

8. Continued rigorous application of the council's Maximising Attendance Policy, ensuring that return to work interviews are completed. Addressing any managerial or supervisory performance concerns and ensuring timely referral to occupational health to support employees back to work with additional support arrangements in place to assist front line roads and amenity service areas.

Making A&B a place people choose to live

SOA Outcome - People live active, healthier and independent lives	Success Measures	1	
	On track	1	
SOA Outcome - People live in safer and stronger communities	Success Measures	21	
	On track	17	
SOA Outcome - Children and young people have the best possible start	Success Measures		
	On track		

Making A&B a place people choose to learn


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

Making A&B a place people choose to work

SOA Outcome - The economy is diverse and thriving	Success Measures	11	
	On track	10	
SOA Outcome - We have infrastructure that supports sustainable growth	Success Measures	22	
	On track	21	

Making it happen

Supporting Outcome - Service Delivery Enablers	Success Measures		
	On track		



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

IMPROVEMENT					Status Trend
Improvement Plan Outcomes DI	Total No	Off track	On track	Complete	
	23	0	6	17	
CARP Development & Infrastructure	Total No	Off track	On track	Complete	
	10	0	0	10	
Customer Service DI		Number of consultations			2
Customer Charter		Stage 1 complaints			92 %
Customer satisfaction		93 %	Stage 2 complaints		
					100 %
Development and Infrastructure Services Audit Recommendations	Overdue	Due in future		Future - off target	
	2	7		0	
DI Average Demand Risk	Score	8	Appetite	8	
DI Average Supply Risk	Score	7	Appetite	7	


Development and Infrastructure Scorecard

2015-16

Scorecard owner **Pippa Milne**

FQ4 15/16

[Click for Full Outcomes](#)



Priorities for 2015-17: Dev't & Infrastructure

RESOURCES				
People	Benchmark	Target	Actual	Status Trend
Sickness absence DI		2.54 Days	3.56 Days	
PRDs % complete		90 %	92 %	
Financial	Budget	Forecast		
Finance Revenue totals DI	£K 32,059	£K 32,205		
Capital forecasts - current year DI	£K 12,374	£K 12,615		
Capital forecasts - total project DI	£K 97,589	£K 98,011		
Efficiency Savings DI	Target	Actual		
	4	4		
Actions on track Savings		£K 224	£K 224	
Asset management red risks	7	On track	0	

**Development and Infrastructure Scorecard
2015-16**

FQ4 15/16

[Click for
Full Scorecard](#)

SOA Outcome - The economy is diverse and thriving				A
ET01 Sustainable economic growth in Argyll and Bute	Success Measures	7		⬆
	On track	7		⬆
PR01 Local economy improved by delivery of sustainable development	Success Measures	4		A
	On track	3		⬆
SOA Outcome - We have infrastructure that supports sustainable growth				A
ET02 A&B better connected, safer & more attractive	Success Measures	8		⬆
	On track	8		⬆
RA01 Proportionate, safe and available infrastructure	Success Measures	4		⬆
	On track	4		⬆
RA02 Roads maintenance strategies ... contribute to economic growth ...	Success Measures	2		⬆
	On track	2		⬆
RA04 Capital projects improve the transport infrastructure	Success Measures	3		⬆
	On track	3		⬆
PR05 Improved & enhanced access to natural environment & green networks	Success Measures	2		A
	On track	1		⬆
PR07 Creation of well designed and sustainable places ...	Success Measures	2		⬆
	On track	2		⬆
RA07 Marine Services	Success Measures	1		⬆
	On track	1		⬆

SOA Outcome - People live in safer and stronger communities				A
ET03 Renewables ... developed ... for the benefit of communities	Success Measures	2		⬆
	On track	2		⬆
ET04 Harness the potential of the third sector ...	Success Measures	3		A
	On track	2		⬆
PR02 Empowered ... customers ... exercising their legal rights ...	Success Measures	2		A
	On track	1		⬆
PR03 Secure standards re public health & health protection ...	Success Measures	3		⬆
	On track	3		⬆
PR04 Health, safety etc of people in & around buildings is protected ...	Success Measures	3		⬆
	On track	3		⬆
RA03 Reliable, safe and efficient vehicles fleet	Success Measures	2		⬆
	On track	2		⬆
RA05 High level of street cleanliness	Success Measures	1		⬆
	On track	1		⬆
RA06 Sustainable disposal of waste	Success Measures	2		⬆
	On track	2		⬆
PR06 ... an environment which is safe, promotes health & supports local economy	Success Measures	3		R
	On track	1		⬆
SOA Outcome - People live active, healthier and independent lives				⬆
PR08 Protect health of our communities through effective partnership working	Success Measures	1		⬆
	On track	1		⬆

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 2nd 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.
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. 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.
20. 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.
21. 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.
22. 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. 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 A&B a place people choose to live

SOA Outcome - People live active, healthier and independent lives	Success Measures	2	
	On track	2	
SOA Outcome - People live in safer and stronger communities	Success Measures	22	
	On track	20	
SOA Outcome - Children and young people have the best possible start	Success Measures		
	On track		

Making A&B a place people choose to learn

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

Making A&B a place people choose to work

SOA Outcome - The economy is diverse and thriving	Success Measures	32	
	On track	27	
SOA Outcome - We have infrastructure that supports sustainable growth	Success Measures	11	
	On track	11	

Making it happen

Supporting Outcome - Service Delivery Enablers	Success Measures	2	
	On track	2	



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

IMPROVEMENT					Status Trend
Improvement Plan Outcomes DI	Total No	Off track	On track	Complete	
	23	0	4	19	
CARP Development & Infrastructure	Total No	Off track	On track	Complete	
	10	0	0	10	
Customer Service DI		Number of consultations		3	
Customer Charter		Stage 1 complaints		0 %	
Customer satisfaction		91 %			
		Stage 2 complaints		0 %	
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	
Health & Safety	Overdue	Rescheduled	Actions in Plan	Complete	
Service H&S Plan Actions	0	0	23	0	
H&S Investigation Actions	0	0	0		

Development and Infrastructure Scorecard 2016-17

Scorecard owner

Pippa Milne

FQ1 16/17

[Click for Full Outcomes](#)

Priorities for 2015-17: Dev't & Infrastructure

RESOURCES

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

Development and Infrastructure Scorecard 2016-17

FQ1 16/17

[Click for Full Scorecard](#)

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

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

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Argyll and Bute Council's Response to Call for Evidence on the Scottish Government Enterprise and Skills Review

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide the Environment, Development and Infrastructure (EDI) Committee with the proposed Argyll and Bute Council's response to the Scottish Government Enterprise and Skills Review Call for Evidence. The specific agencies under review are Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE), Skills Development Scotland (SDS) and the Scottish Funding Council (SFC).
- 1.2 As outlined in the initial terms of reference the "review will take into account the economic development role of local authorities, VisitScotland and Creative Scotland and the need for complementarity".
- 1.3 The Scottish Government announced an end-to-end Enterprise and Skills Review at the end of May 2016. Further details are available via this link: <http://news.scotland.gov.uk/News/Review-of-enterprise-and-skills-agencies-251a.aspx>. The Scottish Government has now issued a Call for Evidence (see <https://consult.scotland.gov.uk/enterprise-and-skills/call-for-evidence>) running from 15th July to 15th August 2016. The proposed detailed Argyll and Bute Council response is outlined in **Appendix A, Table A1** to this paper.
- 1.4 The Cabinet Secretary for Economy, Jobs and Fair Work Keith Brown is leading the review and a Ministerial review group has been established which met for the first time on 12th July, Cllr Stephen Hagan (Orkney Islands Council) is representing COSLA on this group. It will meet again on 17th and 31st August 2016.
- 1.5 The Scottish Government is keen to understand all relevant evidence and experiences to decide on how best to take forward those services funded and delivered through these agencies. In particular, the Scottish Government requires that the review:
 - achieves the biggest possible impact for enhancing the economic development and skills capabilities of the country, thus achieving the best outcomes possible for Scotland's economy; and
 - captures the views of service users in the economic development and skills areas.

However, there is concern whether both of these outcomes can be realistically achieved in such a short timeframe offered to this review. For example, what

service users want from the services and their agencies may not be the most cost effective to deliver.

- 1.6 Local authorities play a crucial role in the enterprise, skills and wider economic development agenda, particularly at a local level and from a service user perspective. It is clear that any recommendations that are made, can and will likely have an impact upon the economic development and skills landscape more widely and the therefore have a knock-on effect for local government.
- 1.7 As well as framing a separate Council response, the Council's Economic Growth Manager has been working with partners in SLAED (Scottish Local Authorities Economic Development Group), the Improvement Service (IS) and COSLA to develop a collective local government response on common issues and points. COSLA is also engaging with SOLACE (Society of Local Authority Chief Executives).
- 1.8 The recommendations to the EDI committee are as follows:
 - note the content of this paper;
 - consider the high level principles articulated in the main paper which are addressed in more detail in the proposed Argyll and Bute response outlined in **Appendix A, Table A1** and provide comments and amendments as appropriate; and
 - approve the Argyll and Bute response for submission to the Scottish Government by 15th August 2016.

Argyll and Bute Council's Response to Call for Evidence on the Scottish Government Enterprise and Skills Review

2.0 INTRODUCTION

- 2.1 The purpose of this report is to provide the Environment, Development and Infrastructure (EDI) Committee with the proposed Argyll and Bute Council's response to the Scottish Government Enterprise and Skills Review. The specific agencies under review are Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE), Skills Development Scotland (SDS) and the Scottish Funding Council (SFC).
- 2.2 As outlined in the initial terms of reference for the "review will take into account the economic development role of local authorities, VisitScotland and Creative Scotland and the need for complementarity".
- 2.3 As well as framing a separate Council response, the Council's Economic Growth Manager has been working with partners in SLAED (Scottish Local Authorities Economic Development Group), the Improvement Service (IS) and COSLA to develop a collective local government response on common issues and points. COSLA is also engaging with SOLACE (Society of Local Authority Chief Executives). This process was started by SLAED and the Improvement Service in early July when an initial discussion was held with members of the SLAED Executive Group (attended by the Economic Growth Manager as a member of this group).
- 2.4 At meeting arranged by COSLA on the back of the initial SLAED Executive group discussion, on Monday, 1st August (attended by the Economic Growth Manager) further discussions took place on a joint local government response. COSLA intends to submit a collective response for its members by the end of August. Extra time has been granted to COSLA in order to go through the political governance process. It is likely that SOLACE will mirror the COSLA response.
- 2.5 The SLAED Executive Group will submit an **officer response** which will also capture the higher level common points made by local government. It should be noted that SLAED represents all local authorities across Scotland, unlike COSLA.

3.0 RECOMMENDATIONS

3.1 The recommendations to the EDI committee are as follows:

- note the content of this paper;
- consider the high level principles articulated in the main paper which are addressed in more detail in the proposed Argyll and Bute response outlined in **Appendix A, Table A1** and provide comments and amendments as appropriate; and
- approve the Argyll and Bute response for submission to the Scottish Government by 15th August 2016.

4.0 DETAIL

4.1 Argyll and Bute Council welcomes the opportunity to respond to the Enterprise and Skills Review being carried out by the Scottish Government. While the review focuses on the Enterprise and Skills agencies, economic development and growth through supporting businesses and skills development is a key priority for Argyll and Bute Council.

4.2 Argyll and Bute has a declining and aging population although this is not consistent across all age groups or sub regions. The population of the area is forecast to decrease by around 7% by 2021, with an estimated 10% decline in the economically active working age population. This crucial challenge of the demographic trends in Argyll and Bute has already been identified and is the overarching aim for the Single Outcome Agreement – “*Argyll and Bute’s economic success is built on a growing population*”. Therefore support to enable existing businesses to grow and other businesses to start-up and grow coupled with identification of skills needs and opportunities is vital to address the declining demographic trend and to achieve economic success.

4.3 It is recognised that the Scottish Government’s intention is for this review to influence the spending review and budget discussions. Ultimately what is required from the review is a response which addresses the declining public sector resources overall, but that also delivers a step change in impact and improves Scotland’s overall economic performance.

4.4 It has been agreed at the recent meetings that the overarching issues that will be addressed in the collective local government responses (both by COSLA and the officer response by SLAED) are as:

- requirement for a greater focus on inclusive growth;
- devolved responsibility and resources for the enterprise and skills agenda to the local level where practicable and deliverable;
- greater clarity of the roles and responsibilities of local authorities and national agencies in relation to economic development and skills;
- greater coordination and collaboration between local and national agencies and a decluttered user experience in order to improve outcomes; and
- the degree of investment in economic development by local

authorities is high, and their wider contribution to the economic development and skills landscape across a variety of the services must be recognised. As part of this the funding relationships between various partners and agencies needs to be addressed and must be clear.

These issues are discussed in more detail below, within an Argyll and Bute context and also mirrored in the detailed response outlined in **Appendix A, Table A1**.

Greater focus on Inclusive Growth

- 4.5 There is a need for policy developments and investment of public money by Scottish Government and the agencies under review to be properly aligned with Scotland's Economic Strategy, and its dual aims of tackling inequality and increasing competitiveness, and the 4 'i's of: Inclusive Growth, Innovation, Internationalisation and Investment. On the flip side, local government should have a greater influence and input to the strategic documents of the Agencies under review, in order that these can truly meet the needs of local communities and promote inclusive growth. At present the Council's draft area-based Economic Development Action Plans, 2016-2021 are all aligned to the 4 'i's.
- 4.6 The inclusive growth agenda is of paramount importance to Argyll and Bute given the key challenges faced in terms of the higher cost of service delivery across such a complex rural, remote rural and island geography coupled with a declining population. The Scottish Index for Multiple Deprivation (SIMD) focuses on areas where a significant critical mass of the population lives in poverty. This method masks rural poverty which although less in number is a significant issue for remote rural and island communities with less dense populations. Local government intelligence is key to identifying such inequality issues prevalent across the local authority area.
- 4.7 Recently Argyll and Bute Council took the regretful decision not to take forward an opportunity to deliver an Enhance Employability Pipeline with 50% intervention funding from the European Social Fund due to inability at that time to mitigate the high levels of operational, financial, reputational, legal and staffing risks. It was the intention that a significant proportion of pipeline activity would be 'procured with match' coming from external providers. However the 42% cut in the Employability Fund budget for Argyll and Bute for 2016/17 had a significant impact on this approach, less available match funding, as identified through initial provider expressions of interest prior to a tendering process.

- 4.8 The “one size fits all” focus at the national level with regard to service delivery, such the Employability Fund, is a key concern. Furthermore, due to our dispersed geography a number of local employers struggle to access Modern Apprenticeships opportunities for their employees. A number of Modern Apprenticeship providers refuse to engage due to the costs they will incur when visiting the employers and their staff. Recently a local distillery that was refused support by GTG Training for warehouse/forklift training unless the company came up with a second employee to put through the Modern Apprenticeship scheme. Luckily this organisation was able to support a second employee but this would not be the case for the majority of our very small employers across Argyll and Bute. Such local issues need to be recognised by SDS. In addition, while Foundation Apprenticeships is a great initiative in principle, it is a struggle to implement Foundation Apprenticeships in any guise within Argyll and Bute as secondary school pupils do not generally live within commuting distance to a second secondary school or a college hub where this option can be delivered cost effectively as in the central belt. A local response is required for local delivery.

Devolved Responsibility and Resources for the Enterprise and skills Agenda to the Local Level

- 4.9 It is imperative that the review results in an improvement of outcomes, with power and resources being placed at the most appropriate level in order to improve those outcomes. In order to effectively tackle inequalities then it would seem appropriate to de-centralise decision making powers relating to local/regional economic development (enterprise and skills) and regeneration to local government from national agencies such as SE, HIE, SDS and SFC where decisions are made centrally. In addition, focus should be placed on delivery and the needs of users, as opposed to delivering specific products and processes.
- 4.10 Utilising existing local performance measurement framework for data capture, monitoring and evaluation of outcomes would feed into the SOA process. This would allow for local flexibility, rather than imposing consistency across the Scotland that may not be appropriate for all areas.

Greater Clarity of the Roles and Responsibilities of Local Authorities and National Agencies

- 4.11 It is recognised that the economic development and skills landscape needs to focus on the customer and seamless delivery, regardless of who is providing the service. The service provision by the enterprise agencies and SDS within the Argyll and Bute Council area is split, where HIE covers the Highland part of the area and SE the Helensburgh and Lomond area. This same model is operated by SDS. Thus there is requirement for the decluttering of service provision to mirror the geographical spread of Argyll and Bute more appropriately.
- 4.12 While good working relationships are continuing to strengthen with HIE, SE and SDS at a team/departmental level with Argyll and Bute Council,

there is still a need for greater co-ordination and collaboration between local and national agencies, such as information sharing protocols, in order to improve the outcomes achieved through the totality of investment in economic development and skills and what this is intended to achieve.

- 4.13 A better interaction of all agencies, where roles and responsibilities are clear, can only be a positive step for the customer. In particular, the seemingly protective nature of account managed companies by agencies has been a barrier. Account managed companies form an integral part of the communities across Argyll and Bute and local government is well placed to develop a joined up and meaningful local relationship with them, particularly in terms of inclusive growth.
- 4.14 SDS has grown substantially in the last five years with a key focus on Modern Apprenticeships and labour market intelligence. However, there is a need for greater engagement with the local business communities across Argyll and Bute to make use of this intelligence.
- 4.15 At present there has been no engagement with the economic development and skills activities across Argyll and Bute by the SFC. SFC has been invited to meetings, such as when Argyll and Bute hosted the Skills Investment Plan Programme Board at SAMS, Dunstaffnage, Oban but have not sent a representative.

Degree of Investment in Economic Development by Local Authorities is High

- 4.16 Local government spend solely on economic development activity has been collated by SLAED since 2012/13. For the last financial year, 2015/16 the EDST service contributed circa £1 million to regeneration activity which levered in excess of £1 million of additional funding. The figures do not include wider local government spend that also has an important impact on the economy, such as roads, planning, licensing, education, etc. This shows that with regard to the Scottish economic development landscape local government is a major player.
- 4.17 Despite economic development being a 'discretionary service' and the circa 11% cut in local government finance over past four years, Argyll and Bute Council, as with other local authorities, prioritised additional funding for economic development in the February 2015 budget.

5.0 CONCLUSION

- 5.1 The higher level principles and issues contained in the main report in response to the current Scottish Government Enterprise and Skills Review will be mirrored in a collective local government response by COSLA and collective Economic Development Officer response by SLAED. The detailed response to the questions posed in the current Call for Evidence is outlined in **Appendix A, Table A1**. One principal positive outcome of this review for Argyll and Bute would be to declutter the

landscape with regard to service provision by the enterprise agencies and SDS through treating Argyll and Bute as one distinct region. At present engagement is piecemeal particularly for the Helensburgh and Lomond administrative area.

6.0 IMPLICATIONS

6.1	Policy	The results of the Enterprise and Skills Review should assist Argyll and Bute in achieving the overarching aim of the Single Outcome Agreement, “ <i>Argyll and Bute’s economic success is built on a growing population</i> ”. Therefore support to enable existing businesses to grow and other businesses to start-up and grow coupled with identification of skills needs and opportunities is vital to address the declining demographic trend and to achieve economic success.
6.2	Financial	None.
6.3	Legal	None.
6.4	HR	None.
6.5	Equalities	The review should take cognisance of the key role that local authorities place with regard to the delivery of inclusive growth one of the main objectives of Scotland’s Economic Strategy.
6.6	Risk	None.
6.7	Customer Services	None.

Pippa Milne, Executive Director of Development and Infrastructure
Cllr Aileen Morton, Policy Lead for Sustainable Economic Growth (Economic Development, European Affairs, Renewables and Strategic Tourism).

4th August 2016

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Appendix A: Detailed Argyll and Bute Council Response to the Call for Evidence

Table A1 outlines the detailed response to the 10 questions outlined in the Call for Evidence. Approved responses will be submitted online by the deadline of 15th August 2016.

Table A1: Responses to Call for Evidence Questions	
Personal Experience	Response
1. Have you had direct interaction with enterprise and skills advice or support? Y/N	<p>Yes. Argyll and Bute Council as a local authority works closely, predominantly at an operational rather than strategic level, with three of the four agencies under review; Highlands and Islands Enterprise (HIE), Scottish Enterprise (SE) and Skills Development Scotland (SDS).</p> <p>Service provision by HIE and SE is split across Argyll and Bute Council (as with North Ayrshire Council) where HIE covers the Highland part of area and SE the Helensburgh and Lomond area. In addition, Argyll and Bute is also in the unique position that service provision by SDS operates under the same model as the enterprise agencies.</p>
2. Tell us briefly about your experience: <ul style="list-style-type: none"> • what are you trying to access • through whom and when? • what was your experience? • what worked well and less well? • how did you find the quality, ease and speed of service? • what did you think of the cost or value of the service? 	<p><u>Trying to access, through whom and when</u></p> <p>Argyll and Bute has a declining and aging population although this is not consistent across all age groups or sub regions. The population of the area is forecast to decrease from 91,300 in 2001 to 84,700 in 2021 – a decrease of around 7% over a 20 year period, with an estimated 10% decline in the economically active working age population. This crucial challenge of the demographic trends in Argyll and Bute has already been identified and is the overarching aim for the Single Outcome Agreement – “<i>Argyll and Bute’s economic success is built on a growing population</i>”.</p> <p>Therefore support to enable existing businesses to grow and other businesses to start-up and grow coupled with identification of skills needs and opportunities is vital to address the declining demographic trend and to achieve economic success. This will require ongoing proactive partnership working between Argyll and Bute Council, HIE, SE and SDS to take this forward.</p>

Table A1: Responses to Call for Evidence Questions (continued)	
Personal Experience	Response
	<p><u>Experience – what has worked well</u></p> <p>During 2015, Argyll and Bute Council in partnership with HIE, SDS and Argyll College UHI undertook a “Compelling Argyll and Bute” study as the original Highlands and Islands Skills Investment Plan took a very light touch approach to Argyll and Bute, with no specific actions related to and directly relevant to the economic, skills and population issues facing the area. This study provided a detailed evidence base and a range of suggested interventions for consideration presented under eight themes:</p> <ul style="list-style-type: none"> • Theme 1: FE and HE - expand provision and make more relevant to meet future demand; • Theme 2: Rural Enterprise and Entrepreneurship - increase the level of enterprise/entrepreneurship skills and activity; • Theme 3: Argyll and Bute Key Sectors - increase the relative employment and economic value; • Theme 4: Businesses of Scale - increase the growth and levels of ambition; • Theme 5: Generic Skills Development - ensure effective and efficient working of local labour markets; • Theme 6: Public Sector Employment - support rebalancing while offering new higher level opportunities; • Theme 7: Compelling Argyll and Bute - agree approach to marketing and selling to wider markets; and • Theme 8: The Hygiene Factors - basic infrastructure is in place to support strategic rebalancing. <p>These themes are being taken forward in partnership. In addition the Council’s Economic Development and Strategic Transportation (EDST) service re-structuring during 2015 was alive to these findings, with the creation of an Economic Growth Team, with sectoral focus and a new Marketing and Promotions Officer post. For example, the Council and HIE are currently working on taking forward the concept of a Centre for Entrepreneurship using existing community facilities. Also in partnership, Argyll College UHI is focusing on enterprise courses where the development will comprise a physical centre and a suite of business/enterprise courses. Furthermore, Argyll and Bute Council and HIE work together to identify and secure significant inward investment opportunities such as CS Wind, Machrihanish.</p> <p>On the back of the recent independent Economic Forum report (which referred to the findings of the Compelling study), chaired by Sir Nicholas Ferguson, the EDST service and the staff in the Lochgilphead HIE office are currently working together to focus on mapping the recommendations of the Economic Forum study to current activity. The outcome of this work will be to ensure activity is complementary for both organisations (no duplication of effort) and any gaps in provision can be identified. It is hoped that input from</p>

SE and SDI will also be factored in as this work progresses.
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Table A1: Responses to Call for Evidence Questions (continued)

Personal Experience	Response
	<p><u>Experience – what has worked well (continued)</u></p> <p>Since the launch of Business Gateway across the whole of the Argyll and Bute area in 2009, business support activity levels have increased. From 2009 to the end of the first quarter of 2016/17, the Council's in-house Business Gateway service has supported almost 950 new start-up businesses and circa 3,400 existing businesses, delivered over 660 workshops, provided almost 3,600 adviser meetings and handled over 8,000 enquires in total. The Business Gateway team has established good working relationships with the local Business Growth and Strengthening Communities teams within HIE and the Prospecting Manager with SE. This has led to the referral of clients for Growth Pipeline and Account Management. Historically SE has not been very active in the Helensburgh and Lomond area.</p> <p>Furthermore, the Council's ongoing proactive and progressive approach to engagement and relationship building with HIE (particularly through the Council's Business Gateway team) has resulted in the joint hosting of Argyll Enterprise Week, 31st October to 4th November 2016 in Oban. It will comprise of a week of activities aimed at new and existing small to medium enterprises (including social enterprises) to help them learn new skills, meet new contacts, access support and ultimately grow their business.</p> <p>HIE is also actively investing in regeneration activity led by Argyll and Bute Council, such as the restoration of the Rothesay Pavilion £8.8 million, with input also from Historic Scotland and the Heritage Lottery Fund.</p> <p><u>Experience – what has worked less well</u></p> <p>Recently the EDST service, particularly the Economic Growth Manager and Business Gateway, has been building a working relationship with SE, which is a positive step. However, historically SE has not been very active in the Helensburgh and Lomond area.</p> <p>The nationally prescribed growth criteria required for acceptance into Growth Pipeline and Account Management by HIE/SE means that low volumes of client are referred and accepted, reflecting the business base of the area. Greater flexibility to offer support to early stage growth clients is required and HIE, SE and Business Gateway have accessed ERDF Structural Programmes funding to address this gap in support. With the future of EU funding uncertain past 2018, consideration should be given to the resourcing and role of the enterprise agencies and local authorities in supporting growth clients outside of Account Management.</p>

	The product offering to businesses by HIE and SE also differs which can make for a confusing and complex landscape for growth business support across the area.
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Table A1: Responses to Call for Evidence Questions (continued)	
Personal Experience	Response
3. If you have not used such services can you outline why this is the case.	At present we have had no engagement with the SFC. The SFC has been invited to meetings, such as when Argyll and Bute recently hosted the Skills Investment Plan Programme Board meeting at the Scottish Association for Marine Science (SAMS), Dunstaffnage, Oban, but no representatives have been sent.
Reflections on the system of support	Response
4. What do you see as the strengths and weaknesses of the current approach	<p><u>Strengths</u></p> <p>Ongoing collaborative activity with HIE.</p> <p>Beginning to develop a relationship with SE beyond Business Gateway interaction. High turnover in SE Prospecting Managers has been an issue. SE product range is extensive but more training/briefing of Business Gateway/local authority staff about what is available to clients would be beneficial.</p> <p>SDS has developed good operational engagement with key staff in EDST and Education. SDS produces useful labour market information for the Argyll and Bute area as a whole, through documents such as the Argyll and Bute Regional Skills Assessment. What is now needed is the practical application of this intelligence with local businesses to assist in growing the Argyll and Bute economy.</p> <p><u>Weaknesses</u></p> <p>Protectiveness of account management companies by HIE (SE) can act as barrier to economic growth. Requirement for a more collegiate approach with greater sharing of information at a local level from HIE/SE.</p> <p>SDS is hybrid model of delivering services, mix between strategic and operational, procured and in-house activity. SDS is a very complex organisation with a plethora of staff. Challenging to understand the roles and responsibilities of staff at a local and national level across the whole of Argyll and Bute, not just the North Region where there is greater operational collaboration.</p> <p>Particular confusion on SDS priorities and whether the organisation is truly an all age service or focused on youth. Difficult for other agencies then to avoid duplication or overlap. For example, there is a different level of provision received between the nine secondary schools in the Highland part of Argyll (i.e. Argyll and the</p>

	Islands) compared with Hermitage Academy which is within the SDS West Dunbartonshire area.
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Table A1: Responses to Call for Evidence Questions (continued)	
Reflections on the system of support	Response
	<p><u>Weaknesses (continued)</u></p> <p>SDS has a large number of providers that are contracted on an annual basis which leads to short-termism and a lack of stability. The recent 42% cut in the Employability Fund in Argyll and Bute is a key concern given that current providers are struggling to deliver the required provision across a dispersed geography.</p> <p>SDS has recently withdrawn a key product accessed by local businesses – Flexible Training Opportunities – which has left a gap in funding support training. There was no prior notice of this, nor any indication of whether this will be reintroduced. Better communication on issues such as this would be helpful.</p> <p>Due to our rural and remote geography a number of local employers struggle to access Modern Apprenticeships (MA) opportunities for their employees. A number of MA providers refuse to engage due to the costs they will incur when visiting the employers and their staff. We have a recent example of a local distillery that was refused support by GTG Training for warehouse/forklift training unless the company came up with a second employee to put through the MA scheme. Luckily this organisation was able to support a second employee but this would not be the case for the majority of our very small employers across Argyll and Bute. Such local issues need to be recognised by SDS.</p> <p>In addition, while Foundation Apprenticeships is a great initiative in principle, it is a struggle to implement Foundation Apprenticeships in any guise within Argyll and Bute as secondary school pupils do not generally live within commuting distance to a second secondary school or a college hub where this option can be delivered cost effectively as in the central belt. A local response is required for local delivery.</p>

Table A1: Responses to Call for Evidence Questions (continued)	
Reflections on the system of support	Response
5. What needs to change in the current system of support to make it simple and clear and help us deliver Scotland's vision	<p>There are number of changes that need to be made to the current system as follows:</p> <ul style="list-style-type: none"> • At present engagement is piecemeal particularly for the Helensburgh and Lomond administrative area who are supported by SE while the rest of the area is supported by HIE. Argyll and Bute needs to be treated as one region supported by one enterprise agency across the whole areas. • More focus on business support and skills development is required at the Argyll and Bute and sub-regional administrative area level. • One skills agency for Scotland. • Increased promotion and awareness of streamlined products/support available to businesses from HIE and SE. • Greater collaboration (building on current activity) and information sharing protocols agreed for all agencies. • Too many SDS providers across Scotland, no economies of scale. • SDS yearly contracting – too much short termism which impacts of the sustainability of local provision, coupled with the 42% cut in the Employability Fund budget for Argyll and Bute for 2016/17. • Mitigating 'mission creep' – clear roles and responsibilities for agencies.
6. What are the right: <ul style="list-style-type: none"> • roles; • services; • skills; and • behaviours needed from our agencies to support this transformation	<p><u>Roles</u> Better interaction of all agencies, where roles and responsibilities are clear, can only be a positive step for the customer. Treat Argyll and Bute as an entity and not split across regions of national focus.</p> <p><u>Services</u> Enterprise agencies to share more information at a local level. More local discussions about the planning and delivery of products and services available and appropriate to the local area. SDS has grown substantially over the last five years with a focus on Modern Apprenticeships and labour market intelligence. However, there is a need for greater engagement with the local business communities across Argyll and Bute to ensure this information is used effectively to help stimulate economic growth.</p> <p><u>Skills</u> Greater interpretation of data by SDS at a local level that businesses can digest and understand i.e. useful case studies. At present there is a plethora of reports and labour market intelligence.</p> <p><u>Behaviours</u> Respect the local and in Argyll and Bute's case the remote/rural and island dimension to delivery – particular issue for SDS – where awareness has to be given to the difficulty of delivery employability support to a small numbers of customers across a large dispersed geography. Greater focus on inclusive growth.</p>

Table A1: Responses to Call for Evidence Questions (continued)	
Reflections on the system of support	Response
7. How might we ensure this step-change reaches and benefits all of Scotland building on regional and local strengths?	<p>It is imperative that the review results in an improvement of outcomes, with power and resources being placed at the most appropriate level in order to improve those outcomes. In order to effectively tackle inequalities then it would seem appropriate to de-centralise decision making powers relating to local/regional economic development (enterprise and skills) and regeneration to local government from national agencies such as SE, HIE, SDS and SFC where decisions are made centrally. In addition, focus should be placed on delivery and the needs of local users, as opposed to delivering specific products and processes.</p> <p>Local government should have a greater influence and input to the strategic documents of the agencies under review, in order that these can truly meet the needs of local communities and promote inclusive growth.</p> <p>Utilising existing local performance measurement framework for data capture, monitoring and evaluation of outcomes would feed into the SOA process. This would allow for local flexibility, rather than imposing consistency across the Scotland that may not be appropriate for all areas.</p> <p>Greater cognisance needs to be taken of rural, remote rural to islands geography reflected in resourcing and funding.</p>
8. How would we know if the system is working better?	<p>Increased economic growth and opportunities at a local level. More clients supported with early stage business growth. Positive feedback from clients. More joint planning and collaboration activity.</p> <p>Monitoring population retention and growth – local intelligence and National Records for Scotland mid-year population estimates.</p> <p>Increased uptake of job opportunities across the region through consultation with employers and filling of Argyll and Bute Council vacancies given its status as one of the key public sector employers across the region.</p>

Table A1: Responses to Call for Evidence Questions (continued)	
Reflections on the system of support	Response
9. How might public resources be deployed more effectively to match priorities, deliver value for money, and flow through the minimum number of levels and organisations to the user?	<p>Local government spend solely on economic development activity has been collated by SLAED since 2012/13. For the last financial year, 2015/16 the Argyll and Bute Council EDST service contributed circa £1 million to regeneration activity which levered in excess of £1 million of additional funding. The figures do not include wider local government spend that also has an important impact on the economy, such as roads, planning, licensing, education, etc. This shows that with regard to the Scottish economic development landscape local government is a major player.</p> <p>More resources made available to Business Gateway to support clients pre growth pipeline – particularly if European funding ends.</p>
10. Is there any other published evidence, or good practice, which you would particularly highlight that you wish us take into account during the review?	SLAED annual Economic Indicators relating to economic development activity.