

Argyll and Bute Council
Comhairle Earra-Ghàidheal Agus Bhòid



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20 November 2020

NOTICE OF MEETING

A meeting of the **ARGYLL AND BUTE COUNCIL** will be held **BY SKYPE** on **THURSDAY, 26 NOVEMBER 2020** at **10:00 AM**, which you are requested to attend.

Douglas Hendry
Executive Director

BUSINESS

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

3. MINUTES

- (a) Minute of Argyll and Bute Council 24 September 2020 (Pages 5 - 14)
- (b) Minute of Special Argyll and Bute Council 22 October 2020 (Pages 15 - 20)

4. MINUTES OF COMMITTEES

- * (a) Policy and Resources Committee held on 15 October 2020 (Pages 21 - 26)

The above minutes are submitted to the Council for approval of any recommendations on the items which the Committee does not have delegated powers. These items are marked with an *.

5. LEADER'S REPORT

Report by Leader of the Council (Pages 27 - 38)

6. POLICY LEADS REPORT

Report by Policy Leads (Pages 39 - 52)

7. (a) AUDITED ACCOUNTS 2019-2020

Recommendation by the Audit & Scrutiny Committee and Report by Section 95 Officer (Pages 53 - 312)

(b) AUDIT SCOTLAND ANNUAL AUDIT REPORT 2019-20

Recommendation by the Audit & Scrutiny Committee and Report by Audit Scotland (Pages 313 - 384)

8. AUDIT AND SCRUTINY ANNUAL REPORT 2019-20

Report by Chair of Audit and Scrutiny Committee (Pages 385 - 392)

9. **COUNCIL TAX ON EMPTY PROPERTIES - EXTENSION TO TEMPORARY AMENDMENT DUE TO COVID 19**
Report by Interim Head of Financial Services (Pages 393 - 396)
10. **CHIEF SOCIAL WORK OFFICER ANNUAL REPORT 2019-2020**
Report by Chief Social Work Officer, Health and Social Care (Pages 397 - 430)
11. **CHILDREN AND YOUNG PEOPLES SERVICE PLAN 2020-23**
Report by Chief Officer, Health and Social Care Partnership (Pages 431 - 456)
12. **CONSULTATIONS - COUNCILLORS' CODE OF CONDUCT AND MODEL CODE OF CONDUCT FOR BOARD MEMBERS OF DEVOLVED PUBLIC BODIES**
Report by Executive Director with responsibility for Legal and Regulatory Support (Pages 457 - 538)
13. **REVIEW OF THE HEALTH AND SOCIAL CARE INTEGRATION SCHEME**
Report by Executive Director with responsibility for Legal and Regulatory Support (Pages 539 - 602)
14. **DRAFT PROGRAMME OF MEETINGS 2021-22**
Report by Executive Director with responsibility for Legal and Regulatory Support (Pages 603 - 606)
15. **POLITICAL MANAGEMENT ARRANGEMENTS**
Report by Executive Director with responsibility for Legal and Regulatory Support (to follow)
16. **SUPPORTING COMMUNITIES FUND REVIEW**
Report by Chief Executive (Pages 607 - 620)
17. **DANGEROUS BUILDING: 5-7 EAST CLYDE STREET, HELENSBURGH**
Report by Executive Director with responsibility for Development and Economic Growth (Pages 621 - 626)
18. **STRATEGIC HOUSING INVESTMENT PLAN (SHIP) 2021/22 - 2025/26**
Report by Executive Director with responsibility for Development and Economic Growth (Pages 627 - 680)
19. **HOUSING ANNUAL ASSURANCE STATEMENT 2020**
Report by Executive Director with responsibility for Development and Economic Growth (Pages 681 - 686)
20. **TEMPORARY SUSPENSION OF OFF STREET PARKING CHARGES FOR FESTIVE SEASON 2020**
Report by Executive Director with responsibility for Roads and Infrastructure Services (Pages 687 - 688)
21. **CLIMATE CHANGE & ENVIRONMENT ACTION GROUP**
 - (a) RECOMMENDATIONS FROM SHORT LIFE WORKING GROUP OF 9 NOVEMBER 2020 (Pages 689 - 698)
 - (b) DE-CARBONISATION PLAN (Pages 699 - 726)

REPORTS FOR NOTING

22. **DECISIONS FROM COVID LEADERSHIP GROUP**

- (a) EXTENSION OF RELAXATION OF PLANNING ENFORCEMENT IN TOWN CENTRES (Pages 727 - 734)
- (b) EMERGENCY POWERS TO WAIVE FEES FOR USE OF PUBLIC SPACES BY BUSINESSES (Pages 735 - 738)

23. YEAR 5 EVALUATION OF THE ARGYLL AND BUTE REFUGEE RESETTLEMENT PROGRAMME

Report by Executive Director with responsibility for Refugee Resettlement Programme (Pages 739 - 754)

ARGYLL AND BUTE COUNCIL

Contact: Sandra Campbell Tel: 01546 604401

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**MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held BY SKYPE
on THURSDAY, 24 SEPTEMBER 2020**

Present: Councillor Roderick McCuish (Chair)

Councillor John Armour	Councillor Julie McKenzie
Councillor Gordon Blair	Councillor Yvonne McNeilly
Councillor Rory Colville	Councillor Barbara Morgan
Councillor Robin Currie	Councillor Aileen Morton
Councillor Mary-Jean Devon	Councillor Gary Mulvaney
Councillor Lorna Douglas	Councillor Iain Paterson
Councillor Jim Findlay	Councillor Alastair Redman
Councillor George Freeman	Councillor Alan Reid
Councillor Audrey Forrest	Councillor Elaine Robertson
Councillor Bobby Good	Councillor Richard Trail
Councillor Kieron Green	Councillor Sandy Taylor
Councillor Anne Horn	Councillor Douglas Philand
Councillor Donald Kelly	Councillor Andrew Vennard
Councillor Donald MacMillan BEM	Councillor Jean Moffat
Councillor Sir Jamie McGrigor	Councillor Jim Lynch
Councillor David Kinniburgh	Councillor Graham Hardie

Attending: Pippa Milne, Chief Executive
Douglas Hendry, Executive Director
Kirsty Flanagan, Executive Director
Louise Connor, Head of Education
David Logan, Head of Legal and Regulatory Support
Laurence Slavin, Interim Head of Financial Services
Joanna MacDonald, Chief Officer, Health and Social Care Partnership

1. APOLOGIES FOR ABSENCE

Apologies for absence were intimated from Councillors Anderson, E Morton and Scoullar.

DEPUTATION

The Depute Provost intimated that a request for a deputation by Black Lives Matter - Oban to be heard by the Council had been received and it was unanimously agreed to hear the deputation to be heard prior to the Notice of Motion at item 14 of the Agenda.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTES

The Minutes of Special Argyll and Bute Council held on 30 June 2020 was approved as a correct record.

4. MINUTES OF COMMITTEES

(a) **Community Services Committee held on 27 August 2020**

The Minute of the Community Services Committee held on 27 August 2020 were noted.

Arising from Item 7 (Scottish Social Services Council (SSSC) Registration Policy, the Council approved the SSSC Registration Policy.

(b) **Environment, Development and Infrastructure Committee held on 10 September 2020**

The Minute of the Environment, Development and Infrastructure Committee held on 10 September 2020 were noted.

5. LEADER'S REPORT

A report providing an update on the activities of the Leader of the Council from 16 June to 7 September 2020, together with an update on the A83 from the Policy Lead for Commercial and Strategic Priorities as considered.

Decision

The Council:-

1. Considered and noted the report and any further verbal updates from the Leader, and
2. Noted that the full Leader's Report Pack was available in the Leader's Office. This included COSLA and other papers and briefings as referenced in the report.

(Ref: Report by Leader of the Council dated 15 September 2020, submitted)

6. POLICY LEADS REPORT

A report providing an update on key areas of activity of Policy Lead Councillors, including updates, during the period from 28 November 2019 to date was considered.

Decision

The Council considered and noted the report and any further updates from Policy Leads.

(Ref: Report by Policy Leads dated 15 September 2020, submitted)

7. APPOINTMENT OF LEADER OF THE COUNCIL

The Council considered a report which advised of the resignation of the Leader of the Council.

Decision

The Council elected Councillor Robin Currie to be the Leader of the Council.

(Ref: Report by Executive Director with responsibility for Legal and Regulatory Support dated 8 September 2020, submitted)

8. COUNCIL CONSTITUTION

The Council considered a report which proposed changes and various minor amendments to the Council Constitution.

Decision

The Council agreed to the adjustments to the Constitution as outlined in Appendix 1 to the submitted report.

(Ref: Report by Executive Director with responsibility for Legal and Regulatory Support dated 3 September 2020, submitted)

9. POLITICAL MANAGEMENT ARRANGEMENTS

The Council considered a report which updated the Council on political management arrangements arising from a number of resignations.

Motion

Appoint Councillor Yvonne McNeilly as Vice Chair to the Bute and Cowal Area Committee;

Appoint Councillor Graham Hardie to;
NHS Highland Board (Non-executive Director) and;
NHS Highland, Health and Wellbeing Partnership (Board Member);

Appoint a Director to the board of the Nadair Trust at the next Council meeting when further appointments will be considered.

Note the political composition of the Council, as at the date of this report, set out at appendix 1.

Moved by Councillor Robin Currie, seconded by Councillor Gary Mulvaney.

Amendment 1

Accept the terms of the Motion but to nominate Councillor Jim Findlay as Vice Chair to the Bute and Cowal Area Committee;

Appoint Councillor Jim Findlay to;
NHS Highland Board (Non-executive Director) and;
NHS Highland, Health and Wellbeing Partnership (Board Member);

Moved by Councillor Sandy Taylor, seconded by Councillor Gordon Blair

Amendment 2

Accept the terms of the Motion but to nominate Councillor Dougie Philand to;

NHS Highland Board (Non-executive Director) and;
NHS Highland, Health and Wellbeing Partnership (Board Member);

Moved by Councillor Donald Kelly, seconded by Councillor George Freeman.

The Members voted by calling the roll and voted as follows:-

Motion

Amendment 1

Amendment 2

Councillor Colville	Councillor Armour	Councillor Freeman
Councillor Currie	Councillor Blair	Councillor Kelly
Councillor Devon	Councillor Douglas	Councillor Philand
Councillor Good	Councillor Findlay	
Councillor Green	Councillor Forrest	
Councillor Hardie	Councillor Horn	
Councillor Kinniburgh	Councillor Lynch	
Councillor MacMillan	Councillor McKenzie	
Councillor McCuish	Councillor Moffat	
Councillor McGrigor	Councillor Paterson	
Councillor McNeilly	Councillor Taylor	
Councillor Morgan	Councillor Trail	
Councillor A Morton		
Councillor Mulvaney		
Councillor Redman		
Councillor Reid		
Councillor Robertson		
Councillor Vennard		

Decision

With the Motion receiving 18 votes, Amendment 1, 12 votes and Amendment 2, 3 votes, the Council resolved as follows.

The Council:-

1. Appointed Councillor Yvonne McNeilly to the Vice Chair of the Bute and Cowal Area Committee.
2. Appoint a Director to the board of the Nadair Trust at the next Council meeting when further appointments will be considered.
3. Appointed Councillor Graham Hardie to the NHS Highland Board.
4. Appointed Councillor Graham Hardie to the NHS Highland, Health and Wellbeing Partnership Board.
5. Noted the political composition of the Council as at 24 September 2020.

(Ref: Report by Executive Director with responsibility for Legal and Regulatory Support dated 27 August 2020, submitted)

10. BOUNDARY COMMISSION - REVIEW OF ELECTORAL ARRANGEMENTS

The Council considered a report which advised of the Boundary Commission for Scotland's proposals for Argyll and Bute area together with the Councils response to the initial consultation.

Motion

1. Notes the proposed response to the Boundary Commission attached at appendix 1; and
2. Agrees that this forms the basis of the Council's response to the Boundary Commission by 30th September 2020 deadline.

Moved by Councillor Robin Currie, seconded by Councillor Gary Mulvaney.

Amendment

Notes the report but to take no action.

Moved by Councillor Richard Trail, seconded by Councillor George Freeman.

The Members voted by calling the roll and voted as follows:-

Motion

Amendment

Councillor Colville
Councillor Currie
Councillor Devon
Councillor Good
Councillor Green
Councillor Hardie
Councillor Kinniburgh
Councillor MacMillan
Councillor McCuish
Councillor McGrigor
Councillor McNeilly
Councillor Moffat
Councillor Morgan
Councillor A Morton
Councillor Mulvaney
Councillor Redman
Councillor Reid
Councillor Robertson
Councillor Vennard

Councillor Armour
Councillor Douglas
Councillor Findlay
Councillor Forrest
Councillor Freeman
Councillor Horn
Councillor Kelly
Councillor Lynch
Councillor McKenzie
Councillor Paterson
Councillor Philand
Councillor Taylor
Councillor Trail

Decision

With the Motion receiving 19 votes and the Amendment 13 votes, the Council resolved accordingly.

1. Noted the proposed response to the Boundary Commission attached at appendix 1; and
2. Agreed that this forms the basis of the Council's response to the Boundary Commission by 30th September 2020 deadline.

(Ref: Report by Executive Director with responsibility for Legal and Regulatory Support dated 26 August 2020, submitted)

11. CORONAVIRUS (COVID-19) - MEETINGS AND ASSOCIATED MATTERS

The Council considered a report with regard to the continued role of the Business Continuity Committee (BCC), other meetings and associated matters.

Motion

The Council:-

1. Agrees that meetings of the BCC are suspended meantime.
2. Agrees that the Policy and Resources Committee resumes from the scheduled meeting on 15 October 2020.
3. Agrees that all Committee meetings will continue on a virtual basis.
4. Agrees that a further review of the operation of Committees will be undertaken and reported to Council in April 2021.

Moved by Councillor Robin Currie, seconded by Councillor Gary Mulvaney.

Amendment

Agree to the terms of the Motion with one change, Agrees that a further review of the operation of Committees will be undertaken and reported to Council in 3 months time.

Moved by Councillor George Freeman, seconded by Councillor Dougie Philand.

The Members voted by calling the roll and voted as follows:-

Motion

Councillor Colville
Councillor Currie
Councillor Devon
Councillor Good
Councillor Green
Councillor Hardie
Councillor Kelly
Councillor Kinniburgh
Councillor MacMillan
Councillor McCuish
Councillor McGrigor
Councillor McNeilly
Councillor Moffat
Councillor Morgan
Councillor A Morton
Councillor Mulvaney
Councillor Redman
Councillor Reid
Councillor Robertson
Councillor Trail
Councillor Vennard

Amendment

Councillor Armour
Councillor Blair
Councillor Douglas
Councillor Findlay
Councillor Forrest
Councillor Freeman
Councillor Horn
Councillor Lynch
Councillor McKenzie
Councillor Paterson
Councillor Philand
Councillor Taylor

Decision

With the Motion receiving 21 votes and the Amendment 12 votes, and the Council resolved accordingly.

The Council:-

1. Agreed that meetings of the BCC are suspended meantime.
2. Agreed that the Policy and Resources Committee resumes from the scheduled meeting on 15 October 2020.
3. Agreed that all Committee meetings will continue on a virtual basis.
4. Agreed that a further review of the operation of Committees will be undertaken and reported to Council in April 2021.

(Ref: Report by Executive Director with responsibility for Legal and Regulatory Support dated 10 September 2020, submitted)

12. LUSS CAR PARK - TEMPORARY PORTALOO FACILITIES

The Council considered a recommendation from the Helensburgh and Lomond Area Committee with regard to lost income due to the temporary siting of portaloos at Luss Car Park.

Decision

The Council agreed to waive the charges for the parking bays until the temporary toilet facilities are removed but not beyond 31 October 2020.

(Ref: Recommendation by the Helensburgh and Lomond Area Committee and report to that Committee dated 24 September 2020, submitted)

13. BUDGET 2020-21 UPDATE

The Council noted a report which provided a further update to the report previously presented to the BCC on 13 August 2020 in respect of the current in-year 2020-21 budget position.

Decision

The Council noted the update to the current financial position in 2020-21.

(Ref: Report by Section 95 Officer dated 9 September 2020, submitted)

The Council heard a deputation on behalf of Black Lives Matter – Oban who spoke in connection with the proposal relating to the Notice of Motion which is dealt with at Item 14 of these Minutes.

14. NOTICE OF MOTION UNDER STANDING ORDER 13

The following Notice of Motion was proposed by Councillor Green, seconded by Councillor McKenzie.

Motion

In recent years there has been a worrying reported rise in racism, xenophobia and hate crimes across the United Kingdom. Taking many forms, the impact this is having on people in their day-to-day lives and the inequalities faced have been highlighted by groups such as Black Lives Matter.

Argyll and Bute Council is proud that communities in our area are tolerant and inclusive to people from all racial, ethnic and religious backgrounds, but also recognises that continuing work is still necessary to ensure that everyone feels welcomed and safe here.

As Councillors we individually:

- Condemn racism, xenophobia, hate crime, and all other forms of intolerance;
- Express our support to victims of these crimes, and;
- Urge members of the public to report incidents and barriers in reporting.

Furthermore we agree that Argyll and Bute Council will continue to:

- Promote initiatives to tackle hate crime and prejudice in our schools, online and within our communities;
- Commit to working with all our partners, including the Scottish Government and Police Scotland, to ensure that divisive and discriminatory behaviour is not allowed to continue in our area, and;
- Be supportive of groups and individuals that are seeking to address these issues through respectful and constructive dialogue.

Amendment 1

Argyll & Bute council agrees:

1. That with a global pandemic affecting every community and every aspect of our lives, we recognise that the top priority of council, government and politicians must be protecting our communities. In these difficult times, that is what those we serve, our constituents expect us to do. We should do just that.
2. To re-affirm that Argyll & Bute is a welcoming, tolerant, inclusive and safe place to live and work, and moreover that we wish to attract more families to visit and stay here. We accept that, of course, there is always more to be done to promote inclusion, opportunities for all, fairness and respect and we pledge to continue to work with our schools, communities, community planning partners and the Scottish Government to that end.

Moved by Councillor Gary Mulvaney, seconded by Councillor Barbara Morgan.

Amendment 2

Our communities are enriched with a diverse mix of people with a variety of experiences and from different cultures and backgrounds. This rich diversity enhances our lives. Today more than 40 years after the 1976 Race Relations Act and 10 years from the 2010 Equalities Act, there are still incidents of hate crimes motivated by prejudice in our

society. This has been most recently highlighted by the Black Lives Matter, global campaign.

As individual Councillors, we will always strive to promote community inclusion and cohesion, and support local initiatives and people addressing issues of inequality and prejudice.

Argyll and Bute Council will continue to work in promoting communities of respect that embrace diversity and challenge prejudice and inequality wherever it's encountered, in all aspects of its operational work.

In passing this motion, we will strengthen our resolve and commitment to make Argyll and Bute an inclusive place where people want to live.

Moved by Councillor Lorna Douglas, seconded by Councillor Sandy Taylor.

The Members voted by calling the roll and voted as follows:-

Motion	Amendment 1	Amendment 2
Councillor Colville	Councillor Good	Councillor Armour
Councillor Currie	Councillor Kelly	Councillor Blair
Councillor Devon	Councillor Kinniburgh	Councillor Douglas
Councillor Green	Councillor McNeilly	Councillor Findlay
Councillor Hardie	Councillor Morgan	Councillor Forrest
Councillor MacMillan	Councillor Mulvaney	Councillor Freeman
Councillor McCuish	Councillor Redman	Councillor Horn
Councillor McGrigor		Councillor Lynch
Councillor McKenzie		Councillor Moffat
Councillor A Morton		Councillor Paterson
Councillor Reid		Councillor Philand
Councillor Robertson		Councillor Taylor
Councillor Vennard		Councillor Trail

The Motion received 13 votes, Amendment 1, 7 votes and Amendment 2, 13 votes. With there being an equality of votes for the Motion and Amendment 2, Amendment 1 fell and a second vote was taken for the Motion and Amendment 2.

Motion	Amendment 2	No Vote
Councillor Colville	Councillor Armour	Councillor Kelly
Councillor Currie	Councillor Blair	Councillor Kinniburgh
Councillor Devon	Councillor Douglas	Councillor Morgan
Councillor Green	Councillor Findlay	Councillor Mulvaney
Councillor Hardie	Councillor Forrest	Councillor Redman
Councillor MacMillan	Councillor Freeman	
Councillor McCuish	Councillor Good	
Councillor McGrigor	Councillor Horn	
Councillor McKenzie	Councillor Lynch	
Councillor A Morton	Councillor McNeilly	
Councillor Reid	Councillor Moffat	
Councillor Robertson	Councillor Paterson	
Councillor Vennard	Councillor Philand	
	Councillor Taylor	

Councillor Trail

Decision

With the Motion receiving 13 votes and Amendment 2 receiving 15 votes, the Council resolved accordingly.

Our communities are enriched with a diverse mix of people with a variety of experiences and from different cultures and backgrounds. This rich diversity enhances our lives. Today more than 40 years after the 1976 Race Relations Act and 10 years from the 2010 Equalities Act, there are still incidents of hate crimes motivated by prejudice in our society. This has been most recently highlighted by the Black Lives Matter, global campaign.

As individual Councillors, we will always strive to promote community inclusion and cohesion, and support local initiatives and people addressing issues of inequality and prejudice.

Argyll and Bute Council will continue to work in promoting communities of respect that embrace diversity and challenge prejudice and inequality wherever it's encountered, in all aspects of its operational work

In passing this motion, we will strengthen our resolve and commitment to make Argyll and Bute an inclusive place where people want to live.

The Council resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the press and public for the following item of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraphs 6&9 respectively of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

15. NPDO & HUB DBFM SCHOOLS ANNUAL REPORT - APRIL 2020

The Council considered a report which summarised provided progress in relation to the Council's NPDO & HUB DBFM projects to the end of March 2020 together with an update on the current financial position of both Projects.

Decision

The Council:-

1. Noted the contents of the report.
2. Agreed to take forward the NPDO Change in Law variation with a view to achieving one off sums for the Council. It should be noted that there will be a requirement for the Council to ring fence a portion of the sums achieved to provide for future NPDO/Hub contract management requirements.

(Ref: Report by Executive Director with responsibility for Legal and Regulatory Support dated August 2020, submitted)

**MINUTES of MEETING of SPECIAL ARGYLL AND BUTE COUNCIL held BY SKYPE
on THURSDAY, 22 OCTOBER 2020**

Present:

Councillor Roderick McCuish (Chair)

Councillor Jim Anderson	Councillor David Kinniburgh
Councillor John Armour	Councillor Yvonne McNeilly
Councillor Gordon Blair	Councillor Barbara Morgan
Councillor Rory Colville	Councillor Aileen Morton
Councillor Robin Currie	Councillor Gary Mulvaney
Councillor Mary-Jean Devon	Councillor Iain Paterson
Councillor Lorna Douglas	Councillor Alastair Redman
Councillor Jim Findlay	Councillor Alan Reid
Councillor George Freeman	Councillor Elaine Robertson
Councillor Audrey Forrest	Councillor Richard Trail
Councillor Bobby Good	Councillor Sandy Taylor
Councillor Kieron Green	Councillor Douglas Philand
Councillor Anne Horn	Councillor Andrew Vennard
Councillor Donald Kelly	Councillor Jean Moffat
Councillor Donald MacMillan BEM	Councillor Jim Lynch
Councillor Sir Jamie McGrigor	Councillor Graham Hardie

Attending:

Pippa Milne, Chief Executive
Douglas Hendry, Executive Director
Kirsty Flanagan, Executive Director
David Logan, Head of Legal and Regulatory Support
Laurence Slavin, Interim Head of Financial Services

The Depute Provost asked the Council to join him in a minute's silence to mark the passing of a respected colleague and long standing member of this Council, the late Councillor Ellen Morton who sadly passed away on Saturday 3 October 2020. He sent the Councils love and sympathy to her family and to Councillor Aileen Morton, her daughter, of whom she was so proud.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors McKenzie and Scoullar.

2. DECLARATIONS OF INTEREST

Councillor McCuish declared a financial interest in item 3 of the agenda (Scottish Government Town Centre Funding to Argyll and Bute) due to being a board member of Bid4Oban. He left the meeting and took no part in the discussion of this item of business.

Councillors Douglas and Robertson each declared a non-financial interest in item 3 of the agenda (Scottish Government Town Centre Funding to Argyll and Bute) due to their involvement in Helensburgh Community Hall and Bid4Oban respectively. They both left the meeting and took no part in the discussion of this item of business.

The Depute Provost vacated the Chair and Standing Order 5.2 states that "if the Provost is absent from a meeting the Depute Provost will preside, if they are both absent, another

Councillor chosen by the Members will preside. Members were invited to nominate a Chair and Councillor Mulvaney, seconded by Councillor Green nominated Councillor Robin Currie and this was unanimously agreed by the Council.

3. SCOTTISH GOVERNMENT TOWN CENTRE FUNDING TO ARGYLL AND BUTE

The Council gave consideration to a report concerning the utilisation of £444,000 of town centre capital funding distributed by the Scottish Government as part of their 2020-21 economic recovery stimulus package.

Decision

The Council agreed the list of capital projects, attached as Appendix A to the submitted report, that comply with the Scottish Government Guidance.

(Report by Executive Director with responsibility for Development and Economic Growth dated October 2020, submitted)

Councillor Freeman having moved an amendment which failed to find a seconder, required his dissent recorded for this item of business.

4. A83 REST & BE THANKFUL OPTIONS - SCOTTISH GOVERNMENT RESPONSE

The Council gave consideration to a report providing an analysis of 11 options published by Transport Scotland in order to move beyond the landscape mitigation strategy and provide an alternative solution to the ongoing landslip problems at the Rest and Be Thankful. The report invited Members to consider the Council's response to the consultation on the 11 options.

Decision

The Council –

1. Welcomed the Scottish Government's commitment to move beyond the landscape mitigation strategy and to look at options which provide an alternative solution to the ongoing problems at the Rest and Be Thankful.
2. Approved the consultation response as drafted at Appendix 1 of the submitted report, noting in particular that:-
 - a. The council calls for a permanent solution to be delivered within the term of the next Scottish Parliament {2021-2026};
 - b. The Council considers the realistic solution to be Option 1, delivered as a permanent solution and not as a continuation of the ongoing mitigation measures. Option 1 should be progressed as a priority.
 - c. The Council considers Option 5 may provide merit for longer term consideration to further improve connectivity and resilience into and out of Argyll and Bute.
 - d. The Council also calls for other improvements along the A83 to deal with substandard alignment and drainage/flooding issues both of which can impact on availability of the route.
3. Agreed that the Leader of the Council should write to the Cabinet Secretary for Transport, Infrastructure and Connectivity and request clarity on the governance and decision

making process for a permanent solution, and, in particular, to request that the Council should be represented on any project board or similar group.

(Reference: Report by Executive Director with responsibility for Roads and Infrastructure Services dated October 2020, submitted)

5. ISLAND COMMUNITIES IMPACT ASSESSMENT

The Council gave consideration to a report inviting response to a consultation seeking views on the Islands Communities Impact Assessment Guidance under the Islands (Scotland) Act 2018.

Decision

The Council –

1. Agreed to the draft response to the Islands Communities Impact Assessment (ICIA) consultation as included in the submitted report.
2. Agreed the points raised in paragraph 5.10 of the submitted report.
3. Agreed that a formal request is made to Scottish Government that the financial memorandum is revisited and amended to reflect the significant impact on council resources from the ICIA process.
4. Agreed to delegate the final formal council response to the Director with Responsibility for Development and Economic Growth in consultation with the Leader of the Council and Leader of the Opposition to allow any further comments to be added in advance of the deadline of 9 November. This will allow consideration to be taken of the discussion at the Islands Sounding Board on 5 November which will be attended by members of the Scottish Government Islands Team.

(Reference: Report by Executive Director with responsibility for Economic Growth dated 22 October 2020, submitted)

6. POLITICAL MANAGEMENT ARRANGEMENTS

The Council considered a report which noted the sad passing of Councillor Ellen Morton which gave rise to a number of vacancies in its political management arrangements. The Council were invited to consider appointments to these vacancies and to also make an appointment to the board of the Nadair Trust.

Decision

The Council:-

- a) notes with sadness the passing of Cllr Ellen Morton who made such a significant contribution to council life and business over her 21 years of service.
- b) notes the following Policy Lead and Depute Policy Lead Councillor appointments:

Portfolio	Policy Lead	Depute Policy Lead
The Economy and Rural Growth	Cllr Robin Currie	Cllr Gary Mulvaney
Financial Services and Major Projects	Cllr Gary Mulvaney	Cllr Andrew Vennard
Education	Cllr Yvonne McNeilly	Cllr Kieron Green
Health and Social Care	Cllr Kieron Green	Cllr Graham Hardie

Roads and Infrastructure Services	Cllr Rory Colville	Cllr Bobby Good
Support Services	Cllr Mary Jean Devon	Cllr Alan Reid
Planning and Regulatory Services	Cllr David Kinniburgh	Cllr Rory Colville
Business, Regeneration and Commercial Development	Cllr Alastair Redman	Cllr Sir Jamie McGrigor

c) In light of the vacancies arising from Cllr Ellen Morton's passing, and to reflect the changes to Policy Lead roles listed at (b) the council agrees the following appointments:

i) Area Committee membership and roles:

Area Committee	New Appointment	Previous Appointment
Mid Argyll, Kintyre and the Islands Area Committee - Chair	Cllr Rory Colville	Cllr Robin Currie
Helensburgh and Lomond Area Committee - Chair	Cllr Barbara Morgan	Cllr Ellen Morton
Helensburgh and Lomond Area Committee – Vice Chair	Cllr Graham Hardie	Cllr Barbara Morgan

ii) Strategic Committee membership and roles

Committee	New Appointment	Previous Appointment
Business Continuity Committee (in the event that it requires to reconvene) - Chair	Cllr Robin Currie	Cllr Aileen Morton
Policy and Resources Committee - Member	Cllr Mary Jean Devon	Cllr Ellen Morton
Environment, Development and Infrastructure Committee – Member and Vice Chair	Cllr Rory Colville	Cllr Ellen Morton
Community Services Committee - Member	Cllr Alastair Redman	Cllr Rory Colville
Planning, Protective Services and Licensing Committee/Licensing Board - Member	Cllr Kieron Green	Cllr Robin Currie
Argyll and Bute Harbour Board - Member	Cllr Rory Colville	Cllr Ellen Morton

Argyll and Bute Harbour Board - Chair	Cllr Rory Colville	Cllr Robin Currie
Climate Change Environmental Action Group – Chair	Cllr Rory Colville	Cllr Aileen Morton
Climate Change Environmental Action Group – Member and Vice Chair	Cllr Alastair Redman	Cllr Aileen Morton

iii) Appointments to Outside Bodies

Outside Body	New Appointment	Previous Appointment
Nadair Trust	Cllr Elaine Robertson	Not applicable
Argyll and Bute Renewables Alliance (ABRA)	Cllr Robin Currie	Cllr Aileen Morton
Argyll and the Isles Strategic Tourism Partnership	Cllr Robin Currie	Cllr Alastair Redman
A83 Taskforce	Cllr Rory Colville	Cllr Roddy McCuish
A83 Taskforce	Cllr Alan Reid	Cllr Ellen Morton
Highlands and Islands European Partnership	Cllr Robin Currie	Cllr Aileen Morton
Highlands and Islands Territorial Committee	Cllr Robin Currie	Cllr Aileen Morton
Programme Monitoring Committee	Cllr Robin Currie	Cllr Aileen Morton
Northern Roads Collaboration	Cllr Rory Colville	Cllr Robin Currie
Northern Roads Collaboration	Cllr Bobby Good	Cllr Ellen Morton
Local Plan Flood District Clyde and Lomond	Cllr David Kinniburgh	Cllr Ellen Morton
Local Plan Flood District Highland and Argyll	Cllr Rory Colville	Cllr Robin Currie
COSLA Convention	Cllr Robin Currie	Cllr Aileen Morton
COSLA Environment and Economy Board	Cllr Robin Currie	Cllr Aileen Morton

- iv) Invites the Leader of the SNP Group, as the largest opposition group, to nominate members for the following appointments:
1. Cllr Iain Paterson as the council's Local Member Representative on the Loch Lomond and Trossachs National Park Authority, with appointment to be confirmed subsequently by Scottish Ministers;
 2. Cllr Jim Findlay to the Argyll Islands Sounding Board, in place of Cllr Aileen Morton;
 3. Cllr Iain Paterson on Argyll and Bute Care and Repair Agency, in place of Cllr Robin Currie.

v) Appointments to Statutory Bodies

Statutory Body	New Appointment	Previous Appointment
Scotland Excel – substitute representative	Cllr Alastair Redman	Cllr Ellen Morton
West of Scotland European Forum	Cllr Robin Currie	Cllr Aileen Morton

vi) Notes that all other external appointments and committee positions will remain unchanged.

(Report by Executive Director with responsibility for Legal and Regulatory Support dated 19 October 2020, submitted)

**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held VIA SKYPE
on THURSDAY, 15 OCTOBER 2020**

Present: Councillor Robin Currie (Chair)

Councillor Rory Colville	Councillor Gary Mulvaney
Councillor Lorna Douglas	Councillor Douglas Philand
Councillor Audrey Forrest	Councillor Alastair Redman
Councillor Bobby Good	Councillor Elaine Robertson
Councillor Kieron Green	Councillor Sandy Taylor
Councillor Yvonne McNeilly	Councillor Richard Trail

Attending: Pippa Milne, Chief Executive
Kirsty Flanagan, Executive Director
Douglas Hendry, Executive Director
Joanna MacDonald, Chief Officer, Health and Social Care Partnership
Jane Fowler, Head of Customer Support Services
Patricia O'Neill, Governance Manager

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Aileen Morton and Len Scoullar.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

(a) Policy and Resources Committee held on 20 February 2020

The Minutes of the Meeting of the Policy and Resources Committee held on 20 February 2020 were approved as a correct record.

(b) Sub-Committee of the Policy and Resources Committee held on 24 September 2020

The Minutes of the meeting of the Sub-Committee of the Policy and Resources Committee held on 24 September 2020 were noted.

*** 4. FINANCIAL REPORTS MONITORING PACK – 31 AUGUST 2020**

The Committee gave consideration to a report providing a summary of the financial monitoring reports as at the end of August 2020. There were six detailed reports summarised within the executive summary including the Revenue Budget Monitoring Report as at 31 August 2020; Monitoring of Policy Savings Options as at 31 August 2020; Monitoring of Financial Risks as at 31 August 2020; Capital Plan Monitoring Report as at 31 August 2020; Treasury Monitoring Report as at 31 August 2020 and Reserves and Balances as at 31 August 2020.

Decision

The Policy and Resources Committee –

1. Noted the revenue budget monitoring report as at 31 August 2020 and noted the comments in respect of the Health and Social Care Partnership.
2. Noted the progress with the policy savings options as at 31 August 2020.
3. Noted the financial risks for 2020-21.
4. Noted the capital plan monitoring report as at 31 August 2020 and approved the proposed changes to the capital plan as detailed in Appendix 4 to the report.
5. Noted the treasury monitoring report as at 31 August 2020.
6. Noted the reserves and balances report as at 31 August 2020.
7. Agreed to recommend to Council that the revenue virements over £0.200m during July and August are approved.

(Reference: Report by Section 95 Officer dated 1 October 2020, submitted)

5. BUDGET OUTLOOK 2021-22 TO 2025-26

The Committee gave consideration to a report providing an update to the budget outlook 2021-22 to 2025-26 reported to the Business Continuity Committee on 13 August 2020. The estimates within the report were based on the mid-range scenario with best and worst case scenarios noted in Appendix 1.

Decision

The Policy and Resources Committee noted the current estimated budget outlook position for the period 2021-22 to 2025-26.

(Reference: Report by Section 95 Officer dated 17 September 2020, submitted)

6. UPDATE ON 2021/22 SAVINGS THEME REVIEWS

The Committee gave consideration to a report providing an update on the theme reviews identified savings options to be considered as part of the 2021-22 budget.

Decision

The Policy and Resources Committee noted the update on the Council's approach to identifying savings options to be considered as part of the 2021-22 budget process.

(Reference: Report by Section 95 Officer dated 15 October 2020, submitted)

*** 7. IMPLEMENTATION OF DOMESTIC ABUSE POLICY**

The Committee gave consideration to a report presenting a new Domestic Abuse Policy for approval. The new Policy set out the Council's commitment to providing a safe and supportive environment at work for those who are being affected by, or who are at risk from, domestic abuse or violence.

Decision

The Policy and Resources Committee approved the new Domestic Abuse Policy for onward transition to the Council.

(Reference: Report by Executive Director with responsibility for Customer Support Services dated 4 September 2020, submitted)

8. ARGYLL & BUTE HEALTH AND SOCIAL CARE PARTNERSHIP (HSCP) CULTURE SURVEY RESPONSE UPDATE

The Committee gave consideration to a report providing an update and assurance on culture change activity and the monitoring of that activity through the IJB as a result of the findings of an Argyll and Bute Culture Survey published on 15 May 2020.

Motion

The Policy and Resources Committee:

Welcomes the actions taken by the NHS Highland Board and Argyll and Bute IJB in response to the Sturrock Report and the follow on Culture Survey engagement exercise.

Endorses the approach adopted by the HSCP in delivering a 100 Day Plan building on the NHS Highland Culture Fit for Future Programme, which will benefit both NHS and Council employees through the cultural changes.

Notes that work by the Argyll and Bute Culture Group is ongoing to further embed and improve processes within the HSCP.

Moved Councillor Kieron Green, seconded Councillor Robin Currie.

Amendment

That the Committee:

- a. acknowledges the enduring concerns regarding bullying behaviours in the local health and social care staffs,
- b. agrees that all Argyll and Bute Health & Social Care Partnership staff should have the opportunity to relate their views to an independent body free from NHS and Argyll and Bute Social services, and
- c. agrees to refer this matter to the Council at its earliest meeting together with a recommendation that the Council request that the Integration Joint Board of the Health and Social Care Partnership instigate a comprehensive review of bullying behaviours affording all staff the opportunity to report on their experience past and present.

Moved Councillor Douglas Philand, seconded Councillor Audrey Forrest.

As the meeting was being held virtually the vote was taken by calling the roll and Members voted as follows –

Motion

Councillor Rory Colville
Councillor Robin Currie
Councillor Bobby Good
Councillor Kieron Green
Councillor Yvonne McNeilly
Councillor Gary Mulvaney
Councillor Alistair Redman
Councillor Elaine Robertson

Amendment

Councillor Lorna Douglas
Councillor Audrey Forrest
Councillor Douglas Philand
Councillor Sandy Taylor
Councillor Richard Trail

The Motion was carried by 8 votes to 5 and the Committee resolved accordingly.

Decision

The Policy and Resources Committee –

1. Welcomed the actions taken by the NHS Highland Board and Argyll and Bute IJB in response to the Sturrock Report and the follow on Culture Survey engagement exercise.
2. Endorsed the approach adopted by the HSCP in delivering a 100 Day Plan building on the NHS Highland Culture Fit for Future Programme, which will benefit both NHS and Council employees through the cultural changes.
3. Noted that work by the Argyll and Bute Culture Group is ongoing to further embed and improve processes within the HSCP.

(Reference: Report by Chief Officer – Health and Social Care Partnership dated 23 September 2020, submitted)

**9. COMMUNITY EMPOWERMENT (SCOTLAND) ACT 2015 - UPDATE -
EXPRESSIONS OF INTEREST / ASSET TRANSFER
REQUESTS/PARTICIPATION REQUESTS/ ANNUAL REPORTING
REQUIREMENTS**

A report providing an update on annual activity in respect of the Community Empowerment (Scotland) Act 2015 was before the Committee for noting.

Decision

The Policy and Resources Committee noted the content of the report.

(Reference: Report by Executive Director with responsibility for Commercial Services dated 8 September 2020, submitted)

10. POLICY AND RESOURCES COMMITTEE WORKPLAN

The Policy and Resources Committee work plan as at October 2020 was before the Committee for noting.

Decision

The Policy and Resources Committee noted the content of the work plan.

(Reference: Policy and Resources Committee Workplan as at October 2020, submitted)

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ARGYLL AND BUTE COUNCIL**COUNCIL**

26th November 2020

LEADER'S REPORT

1. INTRODUCTION

- 1.1 This report gives colleagues an update on my activities as Leader of Argyll and Bute Council and Policy Lead for the Economy and Rural Growth since appointment by council on 24th September 2020.

2. RECOMMENDATIONS

- 2.1 Members are asked to consider the report.
- 2.2 Members are asked to note that additional detail on any particular items of interest can be obtained through Leadership Support staff. This includes COSLA and other papers and briefings as referenced in the report.

3. COUNCIL RESPONSE TO COVID-19

- 3.1 Reports on the council's overall response to the Covid-19 pandemic have featured previously at meetings of the Business Continuity Committee.

The situation continues to develop quickly and on 23rd October, the Scottish Government published its Strategic Framework – the national approach to suppression of the Covid-19 virus. This included a tier system, agreed by Parliament on 27th October and which saw each local authority area in Scotland put into a particular 'tier' based on case levels and a range of other factors. Each tier is subject to varying levels of restrictions.

Argyll and Bute was put into Tier 2 with the associated restrictions starting from Monday 2nd November. In the lead-up to this, all Scottish local authorities had an opportunity to discuss the approach at a national level through COSLA and also through telephone calls with Scottish ministers.

I spoke with Aileen Campbell MSP, Minister for Communities and Local Government, firstly on 27th October as part of a Highlands and Islands local authority Leaders group call, and then individually the following day.

At both calls I advised that local communities across the area are questioning the scope for more localised arrangements, particularly where case levels are very low or non-existent, given the impact on the economy. Ms Campbell highlighted that the decisions about local tier levels are based on a variety of matters (such as available medical services) and do not only relate to infection rates. While she would not commit to agreeing localised arrangements at this point, she did say that this would be kept under consideration.

Members will recall from previous Leadership reports earlier in the lockdown period that frequent cross-party Leadership calls were held to consider any urgent updates and issues related to the coronavirus pandemic. With the announcement of the tier system, a Leadership call was convened on 29th October, and arrangements are in hand to resume more frequent calls immediately should circumstances require it.

4. JOINT LEADERSHIP MEETING, 30th September 2020

- 4.1** One of my first engagements as Leader after appointment was to attend the quarterly (and virtual) Joint Leadership meeting on 30th September. This programme of meetings brings together the senior management and political leadership of NHS Highland, the council and the Health and Social Care Partnership.

Standing agenda items are finance, performance and workforce matters, alongside of course the Covid-19 response. This Autumn meeting gave me an opportunity to speak with the new Chief Executive of NHS Highland, Pamela Dudek, who formally took up post in early October.

We have another session in diaries for 17th November and all involved feel it is important to continue meeting together on a quarterly basis and to focus on those core issues of workforce and finance, given the high profile issues of budget challenges and the ongoing work on culture.

5. KERRERA FERRY SERVICES – ministerial engagement, September to November 2020

- 5.1** Local members in the Oban, South and the Isles ward highlighted to me the need for urgent ministerial engagement when it was confirmed that the privately operated ferry service which serves the north end of Kerrera would cease on 1st October.

Access between the north and south ends of the island is challenging and the community have been working for some time on proposals for a connection between both sides, supported by the council in the form of feasibility and design work. Islanders have been exploring funding options which would permit an upgrade of the currently impassable track.

The south end of the island continues to benefit from a ferry service operated by Calmac. I have been in correspondence with Paul Wheelhouse, Minister for Connectivity and Islands, given Transport Scotland's overarching responsibility for delivery of lifeline ferry services. There is no quick or easy solution which will meet all of the community's aspirations and which can be realistically put in place given the available infrastructure. We have asked that Transport Scotland explore expanding the south end service to include a pick-up/drop-off at the north end and have also asked for clarity on funding sources which could be made available to the island community to progress their track upgrade solution.

I spoke with Mr Wheelhouse again on 10th November about the issue and by the time of the council meeting should have a further update on progress, as more discussions will be required with the Minister as well as engagement between our officer and Scottish Government officials.

6. A83 REST AND BE THANKFUL

- 6.1** The A83 Rest and Be Thankful continues to feature heavily with the Transport Scotland consultation on corridor options concluding at the end of October.

Members had an opportunity to consider the eleven options put forward by Transport Scotland at a webinar on 5th October, followed by a report and consultation response considered by the council at its special meeting on 22nd October.

In its response, the council has indicated that its preferred route corridor is that outlined in Option 1. We have been clear that time is of the essence when it comes to identifying and, more importantly, delivery of the permanent solution and we will continue to engage with the Scottish Government on this, including pressing for representation on any

governance arrangements or body put in place to oversee implementation of this major infrastructure project.

7. PARTNERSHIP WORKING – KEY COMMUNITY PLANNING PARTNERS

- 7.1** I had an introductory call with Superintendent John Paterson of Police Scotland and Joe MacKay of Scottish Fire and Rescue, along with our Chief Executive, on 20th October. This was a useful initial discussion and all of us expressed a willingness to continue these regular, informal discussions to support our ongoing partnership working. We are working with their offices to identify a programme of discussions for the next year, to give each of us an opportunity to highlight any challenges or opportunities. I am always happy to hear from members about any strategic issues related to police or fire services in Argyll and Bute and which they feel would be helpful to raise at future discussions.

Highlands and Islands Enterprise: On 12th November I had the opportunity to speak with Alistair Dodds, Chair of the Highlands and Islands Enterprise Board, Charlotte Wright, HIE Chief Executive and Morag Goodfellow, HIE Regional Manager for Argyll and Bute. Once again this was an introductory meeting for me and one which built on the work started by Cllr Aileen Morton. We were able to talk about a number of matters including the Rural Growth Deal, further education provision, the Programme for Government, following up from the Convention of the Highlands and Islands meeting and various other issues. Again we aim to continue these regular discussions especially given the impact of Covid on the economy and the enhanced significance of working in partnership towards recovery and to build up resilience.

8. VISIT TO DUNBEG HOUSING DEVELOPMENT, 23rd October 2020

On 23rd October, joined by local members and officers, I met with Macleod Construction, West Highland Housing Association and Link Housing Association at the Dunbeg housing development site outside Oban for an external and socially distanced tour of the site.



My interest in housing is well known and I was very impressed by this development which will provide hundreds of much-needed affordable homes for the Oban area, enabling the growth potential which the area is demonstrating.

The development is designed to encourage and support a sense of community with careful use of shared spaces. There will be a mix of attractive homes and apartments available when construction is complete and many of them have outstanding views over to the neighbouring islands.



Local contractors are being used where possible and the development is therefore contributing to the local economy and employment levels at a very challenging time, as well as providing housing opportunities for the future. It is a great example of what we can achieve working in partnership and I look forward to seeing these new homes complete and being lived in in due course.

9. CONVENTION OF THE HIGHLANDS AND ISLANDS, 26th October 2020

- 9.1** The plan for at least a year or two had been for Argyll and Bute Council to take its turn at hosting the Convention of the Highlands and Islands Autumn 2020 session, with plans to welcome ministers and officials to Kintyre. The Covid-19 pandemic dictated otherwise and COHI was therefore arranged, for the first time, on a virtual basis, bringing together Scottish ministers, local authority leaders from the region and officials from the Government and member councils.

Agenda topics were:

- Review of previous outcomes
- Covid-19 – regional impacts and economic recovery
- Building a greener economy
- Community wealth building
- Population and fragile communities
- Gaelic
- Replacement of the European Structural and Investment Funds (ESIF) post EU exist
- Update of COHI and transformational projects – spotlight on digital
- Outcomes

We are awaiting the final outcomes from the Scottish Government.

10. ISLANDS STRATEGIC GROUP, 29th October 2020

- 10.1** The Scottish Government's Islands Strategic Group met on 29th October.

Agenda topics were:

- Islands (Scotland) Act 2018 – Update - Minister for Energy, Connectivity and the Islands
- Island Communities Impact Assessments (ICIAs)
- National Islands Plan and Recovery Planning
- Islands Funding
- Localised COVID measures and the impact of restrictions on Islands - Professor Jason Leitch, National Clinical Director

The session with Professor Leitch was particularly useful given the announcement at the time about local authority tier levels and afforded another opportunity to press the case at a national level for changes to levels should the evidence support it.

11. HM FIRE SERVICE INSPECTORATE DISCUSSION, 5th November 2020

- 11.1** Scottish Fire and Rescue advised in August that there would be a Local Inspection of Service Delivery in Argyll and Bute as part of a national programme of inspections.

I was invited to speak with Simon Routh-Jones, Chief Inspector and Graeme Fraser, Assistant Inspector at HM Fire Service Inspectorate on 5th November. This discussion was part of the inspection's fieldwork phase and its aim was to evaluate the scrutiny and support aspect of fire service provision locally.

Both myself and Cllr McNeilly as chair the Chair of the Community Services Committee (as the relevant scrutiny body) are of the view that both organisations engage very positively and productively with us, and I was happy to confirm that to the inspectors.

12. CLYDE FISHERMAN'S ASSOCIATION, 10th November 2020

- 12.1** Clyde Fisherman's Association asked to meet with myself and the Chief Executive on 10th November to discuss a range of issues affecting the sector, including the forthcoming exit from the European Union and the potential impact.

This was a really helpful discussion about one of Argyll and Bute's oldest traditional industries which is facing a number of challenges but which could also bring a number of opportunities back to the area.

Some of the challenges include an aging fleet and workforce, attracting young people into the industry and provision of training in the local area. Another issue is availability of processing facilities for locally caught shellfish and other products. While they were highlighting challenges, the Association is solutions-focused and keen to work in partnership where possible, and we will be holding further discussions and looking to engage with other partners who can potentially contribute to developing solutions for some of these issues. I did have an opportunity to raise this with HIE at the call on 12th November which is noted at paragraph 7.1.

13. COSLA MEETINGS, OCTOBER AND NOVEMBER 2020

13.1 I have attended a number of COSLA meetings since appointment to the Leader role in September. These are listed below:

COSLA Leaders, 30th October: COSLA Leaders met on 30th October on a virtual basis and considered the following agenda items:

- EU Exit
- Social Renewal Advisory Board Update
- Trauma Informed Workforce Elected Members Briefing
- COSLA Conference 2021
- Local Government Finance
- Independent Review of Adult Social Care
- Delay to Devolving Non Domestic Rates Empty Property Relief
- Local Government Pension Scheme – Addressing Age Discrimination Consultation
- Local Government Settlement and Distribution

COSLA Convention, 30th October:

- Public Health Scotland update and opportunities for Local Government
- COSLA Audited Financial Statements to year end 31st March 2020
- COSLA Constitution update
- Scottish Local Government – Future International Engagement
- COSLA Spokepersons' Updates
- COSLA Priorities Update

COSLA Community Wellbeing Board, 6th November:

- Sportscotland presentation
- Mental Health Transition and Recovery Plan
- Consultation responses – Short Term Lets and Local Connections
- Unsuitable Accommodation Guidance
- Armed Forces Covenant Legislation
- Scottish Welfare Fund update
- Sustaining a No-Charge Policy for Child Burials and Cremations
- Improving the Lives of Gypsy Travellers
- 16 Days of Activism against Gender Based Violence programme
- Community Safety, Protection and Policing update

14. POLICY LEAD FOR THE ECONOMY AND RURAL GROWTH

14.1 The Economy and Rural Growth: The Covid-19 pandemic continues to impact on economic and social recovery. Employment levels have stabilised although unemployment is still higher than before the implementation of the lockdown. We continue to monitor the data to inform our conversation with national government on how they can assist the economic recovery of our area.

Council officers continue to work with other public agencies, the third and private sectors to understand the impacts and ensure as much as they can business survival during this difficult time. With a significant number of workers in Argyll and Bute still being furloughed it is welcome that the UK Chancellor has extended this scheme until the end of March 21 as this could help reduce the increase of unemployment in our area. Council officers are also taking forward the agreed Economic Recovery actions approved by the BCC in August and administer Government business support schemes that are aligned to the Government's Tier system.

We are continuing to engage with the Scottish Government regarding our population challenges. The government has reconvened its population taskforce looking at the population and demographic issues facing Scotland including Argyll and Bute. A number of key themes are being looked at including better digital connectivity, job opportunity and economic function together with the availability of affordable housing and other types of key economic infrastructure such as roads, ferries and availability of healthcare. The impacts of the pandemic are also being considered as part of this initiative and it is intended that a consultation on a forthcoming population strategy will be coming forward in the next few months.

The council has made clear its view on the preferred options for the Rest and Be Thankful. As the road continues to be disrupted by the weather it is more important than ever that the Scottish Government quickly moves forward on delivery a permanent solution within the option 1 corridor. The council will continue to press for this and lobby government for further transport investment through the STPR2 process that has recommenced after a pause during the pandemic.

Work continues on our Rural Growth Deal with a recent Programme Board agreeing the key project themes that the council will present to both Governments to deliver a Heads of Terms before Christmas. The RGD will be an important part of our economic and social recovery building upon previous and current investments implemented by the council and our partners. I have also written to Alister Jack, Secretary of State for

Scotland, to indicate our ambition to sign Heads of Terms as soon as possible.

14.2 Housing:

Strategic Housing Investment Plan (SHIP): Argyll Community Housing Association took handover of five affordable housing units at Cairnbaan, Mid Argyll on Friday 2nd October. The development consists of two 2-bedroom properties, two 3-bedroom properties and one 4-bedroom property.



Home Energy Efficiency Programme Scotland (HEEPS): HEEPS:ABS has now fully resumed and is on site with the 2019/20 programme due to complete 31st October. The programme is committed for works for 2020/21 and will continue across Argyll and Bute.

ACHA Warmer Homes programme is on site at multiple locations across Oban installing external wall insulation to common blocks. This work is focussed on mixed tenure blocks with £1,009,125 of HEEPS: ABS funded works to be completed by 31st October. Argyll and Bute Council accessed additional funding from the Scottish Government for additional funds to continue the project in to the 2020/21 programme. There has been interest from wholly privately owned blocks in getting similar works done and work is ongoing to engage with private owners. These works feed into wider economic recovery at this time.



Private Sector Housing Grants works are now fully underway across all areas. Main recipients remain statutory grant applicants for disabled adaptations. Works are often undertaken by local contractors and again this work feeds into economic recovery for the area.

Local Housing Strategy: We received over 1100 responses to the initial Local Housing Strategy survey which closed on 21st August. The majority of responses came from members of the public. It was encouraging to see such a high level of interest in housing from the residents of Argyll and Bute. The headline issues are as follows:

- 82% of respondents said affordability was the top housing system characteristic.
- 45% of respondents said that the greatest challenge is the shortage of social rented housing.
- 76% of respondents stated that the biggest impact of COVID will be that incomes reduce as the economy slows down

A Stakeholder meeting has been arranged for 25th November which will be held through Microsoft Teams.

Homelessness: The Council continues to provide a 24 hour a day, 7 days a week 365 day a year response to homelessness. Housing Services are working in partnership with the Housing Associations across the local authority area to ensure that statutory homeless households are given suitable permanent housing. There have been 99 permanent lets to homeless households since lockdown in March.

14.3 Roads and Infrastructure Services: The last few months as Policy Lead for Roads and Infrastructure were dominated of course by the Covid-19 response and teams from the service were involved in a number of aspects of the response as well as keeping front line services running. This included:

- A number of staff involved in the planning and delivery of food parcels to the vulnerable
- Roadworkers helping with bin collections
- Staff training for grave digging duties to provide more resilience
- Measure shaving been put in place quickly to enable Household Waste Recycling Centre to reopen in line with Scottish Government guidelines

14.4 Islands: Following the launch of the Islands Communities Impact Assessment Guidance (ICIA) consultation the council considered and approved their response to the consultation at the Special Council meeting on Thursday 22 October. This item was also discussed at the meeting of the Islands Sounding Board on Thursday 5th November.

14.5 Gaelic: On 20th October I was invited to take part in a discussion with John Swinney, Deputy First Minister, on Gaelic in our communities. Mr Swinney has a particular interest in Gaelic and has of course attended Argyll and Bute's own Gaelic Gathering in the past. He was keen to hear about work going on to promote Gaelic and about any other projects or initiatives that could help see Gaelic more used in local communities. This was a positive and interesting discussion and, as always, I welcome and share Mr Swinney's interest and enthusiasm for the development of Gaelic.

15. CONCLUSION

15.1 This report highlights my recent activities as Leader of Argyll and Bute Council. I hope that this update is helpful for members and will be happy to provide more information wherever possible.

Councillor Robin Currie - Leader, Argyll and Bute Council

12th November 2020

For further information or to access the Leader's Report Pack please contact Aileen McNicol, Leadership Support and Member Services Manager, telephone 01546 604014 or email aileen.mcnicol@argyll-bute.gov.uk

ARGYLL AND BUTE COUNCIL**COUNCIL**

26th November 2020

POLICY LEADS REPORT

1. INTRODUCTION

- 1.1** This report provides members with an update on key areas of activity for each Policy Lead Councillor. This aims to provide updates from all Policy Leads as regularly as possible, so that all members are informed, up-to-date and able to engage with current issues.
- 1.2** The last update was provided to the council at its meeting on 22nd October 2020. At the same meeting, the council agreed a number of changes to Policy Lead roles and remits. The relatively short period since then, particularly for those members whose remits have changed significantly or for new Policy Lead councillors, means that some updates in this report are shorter than usual. All have put in place arrangements with their service for the months ahead and will provide the usual level of update at future meetings.

2. RECOMMENDATIONS

- 2.1** Members are asked to consider the report.

3. POLICY LEAD FOR STRATEGIC FINANCE AND CAPITAL REGENERATION PROJECTS – Councillor Gary Mulvaney

- 3.1 Introduction:** This report provides members with an update on my activities as Depute Leader, Policy Lead for Financial Services and Major Projects during the months of October and November.
- 3.2 Financial Services:** The department continues to monitor current year expenditure and how Covid-19 has impacted on our finances, both in the short term and longer term. Updated projections have been provided to the Policy and Resources Committee. Officers continue to explore what fiscal flexibilities may be open to the council and recommendations will be brought back for members' determination.

In terms of the 21/22 budget, it looks likely that the timetable will be as tight as we saw in the current year, with no formal budget announcement from the Scottish Government until late January or the start of February 2021. That announcement quantifies the local government block allocation and ultimately what the actual settlement (and conditions) we and other council's will receive. In the interim, our budget models are reliant on various assumptions and estimates.

The cross party Budget Working Group has met virtually on two occasions so far and have offered constructive feedback to officers on the themes and ideas suggested. This group is, of course, not a decision making body, but does offer members and officers to work cohesively to consider the longer term challenges facing the council. It is envisaged at the conclusion of its work, that the group may be able to offer recommendations for wider member consideration. With the SG settlement announcement delayed, it does offer the group to further consider their work and additional meetings have been scheduled.

- 3.3 Local Tax Collections:** Collection of Council Tax for the current year at the end of October is 65.52% which is down 1.29%. This represents a reduction in income for the year of £720,000. A national benchmarking exercise was undertaken with 24 Scottish Local Authorities comparing the position at the end of September. This showed that Council Tax collections are down across the country ranging from 0.67% to 2.70% with the average across the range being 1.31%.

Collections of Non-Domestic Rates is 82.2% which is 7.18% higher than the same time last year. The reason for the increase is that most businesses are benefitting from 100% rates relief in relation to the Coronavirus regulations.

- 3.4 Benefits Update:** Processing times for Housing Benefit and Council Tax Reduction claims is very good. New claims are being processed in 19.40 days on average, well below the target in the service plan. There has been a significant increase in claimants claiming Universal Credit in Argyll and Bute from 1,500 before the pandemic to 3,220 at the end of August 2020. This represents a 180% increase across the period.

Spend on the Scottish Welfare Fund (SWF) is £314k at the end of October against an annual budget of £765k. Therefore we have spent 70% of the profiled budget for the year to date. The number of applications being made per month peaked in April/May 2020 but is on the rise again. Spend will increase month to month going forward.

Finally, spend and commitments against the Discretionary Housing Payment budget is £805,000 for 2020/2021 against an expected liability of

£865,128. This fund will be stretched this year due to the increasing number of new Universal Credit claimants.

3.5 Helensburgh Waterfront Development: Heron Bros has made good progress against their contract construction programme, with the result that construction is slightly ahead of programme. They have achieved significant progress on the improved flood defences around the site, which is a welcome position given the recent bad weather, and the piling works are all but complete. The structural steelwork for the new leisure centre will begin arriving on site through November/December, and the glulam beams, which will support the pool hall roof are programmed to arrive early in January. The Contractor, Argyll and Bute Council, and our partners in HIE and Scottish Enterprise are progressing plans for a major 'Meet the Buyer' Event, most likely in the form of a webinar, which will be focussed on companies in Argyll and Bute, showcasing the contract opportunities which are still on offer, and which we will be encouraging them to bid for.

3.6 Rothesay Pavilion: As was reported in the All Members Briefing issued last month, following the demise of the main contractor, the focus of the Project Team's efforts has been concentrated on dealing with the commercial issues arising from the contractors insolvency; ensuring that the works already undertaken are properly protected from the elements; and developing the specifications and scope of requirements to enable us to appoint a replacement contractor.

The safeguarding works are well progressed and we shall shortly be installing enhanced temporary heating and ventilation within the building to protect the internal finishes over the winter months. Determining the most efficient and effective route to the appointment of a replacement contractor is proving to be extremely complex and challenging. This is because not only does it require the co-ordination, programming and management of remediation works which will need to be carried out under existing warranties/guarantees, and which have a number of technical and physical interdependencies, but also the subsequent delivery of the remaining works, whilst protecting those works previously completed (and their warranties/guarantees). Members will be kept updated on the procurement process.

3.7 Depute Leader Update: I continue to meet regularly with the Leader, the Chief Executive and other officers in terms of this role, covering a wide range of subjects.

4. POLICY LEAD FOR SUPPORT SERVICES – Councillor Mary Jean Devon

4.1 Introduction: This is my first Policy Lead report since being appointed to the role of Policy Lead for Support Services at the Council meeting on 22nd October. In the short interim period I have had meetings with both Executive Directors, the Head of Customer Support Services, the Head of Legal and Regulatory Services, Community Planning Manager and the Customer Engagement and Transformation Manager. These initial meetings have been very useful in providing a detailed overview of my wide ranging portfolio.

Moving forward, a programme of regular meetings have been put in place with the Executive Directors and the relevant Heads of Service to ensure that I am appraised of ongoing developments across my remit. This will enable me to provide a fuller update for colleagues at the next council meeting. This new role presents an exciting challenge for me and I look forward to working closely with the Depute and Shadow Policy Lead for Support Service.

5. POLICY LEAD FOR HEALTH AND SOCIAL CARE – Councillor Kieron Green

5.1 Local Meetings: I have been at meetings of the IJB on September 16th, HSCP Clinical and Care Governance Committee on September 21st, Finance and Policy Committee on September 25th and October 30th, Joint Leadership Group on September 30th, Strategic Planning Group on October 14th, and Audit and Risk on October 20th. Priorities at these have been the continued operation of Health and Social Care Services during the pandemic, remobilisation and recovery where suspension had been necessary, progress with addressing issues relating to culture, and the financial position of the HSCP.

On October 13th I met with Pam Dudek, the newly appointed Chief Executive of NHS Highland, who was visiting services across Argyll and Bute to introduce and acquaint herself with staff and the facilities here. I discussed the importance of the partnership with the wider NHS Highland area in supporting the safe delivery of a full range of health services locally.

Recognising that Culture is not only an issue for staff, but also the IJB in its governing capacity on October 28th we held a development session focused on relationship within the board. Especially at this time, when it is challenging to meet face to face I found it valuable to have the opportunity to listen to the different perspectives of board members on our roles and how we work together. This session also gave a chance for the IJB to be introduced to the Culture Group and how it is contributing to the HSCP.

5.2 National Meetings: The COSLA Children and Young People Board took place on October 2nd with the Health and Social Care Board on October 16th. Agenda items for the Children and Young People Board included The Promise to the care-experienced community, Children's Hearings, and Mental Health. At the Health and Social Care Board Fair Work in Social Care, considering Carers as part of EQIAs, and the Independent Review of Adult Social Care were new topics discussed.

I substituted for Cllr Currie on October 26th when the COVID-19 framework was being discussed at COSLA Leaders with the Depute First Minister present. At this I made the case that as rates within Argyll and Bute vary significantly, that the future possibility of more localised measures appropriate to the situation in different parts of our area should be open to being considered.

On November 5th I was present at a joint COSLA-Community Justice Scotland event. This looked at the impact the COVID-19 was having on all parts of the justice system, including prisons and work in the community. As well as direct consequences from restrictions on capacity of services due to the virus, there was also mention of issues around delays following from this and how this has been affecting individuals within the system.

The national IJB Chairs and Vice-Chairs Executive met on October 9th and November 11th, with discussion around how better working with the Scottish Ambulance Service can be achieved, and a move for IJBs and Health and Social Care Partnerships to take a more active role within the Community Planning Process – something which we are already achieving here in Argyll and Bute with HSCP officers leading in a number of areas.

As Vice Chair of the executive I met with Derek Feeley who is leading a review into Adult Social Care for the Scottish Government. This has a remit to look into future ownership, governance, and operation of what has been described as a national care service. A key theme is the desire for greater consistency of outcomes across Scotland, whilst having flexibility around the delivery of services to meet local needs.

Also in this capacity I attended the Scottish Government Mobilisation Recovery Group on September 18th, October 9th, and October 30th. These have included reports on the situation regarding COVID-19 across Scotland, the Strategic Framework around this, and planning for the delivery of services through the winter period. This included the redesign of urgent care – building on experiences earlier in the year to directing people accessing urgent care to do so in the first instance through telephone triage, or GP and Pharmacy Services rather than through Accident and Emergency.

Efforts to achieve greater use of digital services within Health and Social Care were highlighted at an event on September 23rd. Whilst there is greater uptake now of NHS Near Me, and expansion of this within social care is being pursued, there is recognition of the difficulties of accessing these with limited internet speeds in rural areas.

- 5.3 COVID-19:** With local cases of remaining at relatively low levels, the HSCP is concentrating on delivering as many services as possible within the current guidelines. Preparation to cope with potential increases remains relevant with plans being updated as appropriate, and these can be activated again at short notice should this be necessary.

The importance of visits to care homes is being recognised, however there continue to be challenges around implementing the enhanced guidance in relation to that particularly around internal visits.

- 5.4 Human Resources (HR):** The Argyll and Bute Culture Group is now active and is now part of the process to identify and implement actions relating to culture. Improvements including weekly communications from the Chief Officer and around culture and wellbeing are established, with the Chief Officer and Senior Leadership virtual check in sessions continuing.

Monitoring of progress with culture will be important in giving assurance that the changes that have taken place are reflected in staff experiences and this is planned to be carried out in due course.

Arrangements are being made to extend availability of the Guardian 'Speak Up' Service to cover council employees of the HSCP. This will give all HSCP staff an additional channel to raise issues in confidence and be listened to.

The management restructures within Adult Services and Children and Families which had been delayed as a result of COVID-19 have now been implemented, although some final appointments remain to be made to Area Manager positions. This provides a Professional Lead for Social Work to complement the existing leads within health.

- 5.5 Finance:** The Scottish Government has in principle offered to cover all COVID-19 related costs, however there remain uncertainties around the amount of funding being offered to cover undelivered savings. Consequently as of 30th September there is forecast to be a £2.561m overspend consisting of £2.060m in Social Work and £0.501m in Health.

As required under the Integration Scheme a £2.988m Financial Recovery Plan was agreed by the IJB in September, including delivering £1m of

existing savings, £0.650m of additional non-reoccurring savings and being able to claim for £1.338m of COVID-19 related loss of income and undelivered savings. As of 30th September, £952k of this plan had been delivered, with £2.0m remaining outstanding.

Agreement was reached with NHS Greater Glasgow and Clyde over the disputed value of the Service Level Agreement for previous years. This will however continue to be a significant portion of HSCP expenditure for future years, and will require ongoing negotiations to reflect changes in the delivery of services.

6. POLICY LEAD FOR BUSINESS, REGENERATION AND COMMERCIAL DEVELOPMENT – Councillor Alastair Redman

6.1 Introduction: This is my initial Policy Lead report since being appointed to the revised role of Policy Lead for Business, Regeneration and Commercial Development at the Council meeting on 22nd October. Since taking on this new portfolio I have met with the Executive Director, together with the Head of Service for Commercial Services, to discuss the key service areas included within my remit and to gain a fuller understanding of the current priorities and challenges.

A programme of six-weekly meetings have been scheduled with the Executive Director and Head of Service to provide regular updates on all service matters and I look forward to working with them closely over the coming months.

6.2 Business Gateway: Business Gateway and Economic Growth officers are administering the Scottish Government Business Hardship Fund, which was formally launched on 20th October. Members should note that the implementation of the scheme is highly dependent on guidance from the Scottish Government. This guidance is subject to frequent changes as the Government considers what businesses are eligible for support in each tier of Covid-19 measures. There has been significant interest in this scheme and staff are processing applications as quickly as possible to ensure businesses get the necessary support.

Digital Boost Programme: A Digital Development grant fund was launched nationally, using some of the £1.5m additional monies allocated by the Scottish Government. 16 recipients of Digital Boost 121 support in Argyll completed an Expression of Interest in the grant and have now been sent an application form.

Local Growth Accelerator Programme: COVID-19 has had an impact on the demand for growth support, with some SMEs seeking to scale back or delay their approved growth plans and others in the pipeline choosing not

to submit an application to the programme yet. COVID hasn't stopped growth altogether – as well as some registered SMEs progressing their growth plans, a number of new clients have been engaged.

Recognising that many SMEs have shifted from a growth agenda to a survival agenda, we secured approval from the Scottish Government to flex our LGAP support to allow the programme to also help businesses build their resilience to respond to the COVID-19 pandemic and changing economic climate. Recovery support set to launch in November. The intention is to add COVID Recovery support to the existing Growth support and to maintain the Phase Two overall target spend for LGAP.

6.3 Projects and Regeneration - Strategic Events and Festivals: The council is taking forward a significant number of area regeneration schemes and consulting with community groups on possible schemes such as Ardrishaig public realm works. Works are progressing well as part of the Dunoon CARS and updates to the Google Street View images and 360 degree internal tours of the shopfronts that have already been completed. Google Street View images allows businesses to showcase their premises on a digital platform which is increasingly important for businesses in these challenging times.

Work continues to progress our Shop Local initiative funded through the Scotland Towns Partnership. The Council also approved in October a range of town centre capital projects to support recovery in this financial year. Many of these projects build on the investments already completed or underway through previous town centre funding.

The Rothesay THI project is currently in year 4 of 5 and substantial progress has been made to date. Work is underway to develop repair proposals for a further two tenements and a shopfront. Community engagement activity is currently being undertaken to develop murals for the town.

CHARTS: Officers worked with CHARTS on resubmission of the Creative Scotland bid which was unfortunately unsuccessful. There is no deadline for this and the aim is to submit during week beginning 9th November. CHARTS have re-programmed their delivery in order to continue to operate until March 2021. Operation past this date is dependent on a successful bid to Creative Scotland.

A series of support sessions led by Glasgow School of Art Innovation School are running on line and there will be funding available for a few organisations to deliver the plans which have developed as part of this project.

6.4 Economic and Social Recovery: The council is continuing to look to economic and social recovery with the Argyll Economic Resilience Forum continuing to meet every second week. Items of discussion include business support and grant aid, implementing Scottish Government job support programmes and the Rest and Be Thankful need for a permanent solution. The Officer Advisory Group, which has been established to support the Forum, now meets on a regular basis looking to take forward key actions. The key focus has been on the discussions around the Economic and Social Recovery Plan. However, it is recognised that businesses and communities are still in the response stage as the second wave of the pandemic hits, with ever tightening restrictions, including the Scottish Government's five-level COVID-19 response system/approach which came into force on Monday 2nd November 2020.

6.5 Digital: The council is continuing to coordinate investment in our digital infrastructure that is being delivered by the private sector, HIE and the Government. The latest figure for broadband is 93.3% of Argyll and Bute premises are now connected to the fibre network.

With regards to R100 no contract has been signed yet but the Scottish Government are confident that this will happen before the end of the year. It is hoped that following the agreement of the contract greater clarity will be provided on where Government investment will be targeted delivered by BT across Argyll and Bute.

With regards to the Scottish Broadband Voucher Scheme, these vouchers can be pooled with other eligible premises with a possible £1500 through the DCMS RGC vouchers.

7. POLICY LEAD FOR ROADS AND INFRASTRUCTURE SERVICES – Councillor Rory Colville

7.1 Introduction: I am really pleased to take on the Policy Lead role for Roads and Infrastructure Services. This is a service which delivers vital services for the council – cleaning the streets, emptying bins, managing landfill, operating ferries, running port and harbours, managing and maintaining the road network, transporting children between home and school, supporting public transport and keeping public open spaces safe and attractive. The services is also at the forefront in caring for the environment with initiatives such as LED lighting, hybrid and electric vehicles, electric vehicle charging ports and recycling.

As I take on this role for the service, winter is upon us and I am pleased to see a winter fleet ready to respond to the adversities winter can bring. I am also pleased that new gully cleaners are on order, this being an initiative of the Administration at the last budget setting.



In the future I will report in more detail in terms of the services and have already embarked on the first of a programme of meetings with officers.

8. POLICY LEAD FOR EDUCATION – Councillor Yvonne McNeilly

- 8.1 Kilmory Outdoor Nursery:** Work has been carried out for the Kilmory Outdoor Nursery, which is within the Walled Garden, to ensure that the site can start operating as an outdoor nursery, and which will increase space and choice in Mid Argyll for ELC and 1140 hours. The site will be handed over to MAKI Pups in November and I wish them all the very best in their new environment.
- 8.2 Preparation for National 5 Qualifications session 2020/21:** Plans for ensuring quality moderation with schools working in their existing trios and agreeing a number of pieces to be moderated are underway following expected National Advice. Secondary Schools will also have the opportunity to link with appropriate schools in the Northern Alliance and receive support from Peter Havilland, Attainment Advisor, and Education Scotland.
- 8.3 Out of School Care Group Grants:** Grant funding from the Education Service has been made available to all out of school care groups operating across Argyll and Bute to support their increased running costs due to COVID. This will ensure continuity of care is available to parents during holidays and after school in these challenging times.

- 8.4 Online Learning:** Following the success of online learning during lockdown, Lucy Blake, Joint Head Teacher for Achahoish and Clachan Primary Schools, has decided to build on this success and is delivering online learning. Children from both schools join the same class online and this has proved to be very successful, showing how digital learning can link rural schools effectively.
- 8.5 Silver Rights Respecting School Award:** Kilcreggan Primary School achieved their Silver Rights Respecting School Award and as a result Fran Bretman, Head Teacher has been invited to join the panel for an online European Conference to discuss the award and its impact with other Educationalists.
- 8.6 What Scotland Learned:** Gayle Gorman, HMI Chief Inspector of Education, is publishing a document on ‘What Scotland Learned’ during lockdown and dealing with the pandemic. This will illustrate successes, achievements and challenges. Interviews will be carried out with academics and educational leaders. Education Scotland have expressed their wish to interview Peter Bain, Executive Head Teacher of Oban and Tiree High Schools and Tiree Primary School, to seek views from an Argyll and Bute perspective, and whose contribution will inform this piece of work. Four key questions form the basis for the interview that centre on learning and teaching, challenges/silver linings and leadership in dealing with the pandemic.
- 8.7 Investors in Young People:** Hermitage Academy has received glowing feedback from Investors in Young People (IYYP), 18 months after becoming the first school in Scotland to gain the national accreditation. In a follow-up report from IYYP, the school is referred to as “an ambassador for its young employees”, and is praised for its commitment to attracting, recruiting, developing and retaining young staff, students, and probationary teachers.

When Hermitage Academy received IYYP accreditation in February 2019 it was the first school in Scotland to do so. Eighteen months later and Hermitage is still the only school in the country to have this prestigious accolade to its name. This in itself is a remarkable feat, but to then receive such a fabulous follow-up report is just amazing. Hermitage is recognised as an employer of choice and the IYYP acknowledges the large number of practices that the school has put into place that result in positive outcomes for its young people. It’s clear that Hermitage is leading the way when it comes to providing opportunities for young people, particularly those in its workforce, and I look forward to seeing what they achieve next. I have a strong feeling that they might be going for gold next. Watch this space!

- 8.8 Gold Award by Woodland Trust:** Ulva Primary School on the Isle of Mull has been awarded a gold award by the Woodland Trust for taking an active role in green activities on the island. The Trust's "Green Tree Schools" initiative offers schools the opportunity to bring the great outdoors, wildlife and green issues into the classroom.

To achieve this award, pupils planted new trees on the Isle of Ulva; created artwork using natural materials; visited local woods; and completed woodland workshops with Countryside Ranger Jan Dunlop. The children also increased recycling; created tree champions to be a voice for woods and trees; and held an assembly based on the uplifting story of The Man Who Planted Trees, whilst also discussing climate change and the importance of trees to everyone. Pupils also explored the traditions of tree dressing around the world and held their own tree dressing ceremony, decorating one of the trees in the school grounds with Christmas wishes for the future and homemade fat balls for the birds. It is great to see that even during these difficult times, our young people remain resilient and are gearing up with their Christmas spirit, well done to everyone involved.

- 8.9 Children's Rights:** I was pleased to be asked to speak by video to our young people on their rights. The Scottish Government has asked for all Local Authorities to produce a report on how they are taking forward the United Nations Convention of the Rights of the Child (UNCRC). The Education Service have created a website for our children and young people to find out more about what Argyll and Bute has been doing to support children's rights. We have amazing schools in Argyll and Bute, with fantastic staff, but the most important part of schools and the thing that makes our schools wonderful is our children and young people. The UNCRC says that children and young people should have every chance to be safe, healthy and have their views heard and in Argyll and Bute our schools work really hard to protect and promote these rights. We have 33 schools that are signed up to UNICEF's Rights Respecting Schools programme. This means that the whole school community learns about what Children's Rights are and how to support these.

9. POLICY LEAD FOR PLANNING AND REGULATORY SERVICES – Councillor David Kinniburgh

- 9.1 Local Development Plan 2 (LDP2):** My previous report advised that due to Covid-19 measures it was anticipated the Development Plan Scheme (DPS) which is the timetable for preparing the replacement LDP2 would require to be updated, as such a report updating the DPS was presented to and approved by the Planning, Protective Services and Licensing (PPSL) Committee in September for submission to Scottish Ministers

showing an anticipated slippage of adoption of LDP2 by 5 months to spring 2022.

It should be noted that until LDP2 is adopted the statutory status of the current Local Development Plan remains as well as the associated Supplementary Guidance.

Details of the proposed LDP2 and the updated DPS can be viewed at the following link: <https://www.argyll-bute.gov.uk/ldp2>

9.2 Planning Applications: Although the submission of planning applications had been expected to tail off during lockdown the submission rate of applications has constantly remained higher than anticipated since 23rd March. The latest figures available show that 1,096 formal applications have been received between 23rd March 2020 and 5th November 2020. This represents 86.1% of the volume received in the same period in 2019 when 1,273 applications were received – this shows an increase by volume since my last report of 5.6% when the figure was 81%.

9.3 Planning Fee Income: Although the number of applications received is encouraging, given the current circumstances we find ourselves in planning fee income remains a concern and projections show that there is likely to be a significant shortfall in planning fee income for 2020/21.

Two main factors for this are that the additional fee income that was expected from amended fee regulations which were due to be implemented in June 2020 by the Scottish Government were paused due to the pandemic and are now unlikely to be introduced before the Scottish Parliamentary elections in May 2021 and only one 'major' planning application has been received in the year to date compared to five in the same period last year which has had a significant impact on fee income.

9.4 Consultation Updates: In my last report I advised of a number of consultations that have been paused due to the current Covid-19 restrictions that are in place. This remains the case for the Conservation Area Appraisal consultations for Helensburgh Town Centre and Tarbert Conservation Area. However, as the consultation relating to the Argyll and Bute Windows Technical Working Note will be conducted on-line, preparation is underway to re-commence this consultation for a six-week period sometime during November and it is hoped that the feedback to the consultation will be reported to the PPSL Committee in February or March 2021.

9.5 Pre-Determination Planning Hearing arrangements: Since my last report the arrangements for conducting virtual Pre-Determination Hearings has been agreed with three hearings due to take place before the end of

this year. As stated previously local participation is a priority in conducting hearings and so far tests carried out by officers using Skype with up to 80 participants, some using the Council network and some using VPN, have proved successful with no major issues identified. This, together with a new procedure in place for conducting hearings virtually it should allow all participants to be heard in an open, fair and impartial way.

- 9.6 Regulatory Services:** Covid-19 enforcement work remains the main priority within Regulatory Services at the moment and resources are being diverted into this type of work to deal with the significant workload that is being placed upon the service at this time.

With the introduction of the new tier system enforcement strategies have been reviewed and there has been an enhanced focus on specific work in relation to the new measures.

10. CONCLUSION

- 10.1** This report provides members with an update on each of the Policy Lead portfolios. Policy Lead Councillors will be happy to discuss any particular issues with colleagues as required.

Argyll and Bute Council – Policy Lead Councillors Report – 12th November 2020

For further information please contact Aileen McNicol, Leadership Support and Member Services Manager, telephone 01546 604014 or email aileen.mcnicol@argyll-bute.gov.uk

ARGYLL & BUTE COUNCIL**COUNCIL****LEGAL AND REGULATORY SUPPORT****26th NOVEMBER 2020**

**EXTRACT OF THE SPECIAL AUDIT AND SCRUTINY COMMITTEE MEETING HELD ON
17, NOVEMBER 2020**

4. 2019-20 ANNUAL ACCOUNTS

Consideration was given to a report presenting the Audited Annual Accounts of the Council and Charitable Trusts for the year to 31 March 2020. The report highlighted the extension of the administrative deadlines for local government accounts by two months due to the Covid-19 pandemic.

The Committee recognised the efforts of the Finance Team in pulling together the accounts despite the challenging circumstances they faced.

Decision

The Audit and Scrutiny Committee agreed to recommend to Council that the Audited Annual Accounts of the Council and Charitable Trusts for the year to 31 March 2020 are approved.

(Reference: Report by Section 95 Officer, dated 17 November 2020, submitted)

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2019-20 AUDITED ANNUAL ACCOUNTS

1. EXECUTIVE SUMMARY

- 1.1 Audit Scotland have now completed their audit of the Council's Accounts for the year to 31 March 2020 and also the Charitable Trusts administered by the Council and have issued audit certificates containing no qualifications. They were able to conclude that the Accounts present a true and fair view of the financial position as at 31 March 2020. The audited accounts incorporating the audit certificate for 2019-20 are attached.
- 1.2 Due to the coronavirus, Scottish Government extended the administrative deadlines for local government accounts by two months, requiring the Council to prepare its unaudited 2019-20 accounts by 31 August 2020 and to submit audited accounts by 30 November 2020. The Council's unaudited accounts were completed and submitted by the historical statutory date of 30 June 2020. The audit has been completed within the timescale of 30 November 2020.
- 1.3 The main adjustments to the accounts, in addition to some presentational adjustments, are noted below:
- An adjustment was required in respect of two assets that on further investigation were identified as being in use therefore were moved from under construction to complete.
 - An adjustment was required in relation to the disposal of one asset where only part of it had been disposed of from the asset register.
- 1.4 There have been no adjustments that had an effect on the General Fund balance.
- 1.5 The financial position of the Council based on the audited accounts can be summarised as follows:
- Accounting Surplus on the provision of services for 2019-20 £6.234m
 - Underspend against budget for 2019-20 £0.502m
 - Total assets less liabilities at 31 March 2020 £325.471m
 - General fund balance at 31 March 2020 £49.670m.
- 1.6 The committed funds within the General Fund Balance are £43.375m per the audited accounts. This leaves an unallocated General Fund Balance of £6.295m. This equates to 2.54% of the Council's budgeted net expenditure for 2020-21 and exceeds the agreed contingency of 2% of approved budget as agreed as part of the 2019-20 budget.

2. RECOMMENDATIONS

- 2.1 The Committee is asked to consider and recommend to Council that the Audited Annual Accounts of the Council and Charitable Trusts for the year to 31 March 2020 are approved.

3. CONCLUSION

- 3.1 This report advises members on the conclusion of the audit of the accounts. The external auditor's certificate is unqualified. The audit was completed within the required timescales. Minimal adjustments were made to the accounts during the audit process.

4. IMPLICATIONS

- | | | |
|------|------------------------|------|
| 4.1 | Policy - | None |
| 4.2 | Financial - | None |
| 4.3 | Legal - | None |
| 4.4 | HR - | None |
| 4.5 | Fairer Scotland Duty - | None |
| 4.6 | Equalities - | None |
| 4.7 | Socio-Economic Duty - | None |
| 4.8 | Islands Duty - | None |
| 4.9 | Risk - | None |
| 4.10 | Customer Service - | None |

Kirsty Flanagan
S95 Officer
17 November 2020

Gary Mulvaney - Policy Lead for Financial Services and Capital Regeneration Projects

Appendix 1 – Summary of Main Changes to Financial Statements Arising from Audit
Appendix 2 – Argyll and Bute Council Audited Accounts 2019-20
Appendix 3 – Charities Accounts 2019-20

APPENDIX 1 – SUMMARY OF MAIN CHANGES TO FINANCIAL STATEMENTS ARISING FROM AUDIT

Section of Financial Statements Changes	Audited Accounts £000s	Unaudited Accounts £000s	Change £000s	Comments / Explanation
Comprehensive Income & Expenditure Account (Pages 45-46 of audited accounts)				
Net (Gain)/Loss on Disposal of Long Term Assets	1,487	587	900	Adjustment in relation to full disposal of asset.
(Surplus)/Deficit on Provision of Services	(8034)	(7,134)	(900)	Effect of above
Balance Sheet (Pages 47-48 of audited accounts)				
<i>Impact on Assets and Liabilities:</i>				
Other Land and Buildings	370,616	360,940	9,676	Transfers from Assets Under Construction
Assets Under Construction	26,806	36,482	(9,676)	Transfer of assets to complete
Assets Held for Sale	674	1,574	(900)	Adjustment in relation to full disposal of asset.
<i>Impact on Council Reserves:</i>				
Unusable Reserves – Capital Adjustment Account	220,263	221,163	(900)	Net effect of above
Statement of Movement in Reserves (Pages 49-50 of audited accounts)				
(Surplus)/Deficit on Provision of Services	(6,234)	(7,134)	(900)	Adjustment in relation to full disposal of asset.
Net Gain or Loss on Sale of non-current Assets	2,561	3,461	(900)	Adjustment in relation to full disposal of asset.

Argyll and Bute Council



Comhairle Earra Ghàidheal agus Bhòid



Audited Annual Accounts
for the year ended 31 March 2020

LANGUAGE OPTIONS

If you would like this document in another language or format, or if you require the services of an interpreter, please contact us.

Ma tha sibh ag iarraidh an sgrìobhainn seo ann an cànan no riochd eile, no ma tha sibh a' feumachdainn seirbheis eadar, feuch gun leig sibh fios thugainn.

本文件可以翻譯為另一語文版本，或製作成另一格式，如有此需要，或需要傳譯員的協助，請與我們聯絡。

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ਜੇ ਇਹ ਦਸਤਾਵੇਜ਼ ਤੁਹਾਨੂੰ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਜਾਂ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ ਚਾਹੀਦਾ ਹੈ, ਜਾਂ ਜੇ ਤੁਹਾਨੂੰ ਗੱਲਬਾਤ ਸਮਝਾਉਣ ਲਈ ਕਿਸੇ ਇੰਟਰਪ੍ਰੈਟਰ ਦੀ ਲੋੜ ਹੈ, ਤਾਂ ਤੁਸੀਂ ਸਾਨੂੰ ਦੱਸੋ।

یہ دستاویز اگر آپ کو کسی دیگر زبان یا دیگر شکل میں درکار ہو، یا اگر آپ کو ترجمان کی خدمات چاہئیں تو برائے مہربانی ہم سے رابطہ کیجئے۔

Jeżeli chcieliby Państwo otrzymać ten dokument w innym języku lub w innym formacie albo jeżeli potrzebna jest pomoc tłumacza, to prosimy o kontakt z nami.

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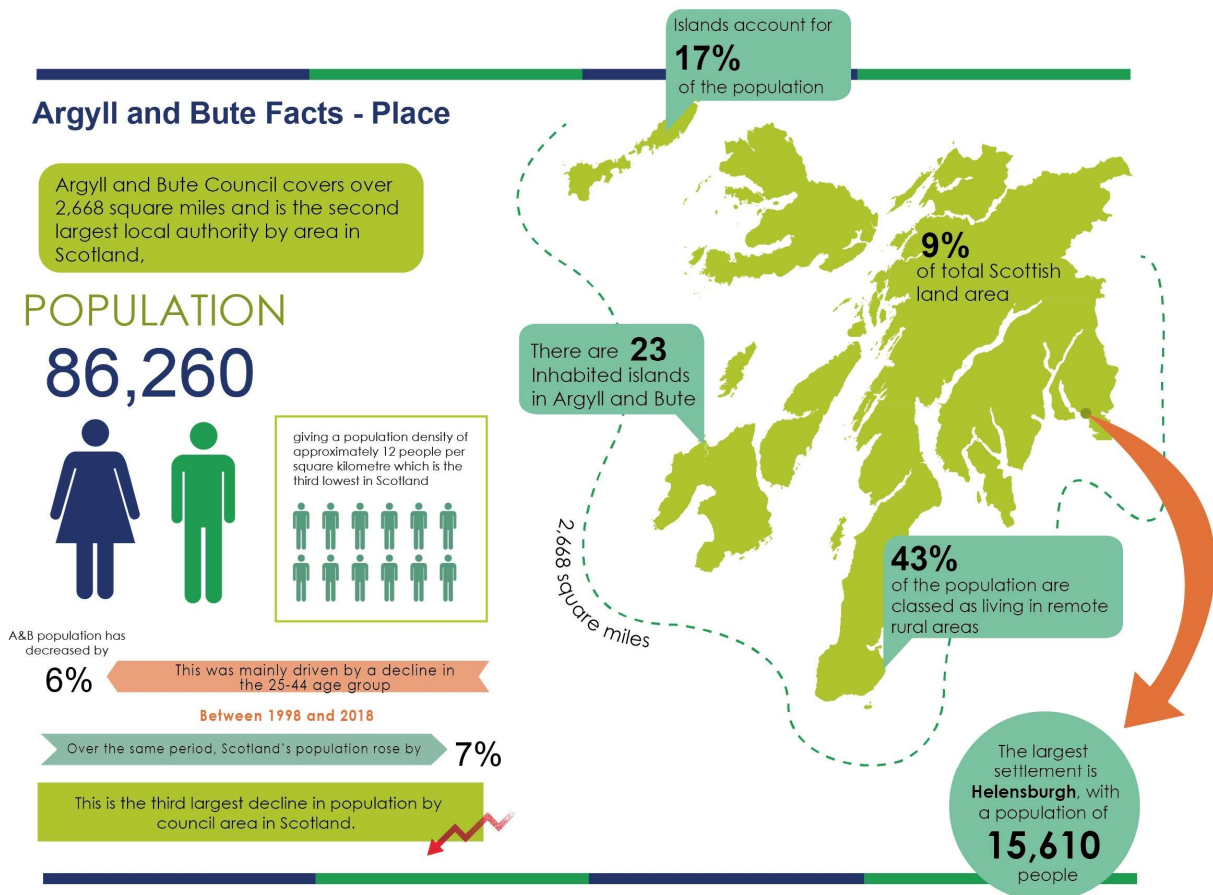
Management Commentary

1. INTRODUCTION

Welcome to the financial statements for Argyll and Bute Council and its group for the year ended 31 March 2020. The statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This commentary outlines the key messages regarding the performance of the Council over the 2019-20 financial year as well as providing an indication of risks and issues which may impact upon the Council in the future.

2. PROFILE OF ARGYLL AND BUTE COUNCIL

The report starts with outlining some key facts about Argyll and Bute.



Argyll and Bute Facts - Our Council

Argyll and Bute is split into 11 multi-councillor areas or wards

ELECTED MEMBERS



36

in total across
Argyll and Bute

ELECTORAL WARDS



For every ward there are at least 3 councillors that represent the area you live in



The Council is the major employer in Argyll and Bute

4,917

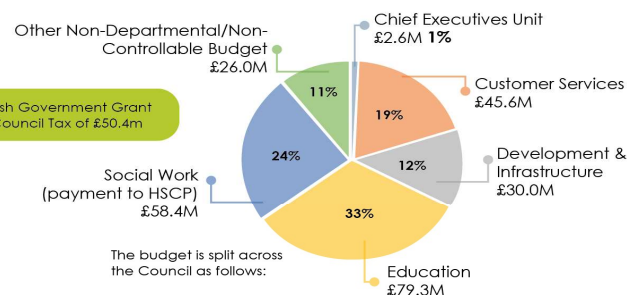
Employed across
Argyll and Bute Area
(per staffing watch
FQ4 2019-20).

There are
3,558
full time
equivalent
employees

The Council set the revenue budget for 2019-20 on 21 February 2019

The total revenue budget is
£241.9M

Financed by Scottish Government Grant
of £191.7m and Council Tax of £50.4m



3. MISSION AND PRIORITIES

The Council's Corporate Plan 2018-2022 was approved in February 2018 and sets out our mission, vision and priorities for the next 5 years. Our mission: ***To make Argyll and Bute a place people choose to Live, Learn, Work and Do Business.***

Service Plans are also agreed and detail the measures, targets and timescales to achieve the required results. Service Plans are aligned to the Corporate Plan and the Argyll and Bute Outcome Improvement Plan. Our Corporate Plan 2018-2022 can be found on the Argyll and Bute Council website.

Argyll and Bute is an area of Scotland with outstanding places, people and potential for a prosperous future for everyone. Our Council, along with our Community Planning Partners, is committed to ensuring that: ***Argyll and Bute's Economic Success is built on a Growing Population.***

Our six outcomes are:

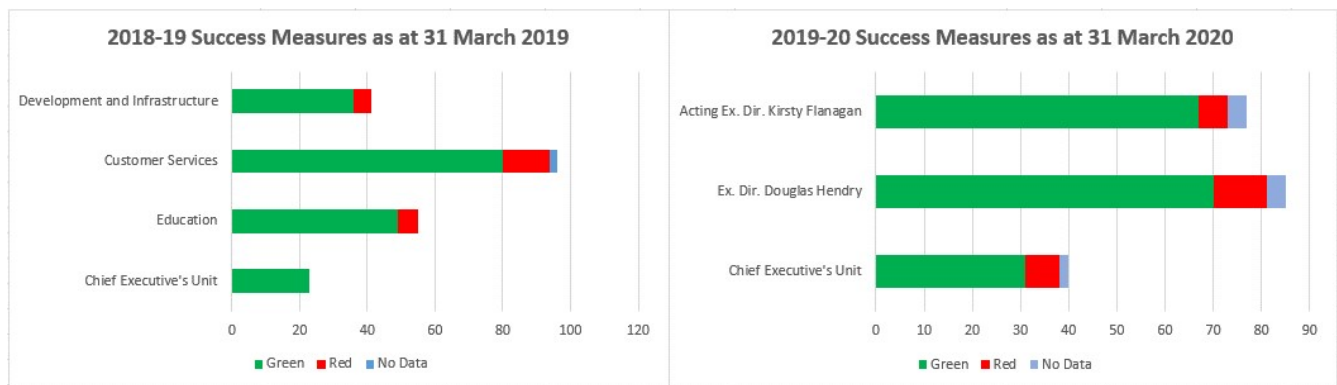
- Our Economy is diverse and thriving
- We have an infrastructure that supports sustainable growth
- Education skills and training maximise opportunities for all
- Children and young people have the best possible start
- People live active, healthier and independent lives
- People will live in safe and stronger communities.

Management Commentary

The performance of the Council is reported on the Council's website. Performance is reviewed by the Strategic Committees and then the Council and departmental performance reports and scorecards are presented to the Audit and Scrutiny Committee on a half-yearly basis.

In 2019-20 we have tracked our progress on delivering our outcomes through 17 business outcomes and 202 success measures which are recorded on the Council's scorecard. Progress is identified using the RAG (Red; Amber; Green) status to track performance. In terms of the success measures in 2019-20, there were 202 success measures and 168 were green (83%), 24 were red (12%) and 10 had no data (5%). For comparison purposes as at 31 March 2019, there were 215 success measures and 188 were green (87%), 25 were red (12%) and 2 had no data (1%). An analysis by Department is shown below. It should be noted that the departmental structure changed during 2019-20 and as a result the departmental axis on the charts is different.

2018-19 and 2019-20 Success Measures Performance as at 31 March



Some of our achievements are highlighted below.



Dunoon Grammar School was crowned the UK's European Entrepreneurial School of the Year in a prestigious ceremony in Helsinki. Dunoon Grammar is the first UK school to make the shortlist since the awards began in 2015. The European Entrepreneurial School Awards recognise outstanding schools that are championing entrepreneurship in education across Europe, including the extent to which they involve the local community and business sector in entrepreneurial activity.

Management Commentary



The Council was once again recognised for offering fresh, healthy and sustainable school lunches and were awarded the Soil Association Scotland's Bronze Food For Life Served Here award. This award is a widely respected and independently assessed scheme, supported by the Scottish Government, which helps local authorities to source food from the local area for school meals so that children benefit from freshly prepared, sustainable meals. It recognises councils that serve food made from fresh ingredients,

free from genetically modified ingredients and undesirable additives, using free-range eggs and high-welfare meat. The catering service serves 4,300 Food for Life accredited meals a day.

Our communications team introduced the hashtag [abplace2b](#), developed the website www.abplace2b.scot to help attract people via digital communication channels, and delivered social media campaigns targeted at working age people. Thousands of people have been persuaded to find out about www.abplace2b.scot and the Council's Instagram account remains the most followed Scottish council site, with members of the public tagging, to date, more than 15,000 images of the area with #abplace2b on Instagram alone. We are receiving positive feedback from people wanting to relocate to the area.



This year's roads capital programme has delivered a £6m investment in Argyll and Bute's local road network. The Council's operations team delivered significant improvements to our network, making it the fifth fastest improving local road network in Scotland, delivering excellence with reduced capacity. The nationally accepted Road Condition Index Survey shows that there are now more roads in the area in a green (good) condition, and crucially in terms of community resilience, fewer roads in a red (poor) condition.



Argyll and Bute secured £1.7m from the Scottish Government's Timber Transport Fund (STTF), the largest share of the Government's £6.6m fund which is earmarked for projects that minimise the impact of timber lorries on the rural road network. The works undertaken will make it easier for local residents and businesses to share the roads. Getting timber off our own road network and improving journey times when shifting timber from forests to processing facilities is another major benefit of improving the network.

Management Commentary

The £200,000+ repair scheme at the Avenue Screen (The Arches), Inveraray was completed in November 2019. The main element of the repair work was the removal of the failing cement render and replacement with lime harling. The structure was then decorated with silicate paint. Other works included; replacement stone copes using local stone, installation of new leadwork, all existing gates and screens removed from site and fully repaired, redecorated and reinstated.



4. BEST VALUE

Best Value (BV) is assessed by the Council's external auditors over the five year audit appointment, as part of the annual audit work and, additionally, a Best Value Assurance Report (BVAR) for each Council will be considered by the Accounts Commission at least once during this five year period.

Audit Scotland completed their BV Audit of the Council in January 2020. The Accounts Commission then published the final report with their findings on 21st May 2020. The Commission welcomed the progress made by the Council since the last inspection in 2015, highlighting the significantly improved relationships amongst elected members and between members and officers, which provide a sound basis for tackling future challenges and the Council's sound approach to financial planning and budgeting which has allowed it to achieve financial balance in the short term.

As for all councils, the Accounts Commission also identified areas for the Council to focus its continued improvement upon, such as improve how we manage and report performance, deliver more significant transformation and redesign of service and engage staff fully in planning and implementing change. This work is expected to help provide the basis for an enhanced long-term financial plan.

A report on the Best Value Review was presented to Council at their meeting on 30th June as was an associated Action Plan. Progress against the action plan will be monitored and reported to full Council and the Audit and Scrutiny Committee. An update on progress will also be included in the Council's 2020-21 annual report. Full Council papers are available via the Council's website.

5. FINANCIAL PERFORMANCE 2019-20



The Council has a robust financial reporting framework in place and a comprehensive monitoring pack is prepared and presented to the Policy and Resources Committee every two months. This includes reports on the revenue budget, capital plan, financial risks, treasury monitoring, reserves and balances and delivery of any previously agreed savings. The financial framework is shown on the left.

Management Commentary

Revenue: Outturn against Budget

The performance against budget for financial year 2019-20, after adjusting for automatic and proposed earmarked reserve proposals, was an overall underspend of £0.502m, 0.20% (2018-19 overspend of £1.118m, 0.45%). There was a net underspend of £0.626m in relation to Council services departmental expenditure, a net underspend of £0.975m in relation to other central costs and a net over recovery of funding of £0.042m. Social Work, managed by the Health and Social Care Partnership were overspent by £1.141m. A summary of the final outturn position is summarised in the table below.

2019-20 Final Revenue Budget Outturn

	Actuals	Budget	Variance	Percentage
		Adjusted for Earmarkings	(Overspend) Underspend	
	£000	£000	£000	%
Chief Executive's Unit	5,013	5,006	(7)	(0.14%)
Executive Director (Douglas Hendry)	106,851	107,475	624	0.58%
Executive Director (Kirsty Flanagan)	46,466	46,474	8	0.02%
Total Departmental Expenditure	158,330	158,955	625	0.39%
Joint Boards	1,465	1,456	(9)	(0.62%)
Loans Charges	18,325	20,693	2,368	11.44%
Pension Costs	2,462	1,555	(907)	(58.33%)
Other	7,936	7,459	(477)	(6.40%)
Total Central Expenditure	30,188	31,163	975	3.13%
Social Work	59,946	58,805	(1,141)	(1.94%)
Total Social Work Expenditure	59,946	58,805	(1,141)	(1.94%)
Total Expenditure	248,464	248,923	459	0.19%
Total Funding	261,983	261,941	42	0.02%
UNDERSPEND			501	

The main reasons for the year-end net underspend are noted below:

- An underspend that has not been utilised towards earmarking is in relation to contract efficiencies and savings in both the Non-Profit Distributing Organisation (NPDO) and Hub Design, Build, Finance and Maintain (DBFM) contracts. The team continue to be successful in bringing these annual payments in under budget through contract management during the year.
- An underspend of £2.368m on the loans fund, as previously reported to Council. This underspend has arisen due to the Loans Fund review that was approved by Council on 27 February 2020 and gave rise to savings within 2019-20 and future years.
- There is an overspend on redundancies of £0.907m and these costs have been absorbed within the overall Council position.
- There is an overspend in other services of £0.477m due to unachieved procurement savings, a provision for a VAT mis-declaration, VAT advisor fees, insurance and bank charges which are offset by underspends in NDR budgets.

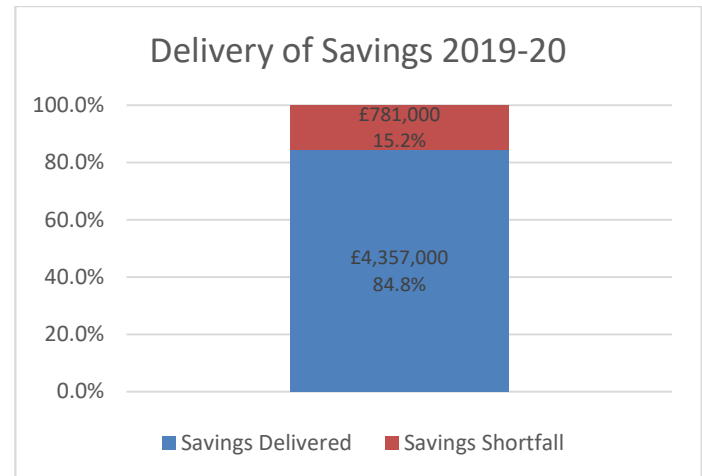
Management Commentary

- The overspend in Social Work of £1.141m arises from a combination of slippage on the delivery of planned savings and increased demand for services.

Delivery of 2019-20 Agreed Savings

The Council has been required to make significant budget savings for a number of years in order to ensure that it responds to continued funding reductions, rising cost pressures and complies with its statutory requirement to set a balanced budget whilst meeting the needs of local residents.

Budget savings of £5.138m (67 individual savings options) were agreed for 2019-20 and these are monitored throughout the year. The chart on the right shows the overall delivery of savings and any shortfall was absorbed within departmental resources as is evidenced from the overall departmental underspend.



Capital: Outturn against Budget

The net 2019-20 capital expenditure is £19.321m compared to an annual budget of £19.435, (adjusted for previously agreed slippages, accelerations and virements) giving rise to an underspend of £0.114m (0.6%). There are a number of under and (overspends) within the outturn position, the most significant are noted below:

Project	Variance (£m)
CHORD Programme	(0.544)
Primary Schools	0.375
TIF Income	(0.351)
Oban Depot Development	(0.295)
Harbour Investment Programme	0.239
Solar PV Panel Installations	0.271
Town Centre Funds	0.202

There are 149 projects within the Capital Plan: 131 of the projects are complete or on track which equates to 88%.

Health and Social Care Partnership (HSCP)

The Argyll and Bute Integration Joint Board (IJB) with responsibility for Social Work and a range of health services was established and came into effect on 1 April 2016. The Council approved the 2019-20 budget on 28 February 2019 and the amount approved for Social Work services transferring to the Integration Joint Board for 2019-20 was £58.4m. The budget figures quoted in the previous outturn table include in-year adjustments.

In terms of the outturn position, there is an overspend on Social Work Services of £1.141m. The HSCP are required to repay this amount back to the Council, as per the Scheme of Integration, and a repayment plan was agreed by the Business Continuity Committee on 14 May 2020. The repayments

Management Commentary

are £0.500m in 2020-21 (adjusted to £0.400m as the Social Work outturn for 2019-20 included repayment of £0.100m), £1.200m in 2021-22, £1.255m in 2022-23, £1.327m in 2023-24 and £1.141m in 2024-25. Within the accounts, the repayment is not recognised as a debtor as it is a commitment against future funding, consequently, the £1.141m overspend has a direct impact on the Council's General Fund balance until it is repaid.

6. FINANCIAL STATEMENTS

Expenditure and Funding Analysis Statement

The Expenditure and Funding Analysis Statement shows how the Council funding is spent across services. It also compares to the expenditure shown in the Statement of Comprehensive Income and Expenditure and details the differences between the two. The differences are a result of accounting statutory adjustments that are required within the Statement of Comprehensive Income and Expenditure, for example, depreciation, pension adjustments etc.

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the accounting cost of providing services rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Council is required to make various statutory accounting adjustments to the net cost of services as reported in the budgetary outturn in order to comply with the Code of Practice for Local Authority Accounting in the United Kingdom 2019-20. These accounting adjustments include depreciation, loans fund principal repayment and accrued holiday leave not taken by 31 March 2020. Internal income also requires to be removed between segments within the Comprehensive Income and Expenditure Statement.

Reconciliation of Comprehensive Income and Expenditure Statement to Revenue Budget Outturn

A reconciliation of the Surplus on the Provision of Services of £6.234m as noted in the Comprehensive Income and Expenditure Statement (CIES) to the revenue budget outturn of £0.502m underspend is shown below.

Reconciliation of CIES to Revenue Budget Outturn

	£000	£000
Surplus/(Deficit) on Provision of Services		6,234
<i>Remove statutory adjustments that don't feature in budget outturn:</i>		
Depreciation	22,662	
Impairment of Assets charged to Services	(287)	
Capital Funding	(31,136)	
CFCR	(812)	
Pension Adjustment	18,238	
Statutory Repayment of Debt	(11,098)	
Repayment of Finance Leases	(5,651)	
Transfers to/from Other Statutory Reserves	(174)	
Other Adjustments	2,214	
		(6,044)
		190
Movement in General Fund Balance		
<i>Adjust for earmarkings:</i>		
Released sums earmarked to service budgets 2019-20	13,548	
Supplementary estimates agreed during 2019-20	94	
Budgeted surplus in 2018-19 transferred to General Fund (for capital)	(212)	
Repayment of Social Work Overspend by HSCP	(100)	
Contributions to earmarked reserves 2019-20	(13,018)	
		312
Revenue Budget Underspend / (Overspend)		502

Management Commentary

Balance Sheet

The Balance Sheet summarises the Council's assets and liabilities as at 31 March 2020 and explanatory notes are provided. The net worth of the Council has increased by £82.804m from 242.667m as at 31 March 2019 to £325.471m as at 31 March 2020. The major changes are set out in the table below.

Main Balance Sheet Changes

	31/03/2019 £000	31/03/2020 £000	Change £000	Main Reason
Long Term Assets	624,055	648,377	24,322	Asset revaluations.
Current Assets	92,072	87,464	(4,608)	Small increase in short term investments and a reduction in cash held at the end of the year.
Current Liabilities	(62,455)	(47,115)	15,340	Reduction in short term borrowing.
Long Term Liabilities	(411,005)	(363,255)	47,750	Reduction in pension liability.
Total	242,667	325,471	82,804	

Provisions

The Council has provisions totalling £3.573m on the Balance Sheet as detailed in Note 28 to the Accounts. The larger provisions, those over £0.250m are summarised below.

- £0.260m redundancy costs. Liabilities have arisen in respect of employees who will be made redundant as a result of savings options agreed. The cost for any employee, whose contract has been terminated on or before 31 March 2020 has been incurred in year. For the employees who have confirmed acceptance of redundancy but have left or are leaving after 31 March 2020, a provision has been created.
- £1.302m landfill sites. A provision for landfill sites was created in 2014-15 reflecting the Council's liability for restoration and ongoing maintenance in respect of landfill sites operated by the Council at Glengorm, Gartbreck and Gott Bay. These have been provided for based on the net present value of estimated future costs.
- £1.341m NPDO and Hub DBFM Payments. This provision is held in relation to disputed performance deductions and unbilled utility costs.

Pension Liability

The Council is required to account for its share of the Strathclyde Pension Fund assets and liabilities. The information included in the Accounts is provided by the Pension Fund actuaries following the annual valuation of the Fund.

The Council's share of the liabilities of Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on the assumptions about mortality rates, salary levels etc. The liability relates to benefits earned by existing or previous employees up to 31 March 2020.

The most significant change in the financial assumptions this year relates to the rate of inflation. There are two financial assumptions linked to inflation, and both have decreased from 2.5% as at 31 March 2019 to 1.9% as at 31 March 2020. With the inflation estimate lower than the previous year, the pensions liability will also be lower. Further detail on the pension estimates are included within Note 30.

Management Commentary

The pension liability can fluctuate significantly year on year. The table below shows the pension liability over the last three years. Further detail on the pension estimates are included within Note 30.

Pension Liability at the end of the financial year

	2017-18 £000	2018-19 £000	2019-20 £000
Pension Liability	(56,442)	(113,768)	(67,346)

Borrowing

During 2019-20 the Council's External borrowing decreased by £10m from £183.5m as at 31 March 2019 to £173.6m as at 31 March 2020. The decrease was due to repayment of borrowing of £17m, offset by £7m of new PWLB loans taken out. The Council had borrowed in excess of its requirement by £1.9m at 31 March 2020. This was due to unexpected slippage in the Council's capital programme. The over borrowing will correct itself once the expenditure which slipped is incurred during 2020-21.

The Council's 2020-21 'Treasury Management Strategy and Annual Investment Strategy' was approved at the full Council meeting on 27 February 2020 and outlines the Council's capital prudential and treasury indicators.

Statement of Movement in Reserves

This Statement shows the movement on the different reserves held by the Council, analysed into usable reserves (resource backed reserves which can be used to fund expenditure) and unusable reserves (required purely for accounting purposes and are not backed by resources).

The balance of unusable reserves has increased by £82.440m from £187.139m as at 31 March 2019 to £269.579m as at 31 March 2020. Part of the movement is the increase in the pensions reserve which is linked to the decrease in the pension liability noted earlier in this commentary. The remainder of the movement is accounting adjustments required through the Capital adjustment account and revaluation reserve.

The balance of usable reserves has increased by £0.364m from £55.528m as at 31 March 2019 to £55.892m as at 31 March 2020. This is mainly as a result of a small increase to the General Fund Balance of £0.190m in addition to a small increases to the Capital Fund outlined in Note 33.1 and the Repair and Renewals Fund outlined in Note 33.2.

In respect of the General Fund Balance movement, this has increased by £0.190m from £49.480m to £49.670m and the factors that contribute to the increase are summarised in the table below.

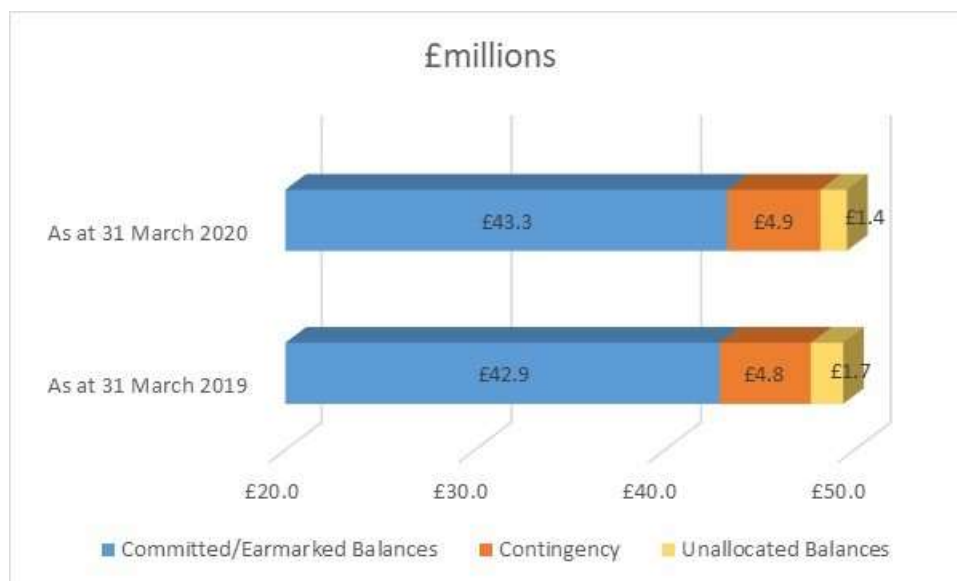
Movement on General Fund Balance

	£000
Balance on General Fund 31 March 2019	49,480
Budgeted surplus 2019-20	212
Part repayment of Social Work overspend 2017-18	100
Supplementary Estimate Agreed	(94)
Released sums earmarked to service budgets 2019-20	(13,548)
Contributions to earmarked reserves 2019-20	13,018
Overall budget underspend as noted above	502
Balance on General Fund 31 March 2020	49,670

Management Commentary

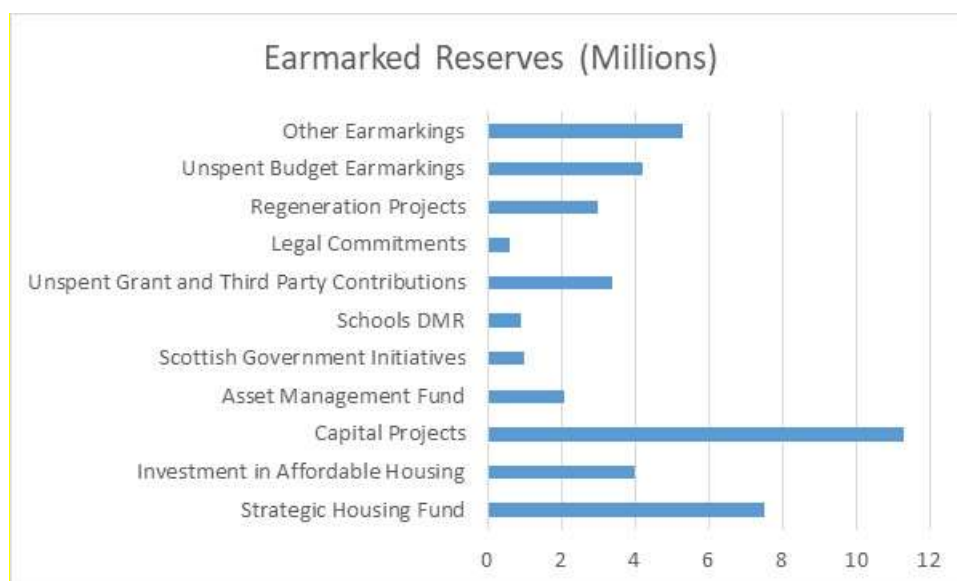
The chart below shows what is included within the General Balance as at 31 March 2020 with a comparison of the position as at 31 March 2019.

General Fund Balances as at 31 March 2019 and 31 March 2020



An analysis of the earmarked balances are shown in the chart below.

Earmarked Balances held in the General Fund as at 31 March 2020



Group Accounts

The Group accounts include Dunbartonshire and Argyll & Bute Valuation Joint Board, Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme Joint Committee as Associates as the Council have "significant influence" over their financial and operating policies. Live Argyll is a wholly owned subsidiary of Argyll and Bute Council and is consolidated within the group accounts on a line by line basis.

In addition, the Council's Common Good Funds have been fully consolidated into the Group Accounts and Note 37 gives further details on the Council's Common Good Funds.

Management Commentary

The effect of inclusion of the Associates, Subsidiary and Common Good Funds on the Group Balance Sheet is to increase both reserves and net worth by £11.098m. This gives an overall net asset position for the Group of £336.583m, an increase of £84.146132m from the previous year. As with the single entity Balance Sheet, the increase is mainly due to the increase in the pension liability.

The Argyll and Bute Integration Joint Board was established as a body corporate by order of Scottish Ministers on 27 June 2015. The partnership between Argyll and Bute Council and NHS Highland has been established in accordance with the provisions of the Public Bodies (Joint Working) (Scotland) Act 2014 and associated Regulations. The Integration Joint Board has responsibility for all health and social care functions relating to adults and children and will oversee the strategic planning and budgeting of these, together with corresponding service delivery for the residents of Argyll and Bute. Argyll and Bute Council contributed £59.946m towards the Argyll and Bute Integration Joint Board in the 2019-20 financial year. All transactions are accounted for and shown within the single entity statements and therefore there is no material impact on the group accounts.

7. KEY FINANCIAL INDICATORS

The financial indicators outlined below have been developed to assist the reader in assessing the performance by the Council over the last financial year and the affordability of its ongoing commitments.

Key Financial Indicators

Financial Indicator	2018-19	2019-20	Comment
Unallocated General Fund Balance as a proportion of next year's Annual Budgeted Net Expenditure	2.71%	2.54%	Reflects the level of funding available to manage financial risk/unplanned expenditure. This includes the 2% contingency. There are sufficient reserves to meet any unplanned expenditure.
Movement in the Unallocated General Fund Balance	Decrease £0.2m	Decrease £0.3m	Reflects the extent to which the Council is using its Unallocated General Fund Balance (excluding contingency). The overspends in Social Work are having an adverse impact on the Council's unallocated balance, however, a repayment plan is in place to repay £5.323m over the next 5 years.
In-year collection rate	96.11%	96.40%	Reflects the Council's effectiveness in collecting Council Tax debt compared to a target of 96%.
Ratio of Council Tax Income to Overall Level of Funding	19.05%	18.78%	Reflects the capacity of the Council to vary expenditure by raising Council Tax income. Council Tax increased by 4.79% in 2019-20.
Actual Outturn compared to budgeted expenditure	(£1.118m) (0.45%)	£0.502 0.20%	A measure of how the final outturn compares to the budgeted position and is a reflection of the effectiveness of financial management.
Capital Financing Requirement (CFR) for the current year	£309.994m	£296.187m	Measurement of requirement to borrow for capital purposes.
External Debt Levels for the current year	£183.476m	£173.639m	Actual borrowing for capital investment levels.
Ratio of financing costs to net revenue stream	6.31%	6.99%	Measures the percentage of income that has been committed towards meeting the costs of borrowing. The more income needed to fund financing costs the less available to meet other revenue expenditure.

8. OUTLOOK

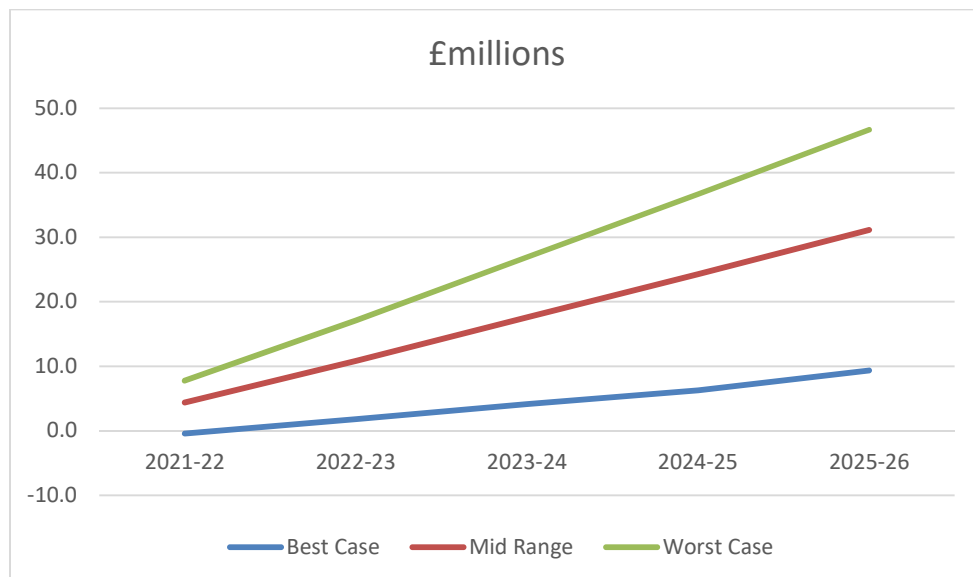
A three year financial outlook informing Council of the estimated budget gap covering the period 2020-21 to 2022-23 using best case, worse case and mid-range scenarios was kept up to date during

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financial year 2019-20 and presented to the Policy and Resources Committee in May, August, October and December 2019. The full UK Budget was expected to be announced on 6 November 2019 with the Scottish Budget on 12 December, however, due to the 2019 General Election, the UK Budget was deferred and the draft Scottish Budget, for one year only, wasn't announced until 6 February 2020. The Council set the budget for 2020-21 on 28 February 2020.

In terms of looking ahead, the financial outlook has now been extended to cover a five year period 2021-22 to 2025-26 to provide a longer term view of the Council's estimated gap. The first five year budget outlook was reported to the Business Continuity Committee on 14 May 2020. Preparing any forward looking financial outlook is challenging due to the levels of uncertainty, however, the assumptions are reviewed regularly and updated with the outlook prepared to reflect a best case, worst case and mid-range scenario. The Council has a strong track record in financial management as recognised by previous years annual external audit reports and the Council's Best Value report issued in May 2020. The chart below shows the budget gap over the next five years as reported to Committee on 14 May 2020, it should be noted that this outlook doesn't include any estimate of additional costs or lost income as a result of the COVID-19 pandemic.

Budget Gap 2021-22 to 2025-26 as reported on 14 May 2020



Loans Fund Review

A review of the Council's Loans Fund was completed during 2019-20 and approved at Council on 28 February 2020. The review followed a change in regulations that saw a move from a prescriptive basis on how the repayment values are to be calculated (maximum periods permitted for each asset class), to a prudent one with each local authority allowed to determine what is prudent. These changes provided greater flexibility for the Council to repay the outstanding Loans Fund advances over a different period. The review identified recurring re-profiling gains of £2.500m per annum over the next 10 years and a one-off re-profiling gain of £20.561m.

The one-off re-profiling gain can be taken in future years in any way the Council wishes, as long as it deems it to be prudent and does not result in a negative charge in the loans fund. The Council made a prudent provision to use some of the one-off gain to protect against increasing principal repayments over the next 10 years and used the remainder to support organisational change and further invest in the capital programme.

COVID-19 Pandemic

The COVID-19 pandemic has required an urgent, multi-agency response at national and local government level. Argyll and Bute Council has been working in partnership with community planning partners and other agencies to respond to the pandemic in Argyll and Bute, to maintain critical front

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line services and, where possible, to look ahead with a view to service restoration and planning for the future.

The financial and economic consequences of the pandemic are expected to be significant in the short term, with unprecedented financial interventions made by both the UK and Scottish Government to support the immediate response and support businesses and the economy. Despite this intervention, the economy across the UK and Scotland will experience the sharpest and deepest downturn in modern history and there is a growing concern that the period of recovery will take some time, if it ever recovers fully.

The financial outlook is significantly exacerbated by the extent to which COVID-19 will impact on both future years expenditure including loss of income and the future years funding. There is a lack of clarity at the current time over how the additional funds made available by the UK and Scottish Government to combat the impact of COVID-19 will meet the 2020-21 additional costs and loss of income and whether there will be any further additional funding to support the medium to longer term implications of COVID-19. The Council are closely monitoring the financial impact to assess the effect it is having on the delivery of agreed savings options and the cost pressures it is creating. The Government will need to consider how they seek to effectively pay these additional funds back and how the economy is going to recover from the pandemic and this could have implications for future funding of Local Government.

The Council is also considering future arrangements to support recovery from the impact of the public health measures which have been implemented to control the global outbreak of COVID-19, and in particular, the recovery phase as it affects Argyll and Bute. A tactical group has been established which will take forward this process working with partners and communities, to facilitate a planned transition to the “new normal” and in time business as usual. Services continue to monitor resources in line with national guidance to identify any opportunities to change or restore services affected by the pandemic. The impact of the controls which have been implemented nationally are still emerging and changing, and it will be important that the recovery strategy adapts and changes to reflect these.

Rural Growth Deal

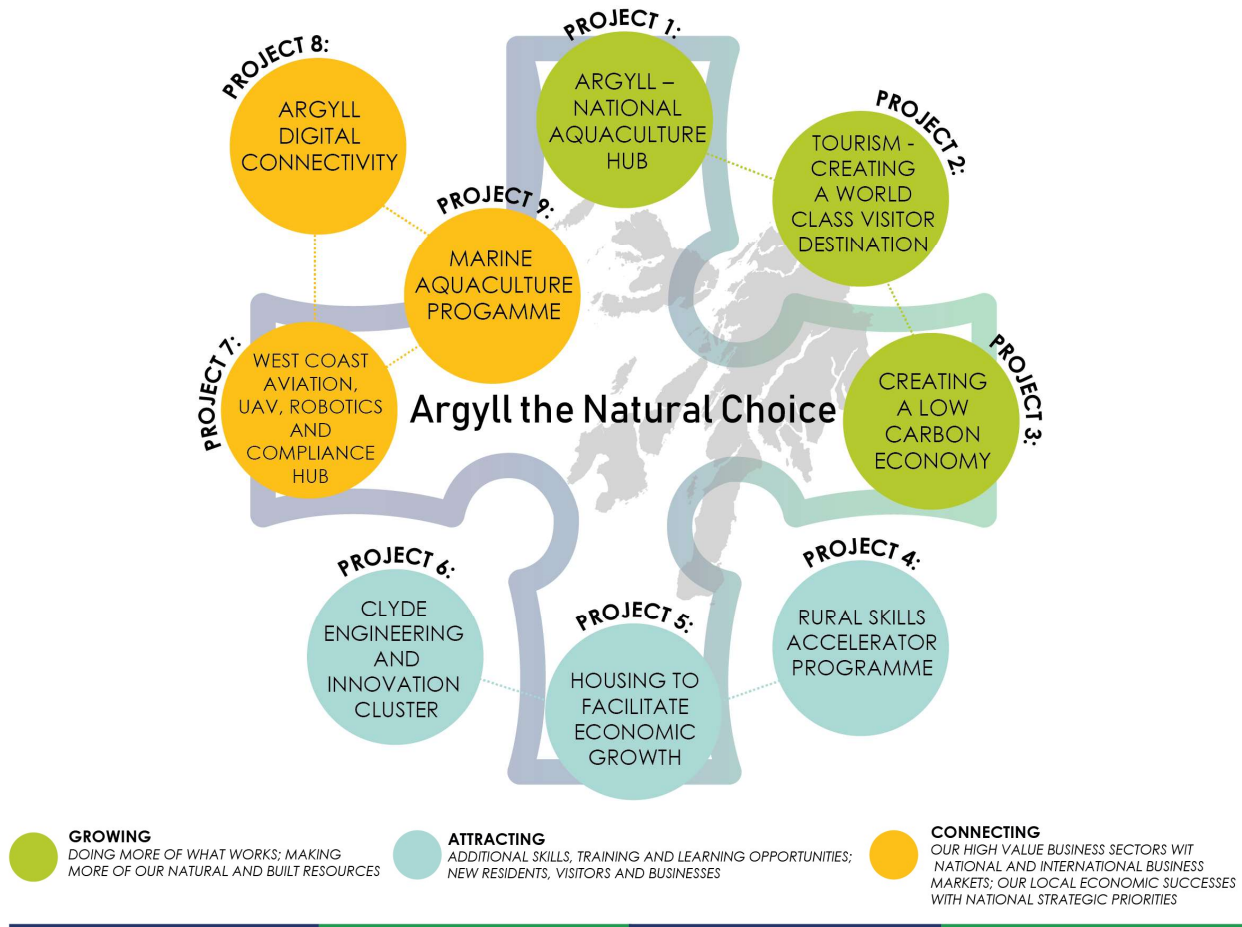
The Council's Rural Growth Deal has been confirmed as £50m, which is considerably lower than our initial proposition of £178.5m. As such, it has been necessary to review our proposals and some projects have now been removed from the Deal and will be progressed via alternative funding routes.

The next key milestone in the Rural Growth Deal process will be the signing of a Heads of Terms Agreement with the Scottish and UK Governments and other key stakeholders as appropriate. The Heads of Terms Agreement will officially set out the scope of the deal and commit all partners to provide adequate resources, including match funding where required subject to the approval of robust Treasury 5 Business Cases. In order to reach Heads of Terms, the Council and key stakeholders are required to submit Strategic Outline Cases (SOCs) for each Rural Growth Deal project to the Scottish and UK Government in line with the Treasury 5 Case Model. Officers from Development and Economic Growth working with other council services and key project stakeholders have prepared 9 project SOC templates using a template previously provided by a UK Government Department and these completed templates should be sufficient for the purposes of reaching a Heads of Terms agreement.

Signing a Heads of Terms Agreement will represent a key milestone in the Rural Growth Deal process and will provide further clarity as to the projects which will be taken forward as part of the Rural Growth Deal. It should be remembered that the projects that have been submitted have taken into account the likely Government funding split and the limited amount of funds available for revenue funding that will be made available from the Scottish Government. Agreeing Heads of Terms will enable the Council and key stakeholders to progress with further phases of project development work including preparation of outline business cases in line with the Treasury 5 Case Model. It is anticipated that the next stage of the process will take a minimum of 12 months albeit discussions are ongoing with the Scottish Government on how to accelerate the Growth Deal programme in light of the need to respond to COVID-19. There may also be a need to prioritise projects that are deemed to have greatest impact on improving our economy at this time.

Management Commentary

Argyll and Bute Facts - Rural Growth Deal



Risks

The Council's Strategic Management Team (SMT) actively manage strategic risks via a six monthly review of the Strategic Risk Register which adopts established risk management arrangements including reviewing current mitigating measures and identifying key actions to further mitigate them. These actions are designed to be consistent with the work required to deliver services which are aligned to the Council's objectives through the Council's strategic and service plans. Furthermore departmental management teams review their operational risk registers (ORR) on a quarterly basis with all red risks identified in ORRs being reported to the SMT to ensure they are sighted on all emerging high priority risks.

The SRR currently has 13 strategic risks which are categorised using a RAG (Red, Amber, Green) Status based on the residual impact and likelihood of crystallisation after accounting for mitigation measures. There are currently four risks classified as red as set out in the diagram below which also summarises the current mitigating actions. These are issues that the Council continues to manage through programmes of work such as the Rural Growth Deal, continuous engagement with relevant officers in the HSCP as well as exploring further opportunities for joint working, progressing a new Waste Strategy with a particular focus on the 2025 ban on Biodegradable Municipal Waste and continuing to react and respond to the ongoing COVID-19 pandemic.

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9. CONCLUSION

The Council has continued to have good financial planning arrangements in place in 2019-20, acknowledged by the Council's Best Value Review published in May 2020. Despite the financial challenges, the Council operated within the budget for 2019-20. Financially challenging times remain ahead and the COVID-19 pandemic will have a significant impact and difficult decisions will be required. The Council are committed to deliver the best services to the people of Argyll and Bute within the available resources.

10. ACKNOWLEDGEMENTS

We would take this opportunity to acknowledge the significant effort in producing the Annual Accounts and to record our thanks to both Elected Members and staff for their continued hard work and support.

Cllr Robin Currie
Leader

Pippa Milne
Chief Executive

Kirsty Flanagan
Section 95 Officer

Statement of Responsibilities for the Annual Accounts

THE AUTHORITY'S RESPONSIBILITIES

The Council is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs (Section 95 of the Local Government (Scotland) Act 1973). In this Authority, that officer is the Interim Executive Director;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- to approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Council at its meeting on 26 November 2020.

Signed on behalf of Argyll and Bute Council

Councillor Robin Currie
Leader

SECTION 95 OFFICER RESPONSIBILITIES

The Section 95 Officer is responsible for the preparation of the Council's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (The Code).

In preparing the Annual Accounts, the Section 95 Officer has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation;
- complied with the Local Authority Accounting Code of Practice 2019-20 (in so far as it is compatible with legislation).

The Section 95 Officer has also:

- kept adequate accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts give a true and fair view of the financial position of the Council and its group at the reporting date and the transactions of the Council and its group for the year ended 31 March 2020.

Kirsty Flanagan
Section 95 Officer

BACKGROUND / SCOPE OF RESPONSIBILITY

Argyll and Bute Council's (the Council) governance framework includes the systems, processes and culture by which the Council is controlled, engages with communities and monitors the achievement of strategic objectives. The Council conducts its business in accordance with the law and proper standards. The Council has a duty to make arrangements to secure continuous improvement in the way which its functions are exercised, having regard to the economic, efficient and effective use of public money.

The system of internal control is a key part of the framework, and is designed to manage risk to an acceptable level.

In discharging these responsibilities, the Council has put in place proper arrangements for the governance of its affairs and the stewardship of the resources at its disposal. The Council has approved and adopted a Local Code of Corporate Governance (the Code), which is consistent with the principles set out in the 'Delivering Good Governance in Local Government: Framework' and related 'Guidance Notes for Scottish Authorities' published in 2016 by CIPFA and SOLACE. This Statement explains how the Council has complied with the Code and meets the requirements of current good practice.

A copy of the Code may be obtained from the Head of Legal and Regulatory Support, Argyll and Bute Council, Kilmory, Lochgilphead, PA31 8RT and is also available on the Council's website.

THE GOVERNANCE FRAMEWORK

The Code details how the Council will demonstrate compliance with the fundamental principles of corporate governance for public sector bodies. The six key principles of our governance arrangements in 2019/20 are described in the Code, along with our supporting principles and key aspects of our arrangements to ensure compliance. Key features of our arrangements are summarised below.

1. Focusing on the purpose of the Council and on outcomes for the community, and creating and implementing a vision for the local area

Our Corporate Plan sets out the council's, and our community planning partner's, vision for Argyll and Bute's economic success is built on a growing population. It also defines our mission "To make Argyll and Bute a place people choose to live, learn, work and do business" and establishes our outcomes, priorities and approach to delivering on our shared ambition with our community partners.

We have a Performance Improvement Framework (PIF) that ensures performance is integral to the work of the Council. The PIF is focused not just on measuring what we do but on measuring the difference we make in terms of our outcomes.

Councillors and senior managers review and scrutinise the Council's performance at all levels to ensure our services are having the desired impact on our communities and customers. At a strategic level, performance is scrutinised through our strategic committees and, more locally, at our area committees. The Audit and Scrutiny Committee, which meets four times a year, has a key role in reviewing and scrutinising how we are meeting our strategic objectives. They also promote good internal control, financial and risk management, governance and performance management, in order to provide reasonable assurance over the effective and efficient operation of the Council, and compliance with laws and regulations, including the Council's Financial and Security Regulations, Contract Standing Orders and accounting codes of practice.

2. Members and officers working together to achieve a common purpose with clearly defined functions and roles

The Council's constitution defines the roles and responsibilities of the administration, committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective

communication. The constitution is updated on an annual basis with the last update carried out in June 2019.

The constitution includes collective and individual roles and responsibilities of the Leader, Provost, Policy Lead Councillors, other councillors and officers. It also includes a protocol for the role of the Monitoring Officer (the Executive Director for Customer Services).

The Standards Commission Advice Note for Councillors on Distinguishing between their Strategic Role and any Operational Work has previously been included in an Elected Member Seminar and is hosted on the Members Resource page on the Hub for ease of reference.

3. Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour

We have four values that underpin all that we do and provide a sound basis to achieve transformation to ensure we meet the challenges of the future and deliver quality services. These values are that we have a workforce which is:

- Caring
- Committed
- Collaborative
- Creative

We have developed and communicated an Ethical Framework within the Council's Constitution, which defines standards of behaviour for members and staff. Protocols for Member/Officer relations are also detailed within the Constitution.

The Councillors' Code of Conduct is set out at a national level, applying to all members in Scottish local authorities. A register of members' interests is available on the Council's website. This can be accessed via the Councillor's individual profiles at https://www.argyll-bute.gov.uk/councillor_list

In June 2019 the Audit & Scrutiny Committee considered a report on Organisational Culture and 2019 Employee Survey Action Plan and as part of the associated Action Plan, Elected Members agreed to a communication plan to continue the roll out of the new corporate values.

4. Taking informed and transparent decisions which are subject to effective scrutiny, and managing risk; ensuring effective counter fraud and anti-corruption arrangements are developed and maintained

Our standing orders, financial instructions, scheme of delegation and supporting procedure notes/manuals clearly define how decisions are taken and the processes and controls in place to manage risks. These are reviewed and updated on an annual basis. We ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. The Council's Monitoring Officer advises on compliance with our policy framework, ensuring that decision making is lawful and fair.

Our financial management arrangements conform to the CIPFA Statement on the Role of the Chief Financial Officer and we ensure that our independent Audit and Scrutiny Committee undertakes the core functions identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities. The Audit and Scrutiny Committee have historically received an annual risk management overview report or risk management audit. In 2019/20 this was replaced by annual Strategic Risk Assurance Mapping report. They have also developed a Scrutiny Framework and Manual to support the performance of scrutiny reviews.

The anti-fraud strategy ensures there are effective arrangements for whistle-blowing and for receiving and investigating complaints from the public and partners. The complaints procedure can be accessed on the Council's website at <https://www.argyll-bute.gov.uk/do-it-online/comments-and-complaints> and the anti-fraud strategy is incorporated in the Council's Financial and Security Regulations which can be accessed via <https://www.argyll-bute.gov.uk/constitution>

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5. Developing the capacity and capability of members and officers to be effective

Elected Member Development

The Council has signed up to the Improvement Service's Continuing Professional Development Framework for Elected Members. All Elected Members are provided with opportunities to progress personal development plans so that individual training needs and aspirations are identified and support provided as appropriate. This is complemented by a comprehensive seminar and workshop programme which addresses a wide range of topics and strategic issues.

The recent Best Value Report indicated that the Council provides a good level of training for members, with courses taking place throughout the year covering a range of topics relevant to their roles and linked to the council priorities and that there are arrangements in place to support members' continuing professional development.

It has however indicated that further action is required to ensure Elected Members are best placed to be able to respond to the demands, challenges and expectations of a modern elected member and that the training offered should be flexible and provide sufficient resources and support for members in rural areas to access and complete training. This will be addressed in the BV action plan and the development of a revised Elected Member Development Framework is underway.

Elected Members appointed by the Council to sit on external bodies also participate in a wide range of development activities organised directly by these organisations e.g. before each HSCP meeting there is a development session.

Officer Development

The Council supports officer development through a structured approach, driven by the values set out in the Corporate Plan and a behavioural competency framework. This is underpinned by a systematic approach to identifying core and mandatory training requirements in all council job descriptions and the annual Performance Review and Development (PRD) process.

The Council has Argyll and Bute Manager and Leadership Programmes, which ensure that all employees who have management responsibilities are knowledgeable and effective in delivering services within the priority management policies and procedures of the Council, including finance, performance and people management. The Leadership Programme ensures that senior and aspiring leaders in the organisation have support to develop their leadership behaviours and to improve their overall impact and performance across the organisation.

The Council is committed to delivering an annual PRD programme, which in turn informs the annual corporate training programme.

6. Engaging with local people and other stakeholders to ensure robust public accountability

We have established clear channels of communication with the community and other stakeholders through our Communication Strategy. Key mechanisms include:

Annual Budget Consultation

The Council undertakes a wide ranging budget consultation exercise each year, using a range of channels including written, face to face, online, Community Councils and through partner organisations and community groups in the Community Planning Partnership. The results of the consultation inform the members' budget decision making process and are reported to the Council as part of the budget reports pack.

Consultation Diary

The Council has developed a consultation section on its website which hosts all consultations run by the Council, both current and historic. This includes a section which publicises the results and/or outcome of the consultation and the resultant decisions that have been taken, showing how they were informed by the consultation process.

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Keep in the Loop Service

2019/20 was the first full year that the pro-active Keep In the Loop Service was deployed. It proved hugely popular as a customer engagement tool and 7927 customers subscribed to receive notifications across the range of services. For customers it meant that they have been kept up to date with topical council information and opportunities to provide valued input on matters that affect them. The Service received a gold award in the 'Local Matters' category in the Council's 2019 Employee Excellence and Recognition Awards.

Public Performance Reporting

The Council's website makes all performance information available to the public within the performance section. This includes information on performance scorecards, budgets and other service related information. This ensures the Council is openly accountable to the public for its performance against agreed policies and standards.

Community Engagement

The Council supports good community engagement with the resourcing of community development officers in the Community Planning and Community Development Service and the work of the community learning officers (Youth Work and Adult Learning). Both teams have resources and expertise to support children and young people, hard to reach groups and remote communities to have a voice in local service planning, delivery and evaluation, as well as best community engagement practice for any other requirement.

The Council's Community Development Team can also assist community organisations with developing new projects, exploring income generation opportunities, identifying sources of funding and evaluation techniques.

Local community development officers also support community groups, organisations and individuals, particularly those who do not traditionally engage in community issues, to participate in local area community planning groups.

The Council's Area Governance section supports community engagement by providing the staff resource to support three Area Community Planning Groups which act as a forum to enable local groups and organisations to participate in community planning and partnership working at a local area level throughout Argyll & Bute. The fourth (Helensburgh and Lomond) is supported by Scottish Fire and Rescue on a partnership basis as agreed by the management committee.

It also supports community engagement by resourcing community council liaison activities, including a training programme, which helps to build the capacity of community councils. The Council undertakes an annual satisfaction survey with Community Councils.

The Council actively seeks to ensure that young people are engaged in Community Planning and has implemented the following initiatives:

- The 3 local Members of the Scottish Youth Parliament (MSYP's) attend the Community Planning Partnership Management Committee meetings on a rotational basis.
- The Area Community Planning Groups invite members of local Youth Forums to attend meetings when they are held in their local areas & information is passed on to young people by Youth Workers who are kept updated on any developments.
- The revised Scheme of Establishment for Community Councils outlines the requirement to encourage young people to attend and participate in community council meetings and the age to become a Community Councillor was lowered to be 16 to encourage more young people to become involved.

The Council continues to promote the Community-Led Action Planning Toolkit (developed in partnership with Scottish Community Development Centre). Communities are being supported to consider use of the online toolkit in developing action plans that the community can lead on to

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address issues and needs in their communities. There are a number of existing community-led action plans and these are recognised as important community contributions to area community planning.

The Community Planning Partnership undertook a Place Standard Engagement exercise to inform the next phase of Area Community Planning Action Plans to enable the community to shape the CPP priorities locally from 2021. This information has also been shared with communities to be used to develop community led action plans.

A strong Community Planning Partnership (CPP) is in place with partners leading on each of the outcomes. This ensures a shared sense of accountability and ownership of working towards realising the CPP priorities.

Council/Committee Meetings

Meetings are always held in public, unless one of the statutory exemptions in the Local Government (Scotland) Act 1973, schedule 7A applies to the content of the report. When this is the case papers are adjusted to ensure that the maximum amount of content is in the public domain.

GOVERNANCE ROLES AND RESPONSIBILITIES

The Council has appropriate management and reporting arrangements to enable it to satisfy itself that its approach to corporate governance is adequate and effective in practice. The legislative framework of local government defines a number of posts which are primary to the Council's governance arrangements. These include the Chief Executive, fulfilling the role of Head of Paid Service. As Monitoring Officer, the Executive Director of Customer Services has responsibility for:

- overseeing the implementation of the Code and monitoring its operation
- reporting annually to the Council on compliance with the Code and any changes required to maintain it and ensure its effectiveness.

Account has been taken of the results of reviews of internal control that have been carried out within each council service.

Specific responsibilities are assigned to the Chief Financial Officer, to ensure that public funds are properly accounted for. In recognition of the significant role that the Chief Financial Officer has in relation to financial performance and the financial control environment, CIPFA has set out key principles that define the core activities and behaviours that belong to the role. These include, being a key member of the Leadership Team, being actively involved in and influencing decision making, and leading the delivery of good financial management across the whole organisation.

The Council have appointed a Data Protection Officer in line with the requirements of the General Data Protection Regulations (EU) 2016/679 and the Data Protection Act 2018 which came into force on 25 May 2018.

IMPACT OF COVID-19 ON GOVERNANCE

This Annual Governance Statement assesses governance in place during 2019/20 so the majority of the year will be unaffected by the COVID-19 pandemic.

However COVID-19 did impact on governance during March 2020 and this statement needs to reflect on the pandemic's impact on the Council's governance up until the publication of the Council's annual accounts. COVID-19's impact on governance has been assessed against four broad categories:

1. Impact on business as usual in the delivery of services

In March 2020 the Council agreed a two pronged approach to decision making whilst the Council responded to COVID-19.

The Council's constitution gives specific delegations to the Chief Executive, in an emergency, to instruct executive action on any matter after consultation with the Leader or, in his/her absence, the Deputy Leader of the Council. This provided a basis for taking any urgent decisions which were

required in response to COVID-19. The Council agreed that, for the life of the COVID-19 crisis, the consultation by the Chief Executive will be with the Leader, Depute Leader and Leader of the Opposition Group. Decisions taken in consultation with this Leadership Group are logged and a formal report on all decisions taken will be submitted to a future meeting of the Council.

In addition to the emergency actions which can be taken by virtue of the emergency powers set out in the preceding paragraph, it was also necessary, given that it was not possible in the short/medium term to transact business through meetings of the Council and Committees, including Area Committees, to put arrangements in place to allow this to happen. The Council agreed to the constitution of a temporary committee, known as The Business Continuity Committee which exercises all of the powers of the Council for a finite period of time.

Some specific areas where service delivery has been impacted are:

- restrictions on travel and social distancing requirements impacted on the ability of planning officers to visit application sites and enforcement complaints
- air services converted to essential travel only or cargo to the islands from Oban Airport
- a wide range of services within Roads and Infrastructure Services were suspended including all roadworks except emergency repairs, parking enforcement, access to play parks, civic amenity sites, commercial waste collection and collection of recycling waste and glass which was replaced by the introduction of a new two weekly bin collection service
- Catering and Cleaning functions significantly disrupted due to initial increased demands for cleaning (deep clean of schools where COVID suspected) then lockdown of majority of Council properties.
- school closures means learning and teaching delivery is being delivered across Argyll and Bute by distance learning and all secondary establishments are working on the estimates for National 5, Higher and Advanced Higher assessments.

2. New areas of activity as part of the national response to COVID-19 and any governance issues arising

The Council worked in partnership with community planning partners and other agencies as part of an urgent, multi-agency response to respond to COVID-19. The response was wide ranging and included arrangements to support vulnerable people, support learning at home, maintaining education provision for children of key workers, the launch of a dedicated helpline to handle queries and requests for assistance on a wide range of matters from food supplies to business support; significant IT and HR activity to enable working from home, and the processing and payment of business support grants to approximately 3,000 businesses.

Some specific examples of new areas of activity are:

- providing business support through the administration of Scottish Government grants to local businesses and self-employed people
- a Community Food Programme team to ensure vulnerable people can access food and provision of doorstep delivery of free school meals
- a Caring for People partnership bringing together the Health and
- Social Care Partnership, Third Sector Interface and the Council to work together with a focus on helping people affected by COVID-19 to receive essential support where no other support exists
- redeployment of staff from substantive posts to provide support in critical areas of response activity

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- establishment of HUB schools for children of keyworkers.

3. The funding and logistical consequences of delivering the local government response

The Council's Financial Services team are working in conjunction with all services to capture and monitor the financial impact of COVID-19 on the Council including identifying new cost pressures and savings and its impact on the delivery of agreed savings options. Estimations suggest that current grant funding will be insufficient to cover the overall financial impact.

4. Assessment of the longer term disruption and consequences arising from COVID-19

The Council have established a 'Recovery Strategy and Framework' which is focused on considering the actions and priorities required to return the Council, and the services it delivers, to 'business as usual.' The actions taken will fully integrate any national recovery plan but also will identify critical issues of recovery given our specific rurality, our geography, our dispersed population, remote peninsulas and island issues. Thematic groups have been established focusing on reinstatement of services, community strengthening (caring for people), economic and social recovery, infrastructure and transportation and financial management. These groups will consider and plan for the longer term disruption arising from COVID-19.

FINANCIAL SUSTAINABILITY

It is anticipated the Scottish public sector will continue to face a very challenging short and medium term financial outlook with significant uncertainty over the scale of likely reductions in funding. The one year financial settlements do not provide any degree of medium term certainty and ring-fencing of monies, as well as additional policy commitments not always fully funded, creates additional financial pressures.

The financial outlook is significantly exacerbated by the extent to which COVID-19 will impact on both future years expenditure including loss of income and the future years funding. There is a lack of clarity at the current time over how the additional funds made available by the UK and Scottish Government to combat the impact of COVID-19 will meet the 2020-21 additional costs/loss of income and whether there will be further additional funding to support the medium to longer term implications of COVID-19. The Council are closely monitoring the financial impact of COVID-19 to assess the effect it is having on the delivery of agreed savings options and the cost pressures it is creating. The Government will need to consider how they seek to effectively pay these additional funds back and how the economy is going to recover from the pandemic and this could have implications for future funding of Local Government. Furthermore there is still great uncertainty and largely unquantifiable potential implications, of the UK's withdrawal from the European Union.

The Council continues to provide financial estimates for future years and, in 2019-20, agreed to extend their medium term financial outlook to cover a five year window (previously three year) to provide a longer term view of the Council's estimated budget gap. The first five year budget outlook was reported to the Business Continuity Committee in May 2020. During 2019-20 this outlook was presented to the Policy and Resources Committee meeting. Preparing any forward looking financial outlook is challenging due to the levels of uncertainty however the assumptions are reviewed regularly and updated with the outlook prepared to reflect a best case, worst case and mid-range scenario.

The Council has a strong track record in financial management as recognised by previous year's annual external audit reports and the Council's Best Value report issued in May 2020. The Best Value report also recognises that the Council's medium to long term financial strategy helps support financial planning arrangements whilst noting it could be further enhanced when it is next reviewed. The ten year strategy was first developed in 2017-18 and was to be updated in October 2019 however this was delayed as the Council was expecting a three year budget settlement. It was then further delayed

due to the General Election in early 2020 and the outbreak of COVID-19. In April 2020 the Business Continuity Committee agreed to delay the review until the impact of COVID-19 has been managed and there is greater clarity over its financial impact. The review will take on board the recommendations made by our external auditors.

Council officers have annually produced ideas for management/operational efficiencies which have helped reduce the impact of savings on service users and communities. Work is continuing on a number of areas including automating processes, increasing commercial income and more efficient procurement practices to generate further efficiencies that may help reduce the budget gap.

In addition work is already underway to develop a three year service redesign programme aimed at identifying options to balance the budget in 2021/22 and future years.

INTERNAL FINANCIAL CONTROL

The Council has a system of internal financial control designed to manage risk to a reasonable level. It is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

Development and maintenance of the system is undertaken by officers within the Council and the named bodies mentioned below.

In particular the system includes:

- comprehensive budgeting systems
- regular reviews by the Council and the named bodies (mentioned below) of periodic and annual financial reports which indicate financial performance against forecast
- setting targets to measure financial and other performance
- the preparation of regular financial reports which indicate actual expenditure against forecast
- clearly defined capital expenditure guidelines
- project management disciplines
- guidance relating to financial processes, procedures and regulations
- an effective Internal Audit section.

Internal controls cannot eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

This annual review also covers the other bodies whose activities are incorporated into our Group Accounts and reliance is placed on the formal audit opinion contained in the financial statements of each individual body.

- Dunbartonshire and Argyll and Bute Valuation Board
- Strathclyde Partnership for Transport
- Strathclyde Concessionary Travel Scheme Joint Committee
- Live Argyll
- Argyll and Bute Integration Joint Board.

RISK MANAGEMENT

The Council's risk management processes are well developed. In particular the:

- Strategic Risk Register is updated twice a year and approved by the SMT
- Chief Executive presents the Strategic Risk Register to the Audit and Scrutiny Committee on an annual basis
- Operational Risk Registers are updated quarterly by departmental management teams.

Internal Audit performed an audit of risk management in 2019/20 to assess whether the revised processes are operating effectively. The audit provided high assurance over the Council's risk

management arrangements. In 2019/20 the Chief Internal Auditor introduced a new strategic risk assurance mapping exercise which was presented to the Audit and Scrutiny Committee on 24 September 2019. The Committee agreed this mapping exercise would be performed annually and that Internal Audit would perform an audit of compliance with risk management arrangements every three years unless issues are brought to the attention of the Chief Internal Auditor which would suggest a review is required outwith that cycle.

INTERNAL AUDIT

The Council and its Group bodies have internal audit functions, which operate to Public Sector Internal Audit Standards. The work of Internal Audit is informed by an analysis of the risk to which the Council and its Group bodies are exposed, with annual internal audit plans prepared based on that analysis. The Council's Audit and Scrutiny Committee endorses the preparation methodology and annual internal audit plan and monitors the performance of Internal Audit in completing the plan.

The Council generally complies with the requirements in CIPFA's statement on 'The Role of the Head of Internal Audit in Public Service Organisations'. The Chief Internal Auditor has responsibility for the Council's Internal Audit service, and is professionally qualified and suitably experienced to lead and direct the Internal Audit team. The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards (this was verified by a 5-yearly external quality assessment performed during 2018/19 and by subsequent annual internal self-assessments).

With effect from 6 January 2020, the Head of Financial Services has been acting as interim Executive Director whilst retaining the Council's Section 95 officer responsibilities. Backfilling of the Head of Financial Services post has been shared, on an interim basis, by the Chief Internal Auditor, the Council's Finance Manager and the Council's Revenues and Benefits Manager. The role has been split in such a manner that, in conjunction with other appropriate arrangements which were reported to the Audit and Scrutiny Committee in January 2020, the Chief Internal Auditor has confirmed there have been no impairments or restrictions on his independence.

The COVID-19 pandemic meant the 2019-20 audit plan could not be completed in its entirety due to a need to redeploy audit resource to priority tasks required to support the Council's response to the pandemic. This resulted in six audits not being fully complete by the targeted deadline of June 2020. Of these six, two were at draft report stage, three were well advanced through the fieldwork stage and one was in the initial planning stage. The work to complete all six will be carried forward into a revised 2020-21 annual internal audit plan. As all, bar one, of the incomplete audits are well advanced, the Chief Internal Auditor is of the opinion this does not affect his ability to provide an opinion on the Council's systems of governance and internal control.

This opinion is usually provided to the Audit and Scrutiny Committee in June however, due to the COVID-19 pandemic the June meeting was cancelled. Consequently the annual report was e-mailed to all Committee members and will be formally presented when the Committee is re-established. The report confirms that, in the Chief Internal Auditor's opinion, reasonable assurance can be taken that the systems of governance and internal control are operating effectively.

Internal Audit provides members and management of the Council with independent assurance on risk management, internal control and corporate governance processes. External Audit has, and continues to, place reliance on the work of Internal Audit. The Chair of the Audit and Scrutiny Committee is an independent lay member.

During 2019/20, 1 (Pupil Equity Fund) of the 17 audit reports presented to the Audit and Scrutiny Committee had an overall audit opinion of 'limited' assurance. For this, and all other audit reports, an action plan has been agreed and progress against their delivery is routinely monitored by Internal Audit. Management have accepted 100% of audit recommendations and a robust follow-up system is in place with progress reports presented to the SMT on a quarterly basis.

Annual Governance Statement

During 2019/20 the following developments were made within Internal Audit:

- enhanced the annual audit report to incorporate reference to post audit survey feedback
- introduced a new value for money audit finding category to highlight areas where the Council may generate efficiencies
- further revised the continuous monitoring approach to reflect on lessons learned during the first year of its full roll out
- introduced an annual strategic risk assurance mapping exercise
- incorporated external audit's recommendations into the follow-up process
- changed from a monthly to a quarterly follow up process to better prioritise resources
- implemented local benchmarking indicators with five other local authorities.

HEALTH AND SOCIAL CARE INTEGRATION

The Argyll and Bute IJB has been established as a separate legal entity from both Argyll and Bute Council and NHS Highland, with a separate board of governance. The IJB comprises eight voting members with four Elected Members nominated by Argyll and Bute Council and four Board members of NHS Highland. In addition there are a number of non-voting appointees representing other sectors and stakeholder groups, such as the Third Sector, Independent Sector, Patients and Service Users, Carers and Staff.

The arrangements for the operation, remit and governance of the IJB are set out in the Argyll and Bute Integration Scheme which has been prepared and approved by Argyll and Bute Council and NHS Highland. The IJB, via a process of delegation from the Health Board and Local Authority as outlined in the Scheme of Integration, has responsibility for the planning, resourcing and operational delivery of all integrated health and social care services within Argyll and Bute.

The Council places reliance on the IJB's framework of internal controls and similarly the IJB places reliance on the procedures, policies and operational systems of the Council and the Health Board. The IJB operates within an established procedural framework. The roles and responsibilities of board members and officers are defined within Standing Orders, the Integration Scheme, Financial Regulations and Standing Financial Instructions.

The IJB has proportionate internal audit arrangements in place to provide independent assurance on risk management, corporate governance and the system of internal control. A risk based internal audit plan was carried out in 2019-20 and the IJB's internal auditor has issued a formal annual report providing their independent opinion on the effectiveness that the Argyll and Bute IJB has an adequate and effective framework of governance, risk management and control.

During 2019-20 the IJB has progressed a number of initiatives to develop its governance arrangements including developing committee terms of reference, further embedding budget monitoring and financial risk reporting, progressing a development programme for IJB members, updating the strategic risk register and working in partnership with the Council's committee services to provide greater governance over the management of committees, reviewing the integration scheme, and appointing a Data Protection Officer.

The IJB has continued to have a number of financial challenges during 2019-20 and the final outturn position was an overspend of £2.446m, well reduced from the previous year's overspend of £6.681m which is a considerable achievement. The operating environment going forward remains very challenging. However, the IJB approved a balanced budget for 2020-21 which should provide reassurance to the public, staff and stakeholders that the HSCP is determined to work within budget. That said, there remains a number of risks, the most significant being the financial impact of the response to COVID-19, to deliver the services within the budget resource and to deliver the agreed savings, both the ones newly agreed for 2020-21 and also the remaining undelivered savings from 2019-20. New Service Improvement Officer posts were agreed as part of the budget to increase the focus of delivery of savings in 2020/21.

UPDATE ON AREAS FOR DEVELOPMENT IN 2018/19 ANNUAL GOVERNANCE STATEMENT

The 2018/19 Annual Governance Statement identified a number of areas for further development. A summary update for each area is provided in the table below.

Area	2019/20 Update
Capital monitoring	Revised capital monitoring process has been established. It was slightly delayed which meant it was not considered beneficial for internal audit to review it as part of the 2019/20 plan as there was more value in allowing the process to bed in. The 2019/20 audit has been carried forward into the 2020/21 internal audit plan.
Streamline treasury management processes	Good progress has been made in 2019/20 with more effective use now made of the functionality of our treasury management system, PSTM. We have introduced an electronic signature into our authorisation processes and are moving away from holding paper copies of documentation. This work will continue in 2020/21.
Implement Point-to-Point Encryption for face to face debit/credit card payments	The ICT service implemented a more secure, encrypted card payment process in 2019. This provides for a more secure route for our customers to make payments and reduces the risk of fraud.
Digitalise all document and evidence exchanges for Local Development Plan 2 'Examination in Public' process	This work is currently ongoing having been delayed from last year, and will be complete during 2020/21.
Develop an automated interface between Concerto and Oracle	An interface for capital payments is being further scrutinised. Work is continuing with Financial Services to finalise an automated interface for the processing of contractor payments for revenue.
Develop a new self-evaluation tool within Early Years to align with 'How Good is our ELC'	Self-evaluation tool has been developed to incorporate the main Quality Indicators within 'How Good is our ELC?' The tool is split into two sections – Learning and Development and Care and Welfare, and forms the basis of quality improvement visits to all establishments within Argyll and Bute.
Implement the transfer of Human Resources and Organisational Development from HSCP management to Argyll & Bute management and review governance arrangements	The NHS employees in the HROD team supporting Argyll and Bute Health and Social Care Partnership transferred to the Head of Customer Support Services in September 2019. This has resulted in improved alignment of HROD activities and a more integrated approach to employee support across the partnership. A review of staff governance was also undertaken in partnership with the Trade Unions to streamline engagement and decision making.
Rollout score cards for monitoring of performance and targets within Roads & Infrastructure Services	Electronic scorecards and monitoring systems are in place and being positively used to monitor response times for Member enquiries and general enquiries. These systems have resulted in an improvement in response times and provide a live tally of outstanding correspondence. Scorecard and performance management information is also in place and being actively used for roads and refuse related activities.

ISSUES FOR FURTHER DEVELOPMENT

The review of governance and internal control has identified the following areas for consideration during 2020/21, particularly in the context of continuous improvement within the Council:

- Continue to progress the work to digitalise all document and evidence exchanges for LDP2 Examination in Public (Head of Development and Economic Growth – March 2021)
- Develop an integrated production process for the Strategic Housing Improvement Plan (SHIP) and Local Housing Strategy which will utilise Geographic Information System data to improve due diligence knowledge of proposed Registered Social Landlord housing sites, thus

identifying risks to delivering the SHIP (Head of Development and Economic Growth – March 2021)

- Procure and implement enhanced logistical software that will facilitate route optimisation for many transport related functions (Head of Roads and Infrastructure Services – March 2021)
- Continue to develop an automated interface between Concerto and Oracle (Head of Commercial Services – December 2020)
- Improve quality and accuracy of asset information which will benefit asset valuations, calculations for utilities costs and asset management (Head of Commercial Services – March 2021)
- Develop the provision of governance and committee support to the Integration Joint Board (Head of Legal and Regulatory Support – March 2021)
- Develop further self-evaluation tools to improve self-evaluation processes and monitoring of quality provision within 1140 hours (Heads of Education – March 2021)
- Work with the Quality Improvement Group to develop GIRFEC (Getting it Right For Every Child) procedures and processes to improve children and young people's experiences of Child's Planning Processes (Heads of Education – March 2021)
- Implementation of a self-billing approach using CareFirst for payments to social care providers to further improve payment efficiency and simplify monthly budget monitoring work (Head of Financial Services – February 2021)

ASSURANCE

The annual review of the effectiveness of the system of governance and internal financial control is informed by:

- the work of officers within the Council
- the work of Internal Audit as described above
- the work of External Audit
- the Statements of Governance and/or Internal Control provided by the bodies incorporated into our Group Accounts
- statements of assurance provided by the Council's Chief Executive, Executive Directors and Heads of Service
- external review and inspection reports; and
- recommendations from the Audit and Scrutiny Committee.

It is the Council's view that the systems for governance and internal control are operating effectively within Argyll and Bute Council and the aforementioned bodies during 2019/20 and that there are no significant weaknesses. This assurance is framed within the context of the work undertaken during the year and the evidence available at the time of preparing this statement.

Cllr Robin Currie
Leader

Pippa Milne
Chief Executive

Kirsty Flanagan
Section 95 Officer

BACKGROUND

The Local Authority Accounts (Scotland) Regulations 2014 (SSI No.2014/200) require local authorities in Scotland to prepare a Remuneration Report as part of the annual statutory accounts. All information disclosed in the tables in this Remuneration Report will be audited by Audit Scotland. All other sections within the Remuneration Report will be reviewed by Audit Scotland to ensure it is consistent with the Financial Statements.

REMUNERATION POLICY AND ARRANGEMENTS

Councillors

The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No 2019/23). The Regulations provide for the grading of councillors for the purposes of remuneration arrangements. There are 4 grades of councillor in each local authority for the purposes of payment of remuneration, the Leader of the Council; the Civic Head (Provost); senior councillors; and councillors. The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A senior councillor is a councillor who holds a significant position of responsibility in the Council's political management structure.

The Regulations also provide for the banding of local authorities. Argyll and Bute is in Band B and the Council has determined the level of remuneration for councillors within that banding. The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2019-20 the salary for the Leader of Argyll and Bute Council is £34,903. The Regulations permit the Council to remunerate one civic head. The Regulations set out the maximum salary that may be paid to that civic head. The Council's civic head is the Provost and their remuneration is set at £26,177 which is the maximum allowed for local authorities in Band B.

The Regulations also set out the remuneration that may be paid to senior councillors in addition to the Leader and Civic Head and the total number of senior councillors the Council may have. The maximum yearly amount that may be paid to a senior councillor is 75% of the total yearly amount payable to the Leader of the Council. The total yearly amount payable by the Council for remuneration of all its senior councillors shall not exceed £0.306m. The Council is able to exercise local flexibility in the determination of the precise number of senior councillors up to a maximum of 14 and their salary within these maximum limits. The Council's policy is to pay a salary of £24,723 to each appointed policy lead. Chairs of Area Committees without a policy lead remit are paid a salary of £20,613.

In 2019-20, Argyll and Bute Council had 11 senior councillors in the administration (excluding the Provost and the Leader). The total salary remuneration for senior councillors (excluding the Provost and the Leader) during 2019-20 was £0.237m. The Regulations also permit the Council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those councillors who elect to become councillor members of the pension scheme.

Senior Employees

The salary of senior employees is set by reference to national arrangements as well as local decisions on management structures and their associated remuneration levels. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services (Chief Officials) sets the salary levels for the Chief Executives of Scottish Local Authorities and also sets out the spinal column salary points for Chief Officers which local authorities can utilise in setting the salary levels for posts within their authority. Circular CO/150 sets the amount of salary for the Chief Executive of Argyll and Bute Council for 2019-20.

The salaries of Executive Directors are paid at SCP 43 with Heads of Service being paid at SCP 29.

COUNCILLORS' REMUNERATION

Councillors' payments are made in accordance with the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 and The Local Government (Allowances and Expenses) (Scotland) Regulations 2007.

The total amount of councillors' remuneration paid by the Council during the year was:

2018-19 Actual £'000	Members Allowances	2019-20 Actual £'000
412	Basic Councillor Salaries	424
59	Leader and Provost's Salary	61
229	Senior Councillor Salaries	237
75	Other Expenses and Allowances paid to Members	71
775	Total Allowances	793

The annual return of councillors' salaries and expenses for 2019-20 is available for any member of the public to view at all Council libraries and public offices during normal working hours. It is also available on the Council's website at <http://www.argyll-bute.gov.uk/council-and-government/councillors-and-community-councillors>.

The Remuneration Report

SENIOR COUNCILLORS' REMUNERATION

Additional disclosures are required for senior councillors' remuneration. Senior councillors' remuneration is in accordance with the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 which for the purpose of remuneration, grades Councillors as either the Leader of the Council, The Civic Head (Provost), senior councillors or councillors. Details of senior councillors' remuneration are as follows:

2018-19 Total Remuneration £	Senior Members	Responsibility	2019-20		
			Salary, Fees and Allowances £	Taxable Expenses £	Total Remuneration £
24,074	Councillor Rory Colville	Policy Lead for Support Services from 26-09-19, Policy Lead for Corporate Services to 25-09-19	24,723	-	24,723
24,487	Councillor Robin Currie	Policy Lead for Housing, Roads and Infrastructure Services and Chair of Mid Argyll, Kintyre & the Islands Area Committee from 26-09-19, Policy Lead for Communities, Housing, Islands and Gaelic and Chair of Mid Argyll, Kintyre & the Islands Area Committee to 25-09-19	24,723	258	24,981
20,105	Councillor Bobby Good	Chair of Bute & Cowal Area Committee	20,613	-	20,613
24,074	Councillor Kieron Green	Policy Lead for Health and Social Care	24,723	866	25,589
24,074	Councillor David Kinniburgh	Policy Lead for Planning Services from 26-09-19, Policy Lead for Planning and Regulatory Services to 25-09-19	24,723	-	24,723
24,074	Councillor Roddy McCuish	Depute Provost and Policy Lead for Roads and Amenity Services to 25-09-19	21,305	-	21,305
24,074	Councillor Yvonne McNeilly	Policy Lead for Education	24,723	-	24,723
34,125	Councillor Aileen Morton	Leader and Policy Lead for Commercial Services and Strategic Priorities from 26-09-19 with oversight of Economic Growth from 26-11-19, Leader and Policy Lead for Economic Development to 25-09-19	34,903	-	34,903
20,072	Councillor Ellen Morton	Chair of Helensburgh & Lomond Area Committee	20,613	-	20,613
24,074	Councillor Gary Mulvaney	Depute Leader and Policy Lead for Financial Services and Major Projects from 26-09-19, Depute Leader and Policy Lead for Strategic Finance and Capital Regeneration Programme to 25-09-19	24,723	-	24,723
20,072	Councillor Elaine Robertson	Chair of Oban, Lorn & the Isles Area Committee	20,613	-	20,613
-	Councillor Alasdair Redman	Policy Lead for Economic Growth from 26-09-19 to 25-11-19	4,057	-	4,057
25,490	Councillor Len Scoullar	Provost	26,177	-	26,177

Senior Councillors' remuneration in the tables above does not include non-taxable expenses.

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The Remuneration Report

EMPLOYEES' REMUNERATION

The Regulations require that local authorities provide an analysis of the number of employees whose remuneration in the year was £50,000 or more, including those classified as senior employees who are subject to separate disclosure requirements. The definition of remuneration includes all sums paid to or receivable by an employee, expense allowances chargeable to tax and the monetary value of benefits received other than in cash. This definition therefore includes all payments made to the employee in respect of agreed employment terminations or retirements. However, employer pension contributions are excluded from the definition.

Readers should be aware when making comparisons between years that, due to contractual incremental pay increases, the number of employees covered by this disclosure will increase each year. In addition, payments made in respect of agreed employment terminations or retirements can also distort the number and/or banding of employees.

The number of employees whose remuneration, excluding employer pension contributions and including redundancy/retirement payments, was £50,000 or more in bands of £5,000 was:

2018-19 Number of Officers	Range £	2019-20 Number of Officers
82	£50,000 - £54,999	135
28	£55,000 - £59,999	75
9	£60,000 - £64,999	27
3	£65,000 - £69,999	13
2	£70,000 - £74,999	4
9	£75,000 - £79,999	9
2	£80,000 - £84,999	2
1	£85,000 - £89,999	2
-	£90,000 - £94,999	-
-	£95,000 - £99,999	1
2	£100,000 - £104,999	1
-	£105,000 - £109,999	2
-	£110,000 - £114,999	-
-	£115,000 - £119,999	-
-	£120,000 - £124,999	1
1	£125,000 - £129,999	-
139	Total	272

The Remuneration Report

SENIOR EMPLOYEES' REMUNERATION

The table below provides details of the remuneration paid to the Council's senior employees. This is defined by the regulations as;

- someone who has responsibility for the management of the organisation
- occupy a position which is politically restricted,
- any additional employee whose annual remuneration is £150,000 or more. (Remuneration includes salary, non-cash benefits and any lump sum payment for loss of employment)

The following table sets out the remuneration disclosures for 2019-20 for senior officers:

Total Remuneration 2018-19	Post Holder	Salary (Including Fees and Allowances)	Taxable Expenses	Total Remuneration 2019-20
£		£	£	£
99,748	Chief Executive (from 19-12-19), Executive Director (to 18-12-19) - Pippa Milne	107,671	403	108,074
-	<i>(Full year equivalent as Chief Executive)</i>	124,665	-	124,665
125,600	Chief Executive - Cleland Sneddon (to 05-01-20)	102,922	3,659	106,581
	<i>(Full year equivalent)</i>	124,665	-	124,665
99,992	Executive Director - Douglas Hendry	102,752	610	103,362
75,455	Acting Executive Director (from 06-01-20), Head of Financial Services (to 05-01-20) (Section 95 Financial Officer) (01-04-19 to 31-03-20) - Kirsty Flanagan	82,428	523	82,951
5,090	Executive Director - Ann Marie Knowles (from 13-5-16 to 05-4-18)	-	-	-
99,433	<i>(Full year equivalent)</i>	-	-	-
80,494	Head of Children & Families (Section 3 Social Work Officer) - Alex Taylor	77,272	2,500	79,772
72,542	Live Argyll General Manager (Subsidiary of Argyll & Bute Council) - Kevin Anderson	79,449	-	79,449

The Chief Executive's (Cleland Sneddon) salary in 2019-20 included £2,425 of remuneration for acting as Returning Officer.

During 2019-20 the Chief Executive, Cleland Sneddon, left the organisation and Pippa Milne (Executive Director) was appointed Chief Executive. Kirsty Flanagan was appointed as acting Executive Director.

The Remuneration Report

PENSION BENEFITS

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS).

Councillors' pension benefits are based on career average pay. A councillor's pay for pension purposes for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits.

Local government employees had a final salary pension scheme prior to 1 April 2015. This means that pension benefits are based on the final year's pay and the number of years that person has been a member of the scheme. As of 1 April 2015, local government employees are now part of a defined benefit pension scheme worked out on a career average basis. Benefits accumulated are calculated using pensionable pay each scheme year, rather than final salary. All benefits accumulated prior to 1 April 2015 are protected.

A five-tier contribution system is in place with contributions from scheme members based on how much pay falls into each tier. This is designed to give more equality between the costs and benefits of scheme membership.

The tiers and members contribution rates for 2019-20 are as follows:

Whole time pay	Contribution Rate 2019-20
On earnings up to and including £21,300	5.50%
On earnings above £21,300 and up to £26,100	7.25%
On earnings above £26,100 and up to £35,700	8.50%
On earnings above £35,700 and up to £47,600	9.50%
On earnings above £47,600	12.00%

From 1 April 2015, if a person works part-time their contribution is worked out on their part-time pay rate for the job. Prior to this, if a person worked part-time, their contribution rate was worked out on the whole-time pay rate for the job with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for a lump sum up to the limit set by the Finance Act 2004.

From 1 April 2015, benefits are calculated on the basis of a revalued annual pension built up of 1/49th of pensionable pay each year, plus inflation to keep up with the cost of living. Prior to this date, the accrual rate guaranteed a pension based on 1/60th of final pensionable salary and years of pensionable service. (Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

The Remuneration Report

SENIOR COUNCILLORS' PENSION BENEFITS

The pension entitlements for senior councillors for the year to 31 March 2020 are shown in the table below, together with the contribution made by the Council to each senior councillor's pension during the year.

The pension benefits shown relate to the benefits that the individual has accrued as a consequence of their relevant local government service and not just their current appointment.

For the year to 31 March 2019		Senior Members	For the year to 31 March 2020	
In-year pension contributions £	Accrued pension benefits £		In-year pension contributions £	Accrued pension benefits £
4,646	4,865 1,636	Councillor Rory Colville	Pension Lump Sum	4,772 5,461 1,689
4,646	4,696 850	Councillor Robin Currie	Pension Lump Sum	4,772 5,278 875
4,646	1,384 -	Councillor Kieron Green	Pension Lump Sum	4,772 1,888 -
3,880	789 -	Councillor Bobby Good	Pension Lump Sum	3,978 1,210 -
4,646	4,798 1,592	Councillor David Kinniburgh	Pension Lump Sum	4,772 5,397 1,647
4,646	4,767 1,680	Councillor Roddy McCuish	Pension Lump Sum	4,112 5,603 1,774
4,646	944 -	Councillor Yvonne McNeilly	Pension Lump Sum	4,772 1,449 -
6,559	3,702 -	Councillor Aileen Morton	Pension Lump Sum	6,736 4,498 -
3,874	4,783 1,673	Councillor Ellen Morton	Pension Lump Sum	659 5,071 1,799
4,646	4,459 1,502	Councillor Gary Mulvaney	Pension Lump Sum	4,772 5,066 1,561
-	654 -	Councillor Alasdair Redman	Pension Lump Sum	3,598 1,050 -
3,874	4,017 1,418	Councillor Elaine Robertson	Pension Lump Sum	3,978 4,509 1,459

Len Scoullar receives no pension benefits arising from his role as a Councillor for Argyll and Bute Council.

The Remuneration Report

SENIOR EMPLOYEES' PENSION BENEFITS

The pension entitlements for senior employees for the year to 31 March 2020 are shown in the table below, together with the contribution made by the Council to each senior employee's pension during the year.

The pension benefits shown relate to the benefits that the individual has accrued as a consequence of their relevant local government service and not just their current appointment.

For the year to 31 March 2019		Senior Officers		For the year to 31 March 2020	
In-year pension contributions £	Accrued pension benefits £			In-year pension contributions £	Accrued pension benefits £
19,177	45,430	Chief Executive (from 19-12-19), Executive Director (to 18-12-19) - Pippa Milne	Pension	20,780	57,211
	81,338		<i>Lump Sum</i>		101,978
23,346	50,646	Chief Executive - Cleland Sneddon (to 05-01-20)	Pension	19,841	73,102
	86,572		<i>Lump Sum</i>		89,170
19,177	51,553	Executive Director of Customer Services - Douglas Hendry	Pension	19,742	55,113
	99,705		<i>Lump Sum</i>		102,697
14,449	20,705	Acting Executive Director (from 06-01-20), Head of Financial Services (to 05-01-20) (Section 95 Financial Officer) (01-04-19 to 31-03-20) - Kirsty Flanagan	Pension	15,827	27,767
	21,676		<i>Lump Sum</i>		29,609
1,086	41,296	Executive Director - Ann Marie Knowles (Retired 05-04-18)	Pension	-	-
	83,748		<i>Lump Sum</i>		-
14,449	41,425	Head of Children and Families (Section 3 Social Work Officer) - Alex Taylor	Pension	14,886	44,200
	85,795		<i>Lump Sum</i>		88,369
14,001	24,367	Live Argyll General Manager (Subsidiary of Argyll & Bute Council) - Kevin Anderson	Pension	15,334	26,632
	35,580		<i>Lump Sum</i>		36,647

The Remuneration Report

EMPLOYEE EXIT PACKAGES

The numbers of exit packages with cost per band for compulsory and other redundancies are set out in the table below:

2018-19						Exit Package Cost Band	2019-20					
Compulsory Redundancies		Other Departures		Total			Compulsory Redundancies		Other Departures		Total	
No	£	No	£	No	£		No	£	No	£	No	£
6	20,445	5	24,142	11	44,587	£0 - £20,000	15	92,008	6	62,268	21	154,276
3	91,478	1	23,992	4	115,470	£20,001 - £40,000	4	126,920	11	333,771	15	460,691
-	-	1	45,618	1	45,618	£40,001 - £60,000	1	41,455	5	244,018	6	285,473
-	-	1	78,615	1	78,615	£60,001 - £80,000	-	-	3	227,382	3	227,382
-	-	5	444,114	5	444,114	£80,001 - £100,000	1	91,199	-	-	1	91,199
-	-	5	569,350	5	569,350	£100,001 - £150,000	-	-	6	757,528	6	757,528
-	-	1	192,617	1	192,617	£150,001 - £200,000	1	176,968	2	367,028	3	543,996
9	111,923	19	1,378,448	28	1,490,371		22	528,550	33	1,991,995	55	2,520,545

For the purposes of this note, Exit Packages include:

- Redundancy payment;
- Strain on the fund cost (the amount which the Council is required to pay to the pension fund because the employee has retired before the assumed retirement age);
- Added Years Lump Sum (the amount which the Council pays to the individual in a one-off lump sum, according to the compensatory added years awarded – maximum three years); and
- A capitalised value of the recurring Compensatory Added Years payment. This represents the amount which the Council has to pay to the pension fund because the employee has retired with enhanced service (maximum three years). This amount is paid on an annual basis once a person has left employment with the Council and is therefore a notional cost at 31 March 2020.

The cash value costs noted in the table represent the actual costs incurred by the Council for the agreed exit packages. The capitalised added years pension element for members of the Teachers' Pension Scheme is included in the cash value cost as payment is made in advance to the teachers' pension fund to settle this liability.

The total cost of £2.521m in the table includes exit packages that have been agreed and charged to the Council's Comprehensive Income and Expenditure Statement in the current year. These costs include all exit packages agreed by 31 March in each year, this does not necessarily mean that these payments have been made, for example an employee could have subsequently been re-deployed to an alternative post within the Council. The Council's Balance Sheet includes a provision at 31 March 2020 of £0.260m, this represents the amount which has yet to be paid out by the Council and this amount is included within the bands above.

The Remuneration Report

The supplementary Termination Benefits Note 35 on page 115 provides more information on the exit packages agreed in the last two financial years.

FACILITY TIME STATEMENT

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Council is required to collect and publish data in relation to its usage and spend of trade union facility time in respect of employees who are trade union representatives. Full details for the period 1 April 2019 to 31 March 2020 are attached at Appendix A.

Cllr Robin Currie
Leader

Pippa Milne
Chief Executive

Expenditure and Funding Analysis

2018-19			Service	2019-20		
Net Expenditure Chargeable to the General Fund £'000	Adjustments between the Funding and Accounting Basis (Note 31) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000		Net Expenditure Chargeable to the General Fund £'000	Adjustments between the Funding and Accounting Basis (Note 31) £'000	Net Expenditure in the Comprehensive Income and Expenditure Statement £'000
5,202	616	5,818	Chief Executive and Financial Services	5,030	720	5,750
			Executive Director Douglas Hendry			
360	35	395	Executive Director	319	47	366
9,051	8,358	17,409	Commercial Services	8,273	7,643	15,916
76,179	11,603	87,782	Education	80,692	3,642	84,334
8,378	2,097	10,475	Legal and Regulatory Support	8,124	286	8,410
			Executive Director Kirsty Flanagan			
423	(12)	411	Executive Director	616	(7)	609
7,398	2,868	10,266	Customer and Support Services	7,007	2,745	9,752
10,295	1,232	11,527	Development and Economic Growth	9,441	1,351	10,792
30,371	12,587	42,958	Roads and Infrastructure	28,945	11,937	40,882
59,348	4,468	63,816	Social Work	59,945	4,339	64,284
8,232	8,498	16,730	Other Non-Departmental Costs	9,770	422	10,192
215,237	52,350	267,587	Net Cost of Services	218,162	33,125	251,287

Expenditure and Funding Analysis

(214,375)	(29,126)	(243,501)	Other Income and Expenditure	(218,352)	(39,169)	(257,521)
862	23,224	24,086	(Surplus) / Deficit	(190)	(6,044)	(6,234)
(50,342)			Opening General fund Balance	(49,480)		
862			Plus (Surplus) or Deficit on General Fund Balance	(190)		
(49,480)			Closing General Fund Balance at 31 March 2020	(49,670)		

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on pages 45 to 46.

Statement of Comprehensive Income and Expenditure

2018-19			Note	2019-20		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
			Service			
30,217	24,399	5,818	Chief Executive and Financial Services	26,915	21,165	5,750
			Executive Director Douglas Hendry			
395		395	Executive Director	366	-	366
20,670	3,261	17,409	Commercial Services	20,403	4,487	15,916
94,139	6,357	87,782	Education	94,112	9,778	84,334
14,690	4,215	10,475	Legal and Regulatory Support	12,638	4,228	8,410
			Executive Director Kirsty Flanagan			
411	-	411	Executive Director	609		609
10,844	578	10,266	Customer and Support Services	10,379	627	9,752
18,750	7,223	11,527	Development and Economic Growth	19,072	8,280	10,792
66,200	23,242	42,958	Roads and Infrastructure	65,676	24,794	40,882
142,074	78,258	63,816	Social Work	143,515	79,231	64,284
17,737	1,007	16,730	Other Non-Departmental Costs	10,449	257	10,192
416,127	148,540	267,587	Net Cost of Services	404,134	152,847	251,287

Statement of Comprehensive Income and Expenditure

		Other Operating Income and Expenditure:	
	(222)	Net (Gain)/loss on Disposal of Long Term Assets	1,487
	1,256	Other Operating Income and Expenditure	1,390
	1,034	Total Other Operating Income and Expenditure	2,877
		Financing and Investment Income and Expenditure:	
	16,728	Interest Payable and Similar charges	17,954
	(1,269)	Interest and Investment Income	(1,478)
	1,776	Net Pension Interest Expense	2,913
	17,235	Total Financing and Investment Income and Expenditure	19,389
		Taxation and Non-Specific Grant Income:	
	(159,277)	General Government Grants	(160,081)
	(19,339)	Government Capital Grants and Other Capital Contributions	(31,136)
	(33,035)	Non-domestic Rates Redistribution	(35,634)
	(251)	Non-domestic Rates TIF	(301)
	-	Non-domestic Rates BRIS	(102)
	(49,868)	Council Tax Income	(52,533)
	(261,770)	Total Taxation and Non-Specific Grant Income	(279,787)
	24,086	(Surplus)/Deficit on Provision of Services	(6,234)
	(6,347)	(Surplus)/Deficit on revaluation of Long Term Assets	(11,910)
	36,739	Other Post Employment Benefits (Pensions)	(64,660)
	30,392	Other Comprehensive Income and Expenditure	(76,570)
	54,478	Total Comprehensive Income and Expenditure	(82,804)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Statement of Movement in Reserves on pages 49 to 50.

Balance Sheet



31 March 2019		Note	31 March 2020	
£'000	£'000		£'000	£'000
		Long Term Assets		
		Property Plant & Equipment	14	
359,366		- Other Land and Buildings		370,616
9,656		- Vehicles, Plant, Furniture and Equipment		9,627
214,904		- Infrastructure Assets		221,154
2,354		- Community Assets		5,647
2,741		- Surplus Assets		3,254
23,877		- Assets Under Construction		26,806
	612,898	Total Property Plant & Equipment		637,104
	2,080	Heritage Assets	15	2,086
	664	Intangible Assets	16	583
	2,110	Investment Property	17	2,449
	492	Long Term Investments	26	492
	5,811	Long-Term Debtors	21	5,663
	624,055	Total Long Term Assets		648,377
		Current Assets		
812		Inventories		749
17,607		Short Term Debtors (Net of Impairment)	22	17,756
2,322		Assets Held for Sale	23	674
57,500		Short Term Investments		59,500
13,831		Cash and Cash Equivalents	24	8,785
	92,072	Total Current Assets		87,464
		Current Liabilities		
(19,743)		Short-term Borrowing	26	(6,070)
(34,415)		Short-term Creditors	25	(34,288)
(7)		Capital Grant Receipts in Advance	29	(7)
(2,638)		Provisions	28	(2,177)
(5,652)		Other Short Term Liabilities	27	(4,573)
	(62,455)	Total Current Liabilities		(47,115)
		Long-term Liabilities		
(166,071)		Borrowing Repayable within a Period in Excess of 12 Months	26	(169,219)
(124,865)		Other Long-term liabilities	27	(120,294)
(1,301)		Provisions	28	(1,396)
(5,000)		Capital Grant Receipts in Advance	29	(5,000)
(113,768)		Other Long-term liabilities (Pensions)	30	(67,346)
	(411,005)	Total Long-term Liabilities		(363,255)
	242,667	Total Assets less Liabilities		325,471

Balance Sheet



31 March 2019		Note	31 March 2020	
£'000	£'000		£'000	£'000
115,150	187,139	Unusable Reserves 32	126,560	269,579
195,045		- Revaluation Reserve	220,263	
(3,176)		- Capital Adjustment Account	(2,850)	
(113,768)		- Financial Instruments Adjustment Account	(67,346)	
(6,112)		- Pensions Reserve	(7,048)	
		- Accumulated Absences Account		
4,352	55,528	Usable Reserves 33	4,379	55,892
1,696		- Capital Funds	1,843	
49,480		- Repairs and Renewals Funds	49,670	
		- General Fund Balance		
	242,667	Total Reserves		325,471

The Balance Sheet is a snapshot of the value as at the 31 March 2020 of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported as follows:

- **Unusable Reserves:** are reserves that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations".
- **Usable Reserves:** are reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt).

The Unaudited Annual Accounts were issued on 25 June 2020 and the Audited Annual Accounts were authorised for issue on 26 November 2020.

Kirsty Flanagan
Section 95 Officer

Statement of Movement in Reserves

Movements in 2019-20	Usable Reserves (Note 33)				Unusable Reserves (Note 32)						Total Reserves
	General Fund Balance	Repairs and Renewals Fund	Capital Funds	Total Usable Reserves	Revaluation Reserve	Capital Adjustment Account	Pensions Reserve	Financial Instrument Adjustment Account	Accumulated Absences Account	Total Unusable Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Balance at 31 March 2019	(49,480)	(1,696)	(4,352)	(55,528)	(115,150)	(195,045)	113,768	3,176	6,112	(187,139)	(242,667)
(Surplus)/Deficit on Provision of Services	(6,234)			(6,234)						-	(6,234)
Other Comprehensive Income and Expenditure					(11,910)		(64,660)			(76,570)	(76,570)
Total Comprehensive Income and Expenditure	(6,234)	-	-	(6,234)	(11,910)	-	(64,660)	-	-	(76,570)	(82,804)
Adjustments between accounting basis and funding basis under regulations:											
Adjustment between CAA and Revaluation Reserve for depreciation that is related to the revaluation balance rather than historic cost	-			-	500	(500)				-	-
Amortisation of Intangible Assets	(117)			(117)		117				117	-
Depreciation of Non-current Assets	(22,662)			(22,662)		22,662				22,662	-
Impairment of Non-current Assets	287			287		(287)				(287)	-
Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement	31,136			31,136		(31,136)				(31,136)	-
Capital Expenditure Charged to the General Fund	812			812		(812)				(812)	-
Net Gain or Loss on Sale of Non-current Assets	(1,487)		(1,974)	(3,461)		3,461				3,461	-
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements	326			326				(326)		(326)	-
Employee Benefits	(936)			(936)					936	936	-
Amount by which pension costs calculated in accordance with the Code are different from the contributions due under pension scheme regulations	(18,238)			(18,238)			18,238			18,238	-

Statement of Movement in Reserves

Movements in 2019-20	Usable Reserves (Note 33)				Unusable Reserves (Note 32)						Total Reserves
	General Fund Balance	Repairs and Renewals Fund	Capital Funds	Total Usable Reserves	Revaluation Reserve	Capital Adjustment Account	Pensions Reserve	Financial Instrument Adjustment Account	Accumulated Absences Account	Total Unusable Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Statutory Repayment of Debt - Loans Fund Advances	11,098			11,098		(11,098)				(11,098)	-
Statutory Repayment of Debt - Finance Leases	41			41		(41)				(41)	-
Statutory Repayment of Debt - NPDO Finance	5,610			5,610		(5,610)				(5,610)	-
Total Statutory Adjustments	5,870	-	(1,974)	3,896	500	(23,244)	18,238	(326)	936	(3,896)	-
Net (Increase)/Decrease before Transfers to Other Statutory Reserves	(364)	-	(1,974)	(2,338)	(11,410)	(23,244)	(46,422)	(326)	936	(80,466)	(82,804)
<i>Other Transfers required by Statute</i>											
Transfer to/from Other Statutory Reserves	174	(147)	1,947	1,974		(1,974)				(1,974)	-
(Increase)/Decrease in Year	(190)	(147)	(27)	(364)	(11,410)	(25,218)	(46,422)	(326)	936	(82,440)	(82,804)
Balance at 31 March 2020 Carried Forward	(49,670)	(1,843)	(4,379)	(55,892)	(126,560)	(220,263)	67,346	2,850	7,048	(269,579)	(325,471)

This Statement shows the movement in the 2019-20 financial year on the different reserves held by the Council, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and "Unusable Reserves". The '(Surplus)/Deficit on the Provision of Services' line shows the true economic cost of providing the Council's services, more details of which are shown in Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes. The 'Net (Increase)/Decrease before Transfers to Other Statutory Reserves' line shows the Statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

Statement of Movement in Reserves

Comparative Movements in 2018-19	Usable Reserves (Note 33)				Unusable Reserves (Note 32)						Total Reserves
	General Fund Balance	Repairs and Renewals Fund	Capital Funds	Total Usable Reserves	Revaluation Reserve	Capital Adjustment Account	Pensions Reserve	Financial Instrument Adjustment Account	Accumulated Absences Account	Total Unusable Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Balance at 31 March 2018	(50,342)	(1,515)	(4,326)	(56,183)	(108,820)	(196,126)	56,442	3,506	4,036	(240,962)	(297,145)
(Surplus)/Deficit on Provision of Services	24,086			24,086						-	24,086
Other Comprehensive Expenditure and Income					(6,347)		36,739			30,392	30,392
Total Comprehensive Expenditure and Income	24,086	-	-	24,086	(6,347)	-	36,739	-	-	30,392	54,478
<i>Adjustments between accounting basis and funding basis under regulations:</i>											
Adjustment between CAA and Revaluation Reserve for depreciation that is related to the revaluation balance rather than historic cost.				-	17	(17)				-	-
Amortisation of Intangible Assets	(223)			(223)		223				223	-
Depreciation and of Non-current Assets	(22,128)			(22,128)		22,128				22,128	-
Impairment of Non-current Assets	(11,887)			(11,887)		11,887				11,887	-
Capital Grants and Contributions credited to the Comprehensive Income and Expenditure	19,349			19,349		(19,349)				(19,349)	-
Capital Expenditure Charged to the General Fund	575			575		(575)				(575)	-
Net Gain or Loss on Sale of Non-current Assets	222		(383)	(161)		161				161	-
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements	330			330				(330)		(330)	-
Employee Benefits	(2,076)			(2,076)					2,076	2,076	-
Amount by which pension costs calculated in accordance with the Code are different from the contributions due under pension scheme regulations	(20,587)			(20,587)			20,587			20,587	-

Statement of Movement in Reserves

Comparative Movements in 2018-19	Usable Reserves (Note 33)				Unusable Reserves (Note 32)						Total Reserves
	General Fund Balance	Repairs and Renewals Fund	Capital Funds	Total Usable Reserves	Revaluation Reserve	Capital Adjustment Account	Pensions Reserve	Financial Instrument Adjustment Account	Accumulated Absences Account	Total Unusable Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Statutory Repayment of Debt - Loans Fund Advances	9,211			9,211		(9,211)				(9,211)	-
Statutory Repayment of Debt - Finance Leases	50			50		(50)				(50)	-
Statutory Repayment of Debt - NPDO Finance	3,733			3,733		(3,733)				(3,733)	-
Total Statutory Adjustments	(23,431)	-	(383)	(23,814)	17	1,464	20,587	(330)	2,076	23,814	-
Net (Increase)/Decrease before Transfers to Other Statutory Reserves	655	-	(383)	272	(6,330)	1,464	57,326	(330)	2,076	54,206	54,478
<i>Other Transfers required by Statute</i>											
Transfer to/from Other Statutory Reserves	207	(181)	357	383		(383)				(383)	-
(Increase)/Decrease in Year	862	(181)	(26)	655	(6,330)	1,081	57,326	(330)	2,076	53,823	54,478
Balance at 31 March 2019 Carried Forward	(49,480)	(1,696)	(4,352)	(55,528)	(115,150)	(195,045)	113,768	3,176	6,112	(187,139)	(242,667)

This Statement shows the movement in the 2018-19 financial year on the different reserves held by the Council, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and "Unusable Reserves". The '(Surplus)/Deficit on the Provision of Services' line shows the true economic cost of providing the Council's services, more details of which are shown in Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes. The 'Net (Increase)/Decrease before Transfers to Other Statutory Reserves' line shows the Statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amounts of net cash flow arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2018-19 £'000		Note	2019-20 £'000
24,086	Net (Surplus) on the Provision of Services		(6,234)
(33,393)	Adjustments to net surplus or deficit on the provision of services for non-cash movements		(2,191)
5,800	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		5,181
(3,507)	Net Cash Flows from Operating Activities	39	(3,244)
2,226	Net Cash Flows from Investing Activities	40	(4,480)
(2,124)	Net Cash Flows from Financing Activities	41	12,770
(3,405)	Net (Increase)/Decrease in Cash and Cash Equivalents		5,046
(10,426)	Cash and Cash Equivalents at the beginning of the Reporting Period		(13,831)
(13,831)	Cash and Cash Equivalents at the end of the Reporting Period	24	(8,785)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 General Principles

The Annual Accounts summarise the Council's transactions for the 2019-20 financial year and its position at the year-end of 31 March 2020. The Council must ensure that its Annual Accounts are prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014, which section 12 of the Local Government in Scotland Act 2003 require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

1.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty of notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Balance Sheet and Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

1.4 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is

Notes to the Financial Statements

applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.5 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible fixed assets attributable to the service.

The council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with the Statutory Repayment of Loans Fund Advances.

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by Loans Fund principal repayments in the General Fund Balance by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

1.6 Employee Benefits

1.6.1 Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees. These benefits are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

1.6.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis to the appropriate service segment in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognised costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

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1.6.3 Post-Employment Benefits

The Council participates in two separate pension schemes:

- The Scottish Teachers' Pension Scheme administered by the Scottish Government
- The Local Government (Scotland) Pensions Scheme administered by the Strathclyde Pension Fund.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned while employees work for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme. No liability for future payments of benefits is recognised in the Balance Sheet and the Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the Teachers' Pension Scheme in the year.

Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Strathclyde Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 2.3% (based on the indicative rate of return on a "high quality corporate bond of equivalent term and currency to the liability" (as measured by the yield on iBoxx Sterling Corporates Index, AA over 15 years)).
- The assets of the Strathclyde Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value

The change in the net pension's liability is analysed into the following components:

- Service cost comprising:
 - Current service cost – the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
 - Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at

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the beginning of the period, taking into account any changes in the net defined liability (asset) during the period as a result of contribution and benefit payments.

- Re-measurements comprising:
 - The return on plan assets – excluding amounts included in the net interest on the net defined benefit liability (asset), charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
 - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserve.
 - Contributions paid to the Strathclyde Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable to the fund but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

1.6.4 Post Employment Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirements benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.7 Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material impact, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

1.8 Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying value of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of the restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

1.9 Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss, and
- Fair value through other comprehensive income

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at fair value through profit or loss are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices – the market price

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- Other instruments with fixed and determinable payments – discounted cash flow analysis

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for the identical assets that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

1.10 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.11 Heritage Assets

The main heritage assets held by the Council are two art collections, an archaeology collection and a historic jail and courthouse which is operated as a “living” museum. The “Argyll Collection” is an art collection which was set up to provide the young people of Argyll and Bute with direct access to a wide range of quality art recognising that they had limited access to museums and galleries. In addition, the Council holds other works of art which are held at various libraries and the Campbeltown Museum. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council’s accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

The Council’s main heritage assets are accounted for as follows:

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The Art Collections

The collections cover a range of media including acrylic, charcoal, embroidery, engraving, etching, gouache, lithography, oil, pastel, pencil, procion dye, screenprint, monoprint, watercolour, woodcut, ceramic, bronze and woodcarving. These items are reported in the Balance Sheet at insurance valuation which is based on market values. These valuations are updated periodically. The assets within the art collections are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by external valuers and with reference to appropriate commercial markets using the most relevant and recent information from sales at auctions.

Inveraray Jail and Courthouse and “Other” Historic Buildings

The building is owned by Argyll and Bute Council and leased out to an organisation which runs it as a “living museum”. The building is valued in accordance with the Council’s property, plant and equipment policy. Other buildings included in this category are McCaig’s Folly in Oban, the Argyll Mausoleum and Castle Lodge in Dunoon.

Archaeology and “Other” Museum Exhibits

The Council has obtained specialist valuations for the archaeology collection held within Campbeltown Museum which covers a range of objects including swords, bones, pottery, stone and leather remains. Similar to the Art Collections, these items are reported in the Balance Sheet at insurance valuation which is based on market values. These valuations will be updated periodically. The assets within the collection are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Heritage Assets – General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council’s general policies on impairment (see note 1.19.3 in this summary of significant accounting policies). The proceeds of any disposals are accounted for in accordance with the Council’s general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and receipts (see note 1.19.4 in this summary of significant accounting policies).

1.12 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council’s goods or services.

Intangible assets are measured initially at cost. Amounts are not revalued, as the fair value of the assets held by the Council cannot be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service lines in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or

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abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

1.13 Interests in Companies and Other Entities

The Council has material interests in companies and other entities that have the nature of subsidiaries, associates or joint ventures and requires to prepare Group Accounts. In the Council's own single entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

1.14 Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula.

1.15 Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

1.16 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

1.16.1 The Council as Lessee

a) Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation

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to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Council is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

b) Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

1.16.2 The Council as Lessor

a) Finance Leases

Where the Council grants a finance lease over a property or an item of plant and equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received); and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt on disposal of the asset is used to write down the debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

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b) Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the relevant Service lines in the Comprehensive Income and Expenditure Statement, with the exception of rental income from investment property which is credited to Interest and Investment Income. Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

1.17 Overheads and Support Services

The costs of overheads and support services are not charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

1.18 Assets Held for Sale

Property, plant and equipment are classified as *Assets Held for Sale* when the following criteria are met:

- The property is available for immediate sale in its present condition.
- The sale must be highly probable; and an active programme to locate a buyer and complete the plan must have been initiated.
- The asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value.
- The sale should be expected to qualify for recognition as a completed sale within one year (although events or circumstances may extend the period to complete the sale beyond one year).

When these criteria are met, assets within the category of *Property, Plant and Equipment* will be reclassified as *Assets Held for Sale*.

1.19 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes that are expected to be used during more than one financial year are classified as *Property, Plant and Equipment*.

1.19.1 Recognition

Expenditure on the acquisition, creation, or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

1.19.2 Measurement

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred while assets are under construction.

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The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase the cash flows of the Council. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Accounts. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- Council offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- School buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value.
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant’s perspective.
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of an impairment loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

1.19.3 Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

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- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

1.19.4 Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an *Asset Held for Sale*. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on Assets Held for Sale.

Assets that are to be abandoned or scrapped are not reclassified as *Assets Held for Sale*.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Disposal receipts are categorised as capital receipts. All capital receipts are credited to the Capital Receipts Reserve, and can then only be used for new capital investment. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

1.19.5 Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Where an asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

1.20 Private Finance Initiative (PFI) and Similar Contracts

PFI contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes and as ownership of

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the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on the Balance Sheet.

The original recognition of these assets at fair value was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as Property, Plant and Equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year - debited to the relevant service in the Comprehensive Income and Expenditure Statement.
- Finance Cost – this is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, this is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).
- Lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

1.21 Provisions, Contingent Liabilities and Contingent Assets

1.21.1 Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year and where it becomes more likely than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the obligation is settled.

1.21.2 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Notes to the Financial Statements

1.21.3 Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.22 Reserves

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies above and Note 32 to the accounts.

1.23 VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs and VAT paid is recoverable.

2. ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

The Council is required to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This requirement applies to the following new or amended accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. on or before 1 January 2020 for 2019-20). For this disclosure the standards introduced by the 2019-20 code include:

- Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
- Annual Improvements to IFRS Standards 2015-17 Cycle
- Amendments to IAS 19 Employee Benefits: Plan amendment, curtailment or settlement

The implementation of IFRS 16 Leasing has been deferred therefore for 2019-20 Local Authorities are not required to include IFRS 16 in their consideration of accounting standards that have been issued but not yet adopted.

For this disclosure there are no new standards, introduced by the 2020-21 Code of Practice, which will impact on the 2019-20 Financial Statements. Furthermore there is no material impact anticipated in future years from the implementation of these standards.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. Where a critical judgement has been made this is referred to in the relevant note to the core financial statements; however a summary of those with the most significant effect is detailed below:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

Notes to the Financial Statements

- The Council currently operates three Private Finance Initiative (PFI), or similar, contracts which are accounted for as Service Concession arrangements under IFRIC12 – *Service Concession Arrangements*. The Council has determined that in the case of the Schools NPDO contract and the new Schools DBFM contract, the Council has control over the services provided through use of the schools and that a qualifying asset has been created. The appropriate accounting treatment is to bring the assets “on Balance Sheet” along with a finance lease liability.
- The Council also operates a Waste Management PPP contract. In this case the Council determined that a “qualifying asset” had not been created and that the Council did not have significant control over the services being provided. The appropriate accounting treatment was therefore determined to be “off Balance Sheet” and that payments to the contractor are charged to the appropriate service line within the Comprehensive Income and Expenditure Account.
- The Council has considered its exposure to possible losses and made adequate provision where it is probable that an outflow of resources will be required and the amount of the obligation can be measured reliably. Where it has not been possible to measure the obligation, material contingent liabilities have been disclosed in Note 34.
- Unused holiday entitlement earned at 31 March 2020 but not taken at that date has been quantified on the basis of a 5% sample of all non-term time Council employees. The calculation in respect of unused holidays for term time staff in schools is based on actual leave entitlement as at 31 March and no estimation is required for these staff. The liability shown in the 2019-20 financial statements in respect of the holiday pay accrual is £7.047m.

4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The financial statements contain estimated figures that are based on assumptions made by the Council about which there is a degree of uncertainty. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council’s Balance Sheet at 31 March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are outlined in the table that follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions												
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives.	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase by £1.117m for every year that useful lives had to be reduced.</p>												
Asset Valuations	The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.	<p>Our valuations are therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we intend to keep the valuations under frequent review.</p> <table border="1" data-bbox="1400 991 1942 1241"> <thead> <tr> <th>Valuation Method</th> <th>£'000</th> </tr> </thead> <tbody> <tr> <td>Historical Cost</td> <td>231,364</td> </tr> <tr> <td>Fair value (Market Value)</td> <td>15,320</td> </tr> <tr> <td>Current value (EUV/DRC)</td> <td>360,685</td> </tr> <tr> <td>Under construction - Cost</td> <td>36,482</td> </tr> <tr> <td></td> <td>643,852</td> </tr> </tbody> </table> <p>For those properties valued at market value it is estimated that the valuation would change by £0.153m for every 1% change in the market prices.</p>	Valuation Method	£'000	Historical Cost	231,364	Fair value (Market Value)	15,320	Current value (EUV/DRC)	360,685	Under construction - Cost	36,482		643,852
Valuation Method	£'000													
Historical Cost	231,364													
Fair value (Market Value)	15,320													
Current value (EUV/DRC)	360,685													
Under construction - Cost	36,482													
	643,852													

Item	Uncertainties	Effect if Actual Results Differ from Assumptions												
Arrears	At 31 March 2020, the Council had a balance of sundry debtors of £4.151m. A review of significant balances suggested that an impairment of doubtful debts of 28.4% (£1.177m) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, an increase of the allowance by 10% would increase the bad debt provision required by £0.415m.												
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. The estimated impact of the McCloud judgement has been incorporated within the accounts at £7.5m. The estimated impact of the Guaranteed Minimum Pension (GMP) has not been included within the accounts.	<p>The effects on the net pension's liability of changes in individual assumptions can be measured. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out as follows:</p> <table border="1" data-bbox="1218 842 2125 1270"> <thead> <tr> <th data-bbox="1218 842 1630 1011">Sensitivities at 31 March 2020</th> <th data-bbox="1635 842 1872 1011">Approximate % Increase to Employer Liability</th> <th data-bbox="1877 842 2125 1011">Approximate monetary amount £'000</th> </tr> </thead> <tbody> <tr> <td data-bbox="1218 1015 1630 1098">0.5% decrease in real discount rate</td> <td data-bbox="1635 1015 1872 1098">9%</td> <td data-bbox="1877 1015 2125 1098">69,825</td> </tr> <tr> <td data-bbox="1218 1101 1630 1184">0.5% increase in salary increase rate</td> <td data-bbox="1635 1101 1872 1184">1%</td> <td data-bbox="1877 1101 2125 1184">10,530</td> </tr> <tr> <td data-bbox="1218 1187 1630 1270">0.5% increase in pension increase rate</td> <td data-bbox="1635 1187 1872 1270">8%</td> <td data-bbox="1877 1187 2125 1270">58,338</td> </tr> </tbody> </table>	Sensitivities at 31 March 2020	Approximate % Increase to Employer Liability	Approximate monetary amount £'000	0.5% decrease in real discount rate	9%	69,825	0.5% increase in salary increase rate	1%	10,530	0.5% increase in pension increase rate	8%	58,338
Sensitivities at 31 March 2020	Approximate % Increase to Employer Liability	Approximate monetary amount £'000												
0.5% decrease in real discount rate	9%	69,825												
0.5% increase in salary increase rate	1%	10,530												
0.5% increase in pension increase rate	8%	58,338												

5. GENERAL FUND RESERVES

The Council has ring-fenced £43.375m of the balance on the General Fund.

Ring-fenced Balances	Balance 1 April 2019 £'000	Funds Used £'000	Contributions to/from Funds £'000	New Earmarking agreed 2019-20 £'000	New Earmarking at end of 2019-20 £'000	Balance 31 March 2020 £'000
Revenue from Additional Council Tax on Second Homes (Strategic Housing Fund)	6,310	(946)	-	-	2,136	7,500
Investment in Affordable Housing	4,200	-	(200)	-	-	4,000
Capital Projects	5,579	-	-	-	1,873	7,452
Lochgilphead and Tarbert Regeneration	2,917	(541)	-	-	-	2,376
Inward Investment Fund	935	(52)	-	-	-	883
Rural Resettlement Fund	180	(28)	-	-	-	152
Asset Management	2,507	-	-	-	44	2,551
Piers and Harbours Investment Fund	240	-	-	-	368	608
Scottish Government Initiatives	492	(128)	9	-	578	951
Transformation	78	(5)	-	-	-	73
CHORD	141	-	-	-	72	213
School Budget Carry Forwards	814	(747)	-	-	850	917
Energy Efficiency Fund	136	-	-	-	82	218
Unspent Budget Required for Existing Legal Commitments	797	(153)	-	-	-	644
Unspent Committed Grants	1,631	(1,236)	(53)	-	2,939	3,281
Contributions Carried Forward	132	(5)	-	-	10	137
Other Previous Council Decisions	11,644	(8,872)	(164)	92	267	2,967
Redundancy Reserve					2,100	2,100
Supporting Organisational Change					500	500
Spend to Save Route Optimisation Software					100	100
Unspent Budget Carried Forward	4,203	(927)	207	1,170	1,099	5,752
Total Ring-fenced	42,936	(13,640)	(201)	1,262	13,018	43,375
Contingency	4,837	-	132	-	-	4,969
Budget Smoothing in 2019-20	-	-	-	-	-	-
Unallocated	1,707	(94)	883	(1,170)	-	1,326
Total General Fund Balance	49,480	(13,734)	814	92	13,018	49,670

The contingency balance of £4.969m is 2% of the Council's budgeted net expenditure for 2020-21.

6. SUPPLEMENTARY NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

6.1 Expenditure and Income Analysed by Nature

The Council's expenditure and income is analysed as follows:

2018-19 £'000	Expenditure/Income	2019-20 £'000
	Expenditure	
155,569	Employee benefits expenses	164,538
167,082	Other services expenses	157,176
59,344	Contribution to Argyll and Bute Integration Joint Board	59,946
34,132	Depreciation, amortisation, impairment	22,474
18,504	Interest payments	20,867
1,281	Precepts and levies	1,377
(25)	Other operating expenditure	13
(222)	Net Loss/(Gain) on the disposal of assets	1,487
435,665	Total Expenditure	427,878
	Income	
(89,196)	Fees, charges and other service income	(92,901)
(59,344)	Income to fund social care services (Argyll and Bute Integration Joint Board)	(59,946)
(1,269)	Interest and investment income	(1,478)
(83,154)	Income from council tax and non-domestic rates	(88,570)
(178,616)	Government grants and contributions	(191,217)
(411,579)	Total Income	(434,112)
24,086	Deficit on the Provision of Services	(6,234)

Notes to the Financial Statements

6.2 Revenue from Contracts with Service Recipients

31 March 2019 £'000		31 March 2020 £'000
27,324	Revenue from contracts with service recipients	29,567
27,324	Total Included in Comprehensive Income and Expenditure Statement	29,567

7. OTHER OPERATING INCOME AND EXPENDITURE

The expenditure of £1.390m shown in the Other Operating Income and Expenditure line on the Statement of Comprehensive Income and Expenditure can be analysed as follows:

2018-19 Actual £'000	Other Operating Income and Expenditure	2019-20 Actual £'000
1,281	Dunbartonshire and Argyll & Bute Valuation Joint Board Requisition	1,377
(26)	Equal Pay Settlements and Legal Costs	10
1	Other Operating Income and Expenditure not attributable to Services	3
1,256	Total	1,390

8. AGENCY INCOME

The Council have an on-going agency agreement with Scottish Water to collect domestic water and sewerage charges. During 2019-20 income from this agreement amounted to £0.309m (2018-19 £0.309m).

The Council also acts as agent for the Scottish Government in the collection of non-domestic rate income. Further information on the collection of non-domestic rate income can be found on pages 123 to 124.

9. COMMUNITY CARE AND HEALTH (SCOTLAND) ACT 2002

From 1 April 2016 health and social care services were fully integrated as part of the new Health and Social Care Partnership.

During 2019-20 the Partnership included provision of services to older people, supporting people with a learning disability and provision of support to adults who have a mental health difficulty.

Budgets are currently aligned which means that each Partner organisation holds their own element of the budget and records the income and expenditure that relates to the part of the service for which they are responsible.

During 2019-20 income received by the Council from this source amounted to £6.693m and the related expenditure was £9.100m. This can be analysed as follows.

2018-19		Purpose of Services	2019-20	
Income £'000	Expenditure £'000		Income £'000	Expenditure £'000
2,516	3,940	Care of the Elderly	2,643	4,186
2,439	3,125	Provision of Services for People with Learning Disabilities	2,652	3,309
1,460	1,676	Provision of Services for People with Mental Health Needs	1,398	1,605

Notes to the Financial Statements

10. FEES PAYABLE TO AUDIT SCOTLAND

In 2019-20 the following fees relating to external audit and inspection were incurred:

2018-19 £'000	Auditor's Remuneration	2019-20 £'000
258	Fees payable to Audit Scotland with regard to external audit services carried out by the appointed Auditor	263
258	Total Remuneration	263

The fee for 2019-20 includes £3,650 for the audit of the Council's charitable trusts.

Audit Scotland did not undertake any non-audit work in 2019-20 or 2018-19.

11. WASTE MANAGEMENT PUBLIC PRIVATE PARTNERSHIP

The Council has entered into a Public Private Partnership for the provision of its waste disposal service. This agreement requires the provider to upgrade or replace three waste disposal sites, two transfer stations and five civic amenity sites. In addition, the provider will also provide composting facilities to meet waste diversion targets. When the agreement ends in September 2026, during financial year 2026-27, the provider will hand back to the Council the waste disposal facilities with a life of 5 years.

The Council has paid a service charge of £5.847m which represents the value of the service provided from 1 April 2019 to 31 March 2020 (£5.408m for 2018-19). Under the agreement the Council is committed to paying the following sums:

Future Repayment Periods	£'000
2020-2021	5,636
2021-2024	19,868
2024-2027	16,400
Total	41,904

The average service charge equates to £5.212m per annum over the life of the contract.

Notes to the Financial Statements

12. GRANT INCOME

The Council credited the following grants to the Comprehensive Income and Expenditure Statement in 2019-20:

2018-19 £'000	Grant Income	2019-20 £'000
	Credited to Taxation and Non Specific Grant Income	
159,277	Revenue Support Grant	160,081
33,035	Non Domestic Rates	35,634
46	Specific Capital Grant	3,495
15,237	General Capital Grant	18,205
1,308	Heritage Lottery Fund	3,569
1,637	Scottish Timber Transport Strategy	1,667
38	Scottish Government	225
33	Strathclyde Partnership for Transport (SPT)	-
515	SUSTRANS	989
-	- Revenue Contribution to Capital Projects	1,408
535	Other Grants	1,017
-	- Other Government Capital Grants	561
211,661	Total	226,851
	Credited to Services	
4,208	Scottish Government Specific Grants	7,599
3,735	Scottish Government Specific Grants - Scotland's Schools for the Future	3,706
942	General Capital Grant - Private Sector Housing Improvement Grants	1,064
-	- General Capital Grant - Economic Development	931
22,498	Housing Benefit Subsidy	19,683
1,287	Other Revenue Government Grants	1,048
32,670	Total	34,031

Notes to the Financial Statements

13. RELATED PARTIES

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

The aim of the Financial Reporting Standard dealing with Related Parties is to highlight instances where influence and control has been exercised over an external organisation by the Council, and where an elected member, their close family or someone in their household, has the ability to exercise the influence or control. Elected members and Senior Officers have completed a signed declaration on Related Party Interests and these have been used to compile this disclosure.

13.1 Scottish Government

The Scottish Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in Note 12 – Grant Income on page 77.

13.2 Members

Members of the council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2019-20 is shown in the Remuneration Report on page 34.

During the year there was one organisation in which members had a significant interest and where the total of transactions exceeded £10,000.

Transactions in which Members have a significant interest	Expenditure £'000
Bookfan Ltd - Trading as Southpeak	88

Notes to the Financial Statements

13.3 Other Related Bodies

This category relates to transactions with entities which are controlled or significantly influenced by the Council.

During the year transactions with other related bodies were as follows:

Related Bodies	Expenditure £'000
Transactions with related bodies during the year totalled	
<i>Of these, transactions with the following exceeded £10,000:</i>	
Oban and Lorn Community Enterprise - Atlantis Leisure	480
Fyne Homes Ltd	240
Argyll Community Housing Association (ACHA)	264
Duke of Edinburgh Award Scheme	10
Kintyre Alcohol and Drugs Advisory Service (KADAS)	11
Argyll and the Isles Tourism Ltd	30
Islay and Jura Community Enterprise	185
South Kintyre Development Trust	12
Mid Argyll Community Enterprise	154
Scotland Excel	88
Fyne Futures	171
Convention of Scottish Local Authorities (COSLA)	70
Argyll and Bute Citizens Advice Bureau	45
Bute Advice	74
Kintyre Recycling	198
Oban Addiction Support and Information Services (OASIS)	15
SEEMIS	116
Mull & Iona Community Trust (MICT)	161
Argyll and the Isles Coast & Countryside Trust	22
Carr Gomm	356
Argyll & Bute Women's Aid	121
Argyll & Bute Care & Repair	231
Total	3,054

Given the relationships the Council has with other organisations and partners it is possible that some related party transactions may exist. However, the purpose of the requirement to complete the disclosure is to provide additional information to the users of the Annual Accounts and, by declaring possible instances, there is no suggestion that any inappropriate transactions have taken place.

Notes to the Financial Statements

14. PROPERTY, PLANT AND EQUIPMENT

14.1 Movement in Property, Plant and Equipment

Movements in 2019-20	Other Land & Buildings £'000	Vehicles Plant & Equipment £'000	Infra-structure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total 2019-20 £'000
Cost or Valuation							
At 1 April 2019	382,592	39,073	297,137	2,363	2,740	23,877	747,782
Additions	8,003	2,254	12,565	3,219	13	10,665	36,719
Additions financed under a new leasing arrangement		-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	35,739	-	-	-	70,184	3,397	109,321
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(32,936)	-	-	-	(70,024)	-	(102,961)
Derecognition - Disposals	(1,981)	(623)	-	-	(9)	-	(2,613)
Assets reclassified (to)/from Held for Sale	(886)	-	-	-	346	-	(540)
Other movements in cost or valuation	9,966	-	1,059	74	-	(11,133)	(34)
At 31 March 2020	400,497	40,704	310,761	5,656	3,250	26,806	787,674
Depreciation and Impairments							
At 1 April 2019	(23,226)	(29,417)	(82,233)	(9)	1	-	(134,884)
Depreciation Charge for 2019-20	(12,998)	(2,283)	(7,374)	-	(6)	-	(22,661)
Depreciation written out to the Revaluation Reserve	4,763	-	-	-	52	-	4,815
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	1,191	-	-	-	(44)	-	1,147
Derecognition - Disposals	385	623	-	-	1	-	1,009
Other movements in depreciation and impairment	4	-	-	-	-	-	4
At 31 March 2020	(29,881)	(31,077)	(89,607)	(9)	4	-	(150,570)
Balance Sheet amount at 31 March 2020	370,616	9,627	221,154	5,647	3,254	26,806	637,104
Balance Sheet amount at 31 March 2019	359,366	9,656	214,904	2,354	2,741	23,877	612,898

Comparative Movements in 2018-19	Other Land & Buildings £'000	Vehicles Plant & Equipment £'000	Infra-structure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total 2018-19 £'000
Cost or Valuation							
At 1 April 2018	342,439	36,046	277,944	2,333	1,160	66,852	726,774
Additions	5,672	2,279	11,410	30	10	12,647	32,048
Additions financed under a new leasing agreement	4,919	-	-	-	-	-	4,919
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(7,439)	0	-	-	361	-	(7,078)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(7,844)	(217)	(8)	-	(86)	(53)	(8,208)
Derecognition - Disposals	-	(477)	-	-	(92)	-	(569)
Assets reclassified (to)/from Held for Sale	(1,019)	-	-	-	1,387	-	368
Other movements in cost or valuation	45,864	1,442	7,791	-	-	(55,569)	(472)
At 31 March 2019	382,592	39,073	297,137	2,363	2,740	23,877	747,782
Depreciation and Impairments							
At 1 April 2018	(20,612)	(27,330)	(75,316)	(9)	(4)	-	(123,271)
Depreciation Charge for 2018-19	(12,642)	(2,562)	(6,917)	-	(9)	-	(22,130)
Depreciation written out to the Revaluation Reserve	13,059	-	-	-	5	-	13,064
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	(3,179)	-	-	-	-	-	(3,179)
Derecognition - Disposals	-	475	-	-	7	-	482
Other movements in depreciation and impairment	148	-	-	-	2	-	150
At 31 March 2019	(23,226)	(29,417)	(82,233)	(9)	1	-	(134,884)
Balance Sheet amount at 31 March 2019	359,366	9,656	214,904	2,354	2,741	23,877	612,898
Balance Sheet amount at 31 March 2018	321,827	8,716	202,628	2,324	1,156	66,852	603,503

Notes to the Financial Statements

14.2 Valuation of Property, Plant and Equipment

IAS 16 – Property, Plant and Equipment has been adapted for the public sector by IPSAS 17 – Property, Plant and Equipment. Under IPSAS 17 each category of Property, Plant and Equipment is valued as follows:

- Infrastructure, community assets and assets under construction are valued at historical cost.
- Vehicles, plant and equipment are valued at depreciated historical cost as a proxy for fair value.
- All other classes of assets are valued at fair value. Where there is no market based evidence of fair value because of the specialist nature of the asset and the asset is rarely sold then an estimate of fair value is made using a depreciated replacement cost approach.

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured is re-valued at least every five years. Assets identified as Corporate Surplus Assets are valued in accordance with IFRS 13 - Fair Value Measurement. The Balance Sheet value of Corporate Surplus assets at 31 March 2020 was £3.254m. Corporate Surplus assets are valued at their fair value on 31 March each year. Level 2 or 3 inputs were used for most Corporate Surplus asset valuations.

Revaluations of Council owned land and property were carried out at 31 March 2020 in accordance with the Council's rolling programme of revaluations. The revaluations have been carried out in house by the Council's Estates Service. Valuations of land and buildings were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

The following table shows the progress of the Council's rolling programme for the revaluation of Other Land and Buildings:

Valued at Fair Value as at:	Other Land & Buildings £'000
31 March 2020	32,491
31 March 2019	105,986
31 March 2018	158,833
31 March 2017	23,379
31 March 2016	40,251
Total Cost or Valuation	370,616

Notes to the Financial Statements

14.3 Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Buildings – straight-line allocation over the useful life of the property as estimated by the valuer (20 to 60 years)
- Infrastructure – straight-line allocation over 40 – 60 years
- Vessels – straight line allocation over 25 years
- Vehicles, Plant and Equipment - straight-line allocation over the useful life of the asset as determined by a suitably qualified officer (5 to 20 years)

Notes to the Financial Statements

14.4 Summary of Capital Expenditure and Financing

Capital expenditure involves the creation of assets, the benefit of which will be available to future rates and Council taxpayers. It is financed from borrowing, capital receipts and capital grants. The cost of the asset is effectively borne over a period of years. In 2019-20 total spending on capital projects was £36.772m.

2018-19 £'000		2019-20 £'000
306,433	Opening Capital Financing Requirement	309,994
	<i>Capital Investment:</i>	
5,672	Property Plant and Equipment: Other Land and Buildings	7,672
2,279	Vehicles, Plant, Furniture and Equipment	2,254
11,410	Infrastructure Assets	12,565
30	Community Assets	3,219
10	Surplus Assets	13
12,647	Assets Under Construction	10,665
4,919	Property Plant and Equipment acquired under Finance Leases: Other Land and Buildings - DBFM Schools	331
(8)	Heritage Assets	6
13	Intangible Assets	47
36,972	Total Capital Investment	36,772
	<i>Sources of Finance:</i>	
(383)	Capital Receipts	(1,974)
(19,349)	Government Grants	(31,136)
(575)	Capital Financed from Current Revenue	(812)
(9,211)	Repayment of External Loans	(11,098)
(50)	Capital Element of Finance Lease Payments	(41)
(3,733)	Capital Element of Schools NPDO Payments	(5,610)
383	Capital Receipts transferred to Capital Fund	1,974
(357)	Capital Receipts Used from Capital Fund	(1,947)
(136)	Other	65
(33,411)	Total Funding	(50,579)
309,994	Closing Capital Financing Requirement	296,187

Notes to the Financial Statements

14.5 Commitments under Capital Contracts

At 31 March 2020, the Council had commitments on capital contracts of £7.914m. This expenditure will be funded from a combination of Government Grants, borrowing and income from selling assets and contributions from Revenue Accounts. Similar commitments at 31 March 2019 were £13.860m. The major commitments are:

	£'000
Rothesay Pavilion	1,583
Oban High School Replacement	842
Town Centre Fund	816
Lorn Resource Centre - Office Rationalisation	812
Willow View Community Centre - Early Years 1140 Hours	788
Dunoon Primary School Refurbishment	693
Campbeltown Grammar School Replacement	319
Campbeltown Flood Protection Scheme	306
Kirn Primary School Replacement	295
Helensburgh Office Project Restructure of Departments	238
Dunoon Queens Hall	161
U30 Inverawe Road	151
Cycleways - Helensburgh and Lomond	150
Other small projects each less than £0.150m in value	760

15. HERITAGE ASSETS

The main heritage assets held by the Council are two art collections, an archaeology collection and Inveraray Jail and Courthouse. The Council holds other heritage assets which are not valued and shown on the Balance Sheet. Further details on the council's heritage assets policy can be found in note 1.11 on page 61.

Reconciliation of the carrying value of heritage assets held by the Council:

Movements in 2019-20	Art Collections	Heritage Property	Total
	£'000	£'000	£'000
Cost or Valuation			
Net Book Value at 1 April 2019	1,600	480	2,080
Additions	-	6	6
Disposals	-	-	-
Revaluations	-	-	-
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	-	-	-
Transfer from Assets Under Construction	-	-	-
At 31 March 2020	1,600	486	2,086

Notes to the Financial Statements

16. INTANGIBLE ASSETS

Intangible assets comprise software licences and carbon reduction commitment allowances purchased in advance. Purchased software licences are shown at cost and this cost is charged to the relevant service lines within the Comprehensive Income and Expenditure Statement over the economic life of the licences, assessed as five years.

The carbon reduction commitment allowances relate to allowances purchased in advance as part of the Carbon Reduction Energy Efficiency Scheme (Phase 2). These allowances will be surrendered in October of each year on the basis of emissions, i.e. carbon dioxide produced as energy is used.

The movement in intangible assets during the year was:

Movements in 2019-20	Carbon Reduction Commitment Allowance	Purchased Software Licences	Total Intangible Assets
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2019	11	2,082	2,093
Additions	-	47	47
Disposals	(11)	-	(11)
Revaluations	-	-	-
Reclassifications	-	-	-
At 31 March 2020	-	2,129	2,129
Depreciation and Impairments			
At 1 April 2019	-	(1,429)	(1,429)
Charge for 2019-20	-	(117)	(117)
Disposals	-	-	-
At 31 March 2020	-	(1,546)	(1,546)
Balance Sheet amount at 31 March 2020	-	583	583
Balance Sheet amount at 31 March 2019	11	653	664

Notes to the Financial Statements

Comparative Movements in 2018-19	Carbon Reduction Commitment Allowance	Purchased Software Licences	Total Intangible Assets
	£'000	£'000	£'000
Cost or Valuation			
At 1 April 2018	224	1,616	1,840
Additions	-	13	13
Disposals	(213)	-	(213)
Revaluations	-	(12)	(12)
Reclassifications	-	465	465
At 31 March 2019	11	2,082	2,093
Depreciation and Impairments			
At 1 April 2018	-	(1,207)	(1,207)
Charge for 2018-19	-	(222)	(222)
Disposals	-	-	-
At 31 March 2019	-	(1,429)	(1,429)
Balance Sheet amount at 31 March 2019	11	653	664
Balance Sheet amount at 31 March 2018	224	409	633

17. INVESTMENT PROPERTY

Investment property has been accounted for in accordance with IAS 4 - Investment Property, except where interpretations or adaptations to fit the public sector are detailed in the Code. The definition of an investment property in the context of the public sector is one that is used solely to earn rentals or for capital appreciation or both.

The value of investment property is initially measured at cost and thereafter measured at fair value. The fair value of investment property reflects market conditions at 31 March 2020. Revaluations of investment properties were carried out at 31 March 2020 in house by the Estates Service.

17.1 Movement in Investment Property

The movement in investment property during 2019-20 was:

Movements in 2019-20	Investment Properties £'000
Cost or Valuation	
At 1 April 2019	2,110
Acquisitions	-
Disposals	-
Net Gains/Losses from fair value adjustments	15
Transfers	324
At 31 March 2020	2,449

Notes to the Financial Statements

17.2 Investment Property Income and Expenditure

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2018-19 £'000		2019-20 £'000
115	Rental income from investment property	120
26	Direct operating expenses arising from investment property	(4)
141		116

18. SCHOOLS BUILT UNDER PUBLIC PRIVATE PARTNERSHIP CONTRACTS (PPP)

Argyll and Bute Council have two schemes:

Schools Non-Profit Distributing Organisation (NPDO)

During 2007-08 two secondary schools, two joint campuses and one primary campus, developed as part of the Non-Profit Distributing Organisation (NPDO) variant of a Public Private Partnership (PPP), became operational. When the agreement ends in 2035 the provider will hand the five school complexes back to the Council, it is expected at that point in time each school will have an estimated life of 30 years remaining.

Schools Hub Design, Build, Finance and Maintain Contract (DBFM)

Campbeltown and Oban High Schools have been built under this type of arrangement which reached Financial Close in March 2016.

Campbeltown Grammar School Construction Phase 1 was completed on 19 February 2018 and provided a new secondary school for pupils aged between 12 and 18. The new school has capacity for 500 pupils and replaces the existing Campbeltown Grammar School on the current school site at Hutcheon Road, Campbeltown. Phase 2 which included the demolition of the existing school buildings, provision of a car park, landscaping and 3G artificial turf pitch was completed during 2018-19.

Oban High School Construction Phase 1 was completed on 5 April 2018 and provided a new secondary school for pupils between 12 and 18. The new school has capacity for 1300 pupils and replaces the existing Oban High School, on the current school site at Soroba Road, Oban. Phase 2 includes the demolition of the existing school buildings, provision of a car park, landscaping and a pedestrian footway with lighting from the new school facilities to the grass pitches owned by the Council at Glencruitten, Oban was completed during 2018-19.

Notes to the Financial Statements

18.1 Assets Held under Schools NPDO and DBFM Contracts

Five schools were constructed under the Schools NPDO Contract; Hermitage Academy, Dunoon Grammar, Lochgilphead Joint Campus, Rothesay Joint Campus and Oban Primary Campus. The construction costs of the buildings, adjusted for revaluations on 31 March 2020 and depreciation to date are included as part of Operational Land and Buildings.

As noted above two schools were completed under the Schools DBFM Contract. Oban High School and Campbeltown Grammar have been included within Operational Land & Buildings and revalued at 31 March 2020.

Movements in 2019-20	Buildings Under Construction £'000	Schools DBFM - Other Land & Buildings £'000	Schools NPDO - Other Land & Buildings £'000	Total Schools Built under PFI Contracts £'000
Cost or Valuation				
At 1 April 2019	-	55,221	130,677	185,898
Additions at Cost	-	358	-	331
Transfers	-	3,318	-	1,593
Revaluations	-	-	-	-
At 31 March 2020	-	58,897	130,677	187,822
Depreciation and Impairments				
At 1 April 2019	-	-	(2,881)	(2,881)
Charge for 2019-20	-	(1,711)	(2,875)	(4,586)
Transfers	-	(2,087)	-	(2,087)
Revaluations	-	-	-	-
At 31 March 2020	-	(3,798)	(5,756)	(9,554)
Balance Sheet amount at 31 March 2020	-	55,099	124,921	178,268
Balance Sheet amount at 31 March 2019	-	55,221	127,796	183,017

Notes to the Financial Statements

18.2 Schools NPDO Finance Lease Liability

The finance lease liability arising from the Schools NPDO contract is as follows:

Movements in 2019-20	Schools DBFM £'000	Schools NPDO £'000	Total Schools Finance Lease Liability £'000
Balance at 1 April 2019	(59,310)	(69,934)	(129,244)
Additions	-	-	-
Repayments	3,342	2,268	5,610
Schools Finance Lease Liability at 31 March 2020	(55,968)	(67,666)	(123,634)
Split:			
Obligations payable within 1 year	(2,039)	(2,491)	(4,530)
Obligations payable after 1 year	(53,929)	(65,175)	(119,104)
Schools Finance Lease Liability at 31 March 2020	(55,968)	(67,666)	(123,634)

18.3 Payments due to Operator under Schools NPDO Contract

The Council is committed to paying the following sums under the Schools NPDO contract:

Future Repayment Periods	Repayment of Liability £'000	Lifecycle Costs £'000	Payment of Interest £'000	Service Charges £'000	Total Payments £'000
2020 - 2021	2,491	-	6,935	5,536	14,962
2021 - 2025	12,397	948	25,079	23,159	61,583
2025 - 2030	22,156	2,901	23,260	32,903	81,220
2030 - 2035	30,622	3,192	9,903	33,912	77,629
Total	67,666	7,041	65,177	95,510	235,394

Notes to the Financial Statements

18.4 Payments due to Operator under Schools DBFM Contract

The Council is committed to paying the following sums under the Schools DBFM contract:

Future Repayment Periods	Repayment of Liability £'000	Payment of Interest £'000	Service Charges £'000	Total Payments £'000
2020 - 2021	2,039	2,478	536	5,053
2021 - 2026	8,009	9,132	3,342	20,483
2026 - 2031	10,462	9,659	6,140	26,261
2031 - 2036	12,085	6,790	8,208	27,083
2036 - 2041	15,211	2,465	10,335	28,011
2041 - 2043	8,162	1,227	7,116	16,505
Total	55,968	31,751	35,677	123,396

19. OPERATING LEASES

19.1 Operating Leases – Amounts Paid to Lessors

The Council uses land, buildings, vehicles, plant and equipment financed under the terms of an operating lease. The amounts paid under these arrangements in 2019-20 were as follows:

2018-19 £'000		2019-20 £'000
277	Land and Buildings	285
627	Vehicles	730
168	Plant and Equipment	152
1,072	Total	1,167

19.2 Assets Held Under Operating Leases

The Council was committed at 31 March 2020 to making payments of £2.371m under operating leases comprising the following elements:

	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000
Due within 1 year	180	315
Due between 1 and 5 years	511	328
Due after 5 years	1,037	-
Value at 31 March 2020	1,728	643

Notes to the Financial Statements

20. FINANCE LEASES

20.1 Finance Leases – Amounts Paid to Lessors

During 2017-18 the Council purchased a new cremator for Cardross Crematorium under a finance lease arrangement. The amount paid under this arrangement in 2019-20 was as follows:

2018-19 £'000		2019-20 £'000
63	Plant and Equipment	63
63	Total	63

20.2 Assets Held Under Finance Leases

Assets purchased under a finance leases are included within the assets of the Council and depreciated over the life of the asset as follows:

Movements in 2019-20	Vehicles, Plant and Equipment £'000
Value at 1 April 2019	529
Additions	-
Depreciation	(51)
Value at 31 March 2020	478

20.3 Finance Lease Liability

The Council was committed at 31 March 2020 to making payments of £0.483m under finance leases comprising the following elements:

Movements in 2019-20	£'000
Balance at 1 April 2019	(523)
Additions	-
Repayments	40
Finance Lease Liability at 31 March 2020	(483)
Split:	
Obligations payable within 1 year	(63)
Obligations payable between 1 and 5 years	(252)
Obligations payable after 5 years	(280)
Finance Lease Obligations at 31 March 2020	(595)
Less Interest element of lease	112
Finance Lease Liability at 31 March 2020	(483)

Notes to the Financial Statements

21. LONG TERM DEBTORS

31st March 2019 £'000		31st March 2020 £'000
15	House Loans	14
750	Waste PPP Historic Contamination Fund	750
1,216	Charging Orders - Care Home Fees	1,199
3,730	Strategic Housing Fund Loans to Registered Social Landlords	3,600
100	Other Long Term Debtors	100
5,811	Total Long Term Debtors	5,663

22. DEBTORS

31 March 2019			31 March 2020	
£'000	£'000		£'000	£'000
16,477		Arrears of Local Taxation	17,111	
(13,980)		Less: Provision for Bad Debts	(14,998)	
	2,497			2,113
1,130		Housing Benefits Overpayments	1,100	
(976)		Less: Provision for Bad Debts	(1,016)	
	154			84
2,724		Debtor Accounts	4,151	
(863)		Less: Provision for Bad Debts	(1,177)	
	1,861			2,974
	1,233	Net Debtor to Scottish Government for Non Domestic Rates		-
	3,326	VAT Recoverable from HMRC		1,926
	479	Strategic Housing Fund Loans due within 1 Year		367
	8,057	Other Debtors		10,292
	17,607	Total Debtors		17,756

Notes to the Financial Statements

23. ASSETS HELD FOR SALE

The movement in assets held for sale during 2019-20 was:

2018-19 £'000	Movements	2019-20 £'000
3,061	Balance outstanding at 1st April 2019	2,322
923	Assets newly classified as "Held for Sale" (Property, Plant and Equipment)	217
(261)	Revaluation losses	(8)
-	Revaluation gains	-
-	Impairment losses	-
(1,355)	Assets declassified as "Held for Sale" (Property, Plant and Equipment)	-
(46)	Assets Sold	(1,857)
2,322	Balance outstanding at 31st March 2020	674

24. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2019 £'000		31 March 2020 £'000
24	Cash held by the Authority	4
(26)	Cash in transit	180
1,043	Short term deposits with banks	242
16,500	Short term deposits in Money Market Funds	15,050
(3,710)	Bank Current Accounts (Overdraft)	(6,691)
13,831	Total Cash and Cash Equivalents	8,785

Notes to the Financial Statements

25. CREDITORS

31 March 2019 £'000		31 March 2020 £'000
6,948	Accrued Payrolls and Superannuation	6,937
3,379	Accrued Employer's National Insurance Contributions and PAYE	2,679
6,112	Accrual for Short Term Accumulating Absences	7,047
1,380	Creditors System Liability	1,268
7,137	Accrued Expenditure	5,841
1,246	RCGF Grant Income	174
779	Housing Benefit Subsidy	228
777	Trust Funds	804
611	A.L.I.E.A - Argyll Affordable Warmth Project	612
-	Net Creditor to Scottish Government for Non Domestic Rates	1,484
6,046	Other Creditors	7,214
34,415	Total Creditors	34,288

Notes to the Financial Statements

26. FINANCIAL INSTRUMENTS DISCLOSURES

26.1 Types of Financial Instruments

Accounting regulations require the “Financial Instruments” (investment, lending and borrowing of the Council) shown on the balance sheet to be further analysed into various defined categories. The investments, lending and borrowing disclosed in the Balance Sheet are made up of the following categories of “Financial Instruments”:

31 March 2019			31 March 2020	
Long Term £'000	Current £'000		Long Term £'000	Current £'000
		Investments and Lending		
6,303	88,938	Loans and Receivables	6,155	86,041
		Borrowing		
290,927	59,953	Financial Liabilities at amortised cost	289,513	44,931

26.2 Fair Value of Assets and Liabilities Carried at Amortised Cost

Financial assets (represented by lending and receivables) and financial liabilities (represented by borrowings) are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining period of the instrument, using the following assumptions:

- Estimated interest rates at 31 March 2020 for loans from the PWLB were taken from the appropriate interest rate notice and for other loans receivable and payable from market rates obtained by our treasury advisors.
- No early repayment or impairment is recognised.
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values are calculated as follows:

31 March 2019			31 March 2020	
Carrying Amount £'000	Fair Value £'000		Carrying Amount £'000	Fair Value £'000
		Lending		
95,241	95,473	Loans and Receivables	92,196	92,507
		Borrowing		
350,880	431,554	Financial Liabilities	334,444	402,357

The fair value is greater than the carrying amount because the Council's lending figure includes a number of loans where the interest rate receivable is higher than the rates available for similar loans at the Balance Sheet date. The commitment to receive interest above the current market rates increases the amount the Council would receive if it agreed the early repayment of loans.

Notes to the Financial Statements

26.3 Gains and Losses on Financial Instruments

There are no gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to Financial Instruments.

26.4 Nature and Extent of Risks arising from Financial Instruments

The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Council has fully adopted CIPFA's Code of Treasury Management Practices and has written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

26.5 Credit Risk

Credit risk arises from the short-term lending of surplus funds to banks, money market funds, building societies and other local authorities as well as credit exposures to the Council's customers. It is the policy of the Council to place deposits only with a limited number of high quality banks and money market funds whose credit rating is independently assessed as sufficiently secure by the Council's treasury advisers and to restrict lending to a prudent maximum amount for each institution.

The following analysis summarises the Council's potential maximum exposure to credit risk, based on past experience and current market conditions. No credit limits were exceeded during the financial year and the Council expects full repayment on the due date of deposits placed with its counterparties.

	Amount at 31 March 2020 £'000	Historical Experience of Non-payment adjusted for Market Conditions at 31 March 2020 %	Estimated Maximum Exposure to Default and Uncollectability £'000
Deposits with Banks and Money Market Funds	15,292	-	-

The information in respect of the Council's debtors can be found in note 21 and 22 on page 93. The Debtor Accounts represents the amounts owed by the Council's customers; Other Debtors include prepaid expenditure, accrued income and money owed to the Council in respect of projects being carried out under partnerships where the Council is the lead partner. The bad debt provision shown in note 22 represents the Council's assessment of the likely recoverability of the debt outstanding.

The credit risk around unprovided for debt is considered to be low. Debtors relate to the normal business of the Council and credit is issued on the Council's standard credit terms. There are no significant amounts past due but not impaired where recoverability is considered to be an issue.

26.6 Liquidity Risk

The Council's main source of borrowing is the Treasury's Public Works Loans Board (PWLB). There is no significant risk that the Council will be unable to raise finance to meet its commitments under Financial Instruments. The Council has safeguards in place to ensure that a significant proportion of its borrowings does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The Council's policy is to ensure that not more than 30% of the loans are due to mature within any financial year through a combination of prudent planning of new loans taken out and, where it is economic to do so, making early repayments.

Notes to the Financial Statements

The maturity analysis of financial liabilities is as follows:

31 March 2019 £'000	Maturity analysis of financial liabilities	31 March 2020 £'000
59,944	Less than one year	44,809
8,432	Between one and two years	5,358
24,571	Between two and five years	23,873
257,933	More than five years	260,404
350,880		334,444

All other amounts due to the Council for council tax, non-domestic rates and other income are due to be paid in less than one year.

26.7 Market Risk

Changes in market interest rates influence the interest payable on borrowings and on interest receivable on surplus funds invested. For example, a rise in interest rates would mean an increase in the interest charged on borrowing at variable rates and an increased cost to the taxpayer. An increase in interest rates would also mean an increase in the income received on lending at variable rates and a reduction in cost for the taxpayer.

Changes in market rates also affect the notional "fair value" of lending and borrowing. For example, a rise in interest rates would reduce the "fair value" of both lending and borrowing at fixed rates. Changes in "fair value" of lending and borrowing do not impact upon the taxpayer and are confined to prescribed presentational aspects in the Accounts.

The Council has a variety of strategies for managing the uncertainty of future interest rates and the financial impact on the Council.

It is the policy of the Council to limit its exposure to variable rate borrowing to a maximum of 30% of what it borrows.

During periods of falling rates and where it is economically advantageous to do so, the Council will consider the repayment and restructuring of fixed interest rate debt.

The Council takes the daily advice from its specialist treasury advisers and actively monitors changes in interest rates to inform decisions on the lending of surplus funds, new borrowings and restructuring of existing borrowings.

Any potential for a financial impact on the Council is also significantly limited by the Scottish Government's grant distribution mechanism that automatically adjusts for changes in interest rates in the Government Grant support the Council receives for "loan charges".

To illustrate the impact of changes in interest rates upon the Council, the following table shows the financial effect if rates had been 1% higher at 31 March 2020, with all other variables held constant:

	31 March 2020 £'000
Impact on tax-payer	
Increase on interest payable on variable rate borrowings	6
Increase in interest receivable on variable rate lending	-
Increases in government grant receivable for "loan charges"	-
Net effect on Statement of Comprehensive Income & Expenditure	6

Notes to the Financial Statements

	31 March 2020 £'000
Other accounting presentational changes	£'000
A decrease in the "fair value" of fixed rate borrowing (disclosure confined to the notes to the financial statements)	45,545

The impact of a 1% fall in the interest rates would be as above but with the changes being reversed.

26.8 Price Risk

The Council has no investment classified as "available-for-sale".

26.9 Foreign Exchange Risk

The Council does not lend or borrow in foreign currencies and has no exposure to gains or losses arising from movements in exchange rates.

26.10 Short-Term Deposits

The short-term deposits arise as a result of the timing of expenditure and associated income and movements in fund and revenue balances. The Council adopts a proactive but prudent approach to its Treasury Management operations, which are governed by the fully revised edition of CIPFA's Code of Practice on Treasury Management.

31 March 2019 £'000		31 March 2020 £'000
17,543	Banks and Money Market Funds	15,292

26.11 Soft Loans

The Council has no material soft loans at 31 March 2020, on which no interest was being charged.

26.12 Short-Term Borrowing

The Common Good and the various Trust Funds administered by the Council had monies temporarily invested with the Council's loans fund during the year. The amounts at 31 March 2020 are shown in the table below. Further details of the nature and amounts of the funds of the Common Good and Trust Funds are shown in notes 36 and 37 on pages 116 to 117.

31 March 2019 £'000		31 March 2020 £'000
124	Common Good	128
777	Trust Funds	804

Notes to the Financial Statements

27. OTHER LIABILITIES

Other liabilities consist of liabilities which by arrangement are payable at some point in the future or paid off by an annual sum over a period of time. Other liabilities total £124.867m as at 31 March 2020 and comprise the following:

Movements in 2019-20	Opening Balance 1 April 2019 £'000	Movement in Year £'000	Closing Balance 31 March 2020 £'000
Finance Lease Liability (See note 20.3)	(523)	40	(483)
Schools Finance Lease Liability (See note 18.2)	(129,244)	5,610	(123,634)
Land Contamination	(750)	-	(750)
Total Other Liabilities	(130,517)	5,650	(124,867)
Split:			
Short Term Liabilities (due within 1 year)			(4,573)
Long Term Liabilities (due after 1 year)			(120,294)
Total Other Liabilities			(124,867)

28. PROVISIONS

	Opening Balance 1 April 2019 £'000	Additional Provision £'000	Amounts Used £'000	Unused Amounts Reversed £'000	Closing Balance at 31 March 2020 £'000
VAT Misdeclaration Provision	-	(171)	-	-	(171)
Equal Pay Claims	(124)	-	34	-	(90)
Income due to Registered Social Landlords	(97)	-	3	-	(94)
Commercial Rent Balances	-	(117)	-	-	(117)
Service Choices Redundancy Costs	(1,223)	(182)	1,081	64	(260)
Landfill Sites - Restoration and Aftercare Costs	(1,204)	(98)	-	-	(1,302)
Utilities Provision	(274)	(1)	-	77	(198)
NPDO and Hub DBFM Payments	(1,017)	(829)	317	188	(1,341)
Total Provisions	(3,939)	(1,398)	1,435	329	(3,573)
Split:					
Short Term Provisions (due within 1 year)					(2,177)
Long Term Provisions (due after 1 year)					(1,396)
Total Other Liabilities					(3,573)

A VAT provision was created in 2019-20 in relation to a voluntary disclosure submitted to HMRC in October 2019. This was a result of the Council over claiming input tax of £0.171m while processing third-party supplier invoices for payment as part of the administrative support provided. Payment has not yet been requested from HMRC but it is certain this amount will be required to be settled.

Notes to the Financial Statements

A provision was created at the end of 2005-06 in relation to employees in catering, cleaning and home care services who had not accepted the Council's equal pay settlement. There may be further outstanding claims where the settlement amount cannot be estimated reliably enough to provide for the costs.

The Council reduced the discount on Council Tax from second homes to 10% during 2005-06. The additional Council Tax income invoiced during 2019-20 amounted to £2.136m; this amount is to be paid to registered social landlords to invest in social housing. A provision for cash not yet collected has been created amounting to £0.94m.

There is a provision for Commercial Rents where arrangements have been put in place for repayment over a number of years. The provision reflects the uncertainty of collection of the debt.

Liabilities have arisen in respect of employees who will be made redundant as a result of savings options agreed. The cost for any employee, whose contract has been terminated on or before 31 March 2020 has been incurred in year. For the employees who have confirmed acceptance of redundancy but have left or are leaving after 31 March 2020, a provision of £0.260m has been created.

A provision for landfill sites was created in 2014-15 reflecting the Council's liability for restoration and ongoing maintenance in respect of landfill sites operated by the Council, at Glengorm, Gartbreck and Gott Bay. The landfill sites were revalued at 31 March 2020 and the provision for restoration and aftercare increased to £1.302m. These have been provided for based on the net present value of estimated future costs.

The utilities provision was created during 2011-12 to cover a potential liability in relation to discrepancies in charges for utility costs, £0.076m has been reversed during 2019-20 resulting in a total provision of £0.198m.

The NPDO provision for withheld sums from the Unitary Charge paid to ABC Schools which relate to disputed performance deductions and unbilled utility costs. The HUB DBFM provision for withheld sums from the Monthly Service Payment paid to Hub North Scotland (O&C) Ltd which relate to disputed performance deductions.

29. CAPITAL GRANTS RECEIVED IN ADVANCE

	Opening Balance 1 April 2019 £'000	Capital Grants Received £'000	Amounts Used £'000	Closing Balance 31 March 2020 £'000
Ministry of Defence LIBOR Funding - Helensburgh & Lomond	(5,000)	-	-	(5,000)
Grant in Aid - Gaelic School Capital Fund	(7)	-	-	(7)
Total Other Liabilities	(5,007)	-	-	(5,007)
Split:				
Capital Grant Receipts in Advance (due within 1 year)				(7)
Capital Grant Receipts in Advance (due after 1 year)				(5,000)
Total Other Liabilities				(5,007)

Notes to the Financial Statements

The Chancellor of the Exchequer, in his Spring 2016 Budget, awarded Argyll and Bute Council LIBOR funding of £5m. The Ministry of Defence (MOD) are acting on behalf of Her Majesty's Treasury (HMT) with regard to all matters relating to this funding.

The purpose of the grant is to provide a contribution to the costs of the provision of the new Helensburgh Leisure Centre on condition that serving personnel and their families are offered favourable admission terms. This is because the LIBOR funds are to be used to recognise the contribution made by the Armed Forces Community to the nation.

Notes to the Financial Statements

30. DEFINED BENEFIT PENSION SCHEMES

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in two separate pension schemes which meet the needs of employees in particular services. Both schemes provide members with defined benefits related to pay and service. The schemes are as follows:

Teachers

The Scottish Teachers' Superannuation Scheme is an unfunded scheme administered by the Scottish Government. This means that liabilities for the benefits provided cannot be identified by the Council. The scheme is therefore accounted for as if it were a defined contribution scheme where no liability for future payments of benefits is recognised in the balance sheet and revenue accounts are charged with the employer's contributions payable to the Scottish Government in the year.

Local Government Pension Scheme

This is administered by Strathclyde Pension Fund – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets. The contributions are based on rates determined by the Fund's professionally qualified actuary and based on triennial valuations of the Fund.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts due by statute as described in the accounting policies note.

30.1 Accrued Pensions Contribution

Due to the timing of salary processing, not all employee and employer contributions have been paid to the pension schemes by the 31 March 2020. These payments have been accrued and are included within the creditors figure on the Balance Sheet. These have been paid during April 2020. The amounts are as follows:

- Local Government Pension Scheme – £1.487m
- Teachers' Scheme – £1.032m

30.2 Transactions in Respect of the Local Government Pensions Scheme

The latest formal valuation of the Strathclyde Pension Fund for funding purposes was at 31 March 2017. The independent actuaries appointed by the Council are Hymans Robertson and they have assumed that employees have continued to earn new benefits on the same basis as the latest formal valuation and that the employer's pensionable payroll over the year to 31 March 2020 remains substantially stable with new entrants replacing any leavers.

We recognise the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against Council Tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund via the Movement in Reserves Statement during the year:

Notes to the Financial Statements

2018-19 £'000		2019-20 £'000
	Comprehensive Income and Expenditure Statement:	
	Cost of Services:	
	<i>Service cost comprising:</i>	
25,710	Current Service Cost	29,590
8,015	Past Service Cost (Including Curtailments)	984
33,725	Net Cost of Services	30,574
1,776	Net Interest Expense	2,913
35,501	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	33,487
	Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	
(21,639)	Return on Assets (excluding amounts included in net interest)	47,073
1,107	Other Experience (see note (i) below)	(4,584)
57,271	Change in Financial and Demographic Assumptions	(107,149)
72,240	Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	(31,173)
	Statement of Movement in Reserves:	
(20,587)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(18,238)
	Actual Amount charged against the General Fund Balance for pensions in the year:	
14,914	Employer's Contributions Payable to the Scheme	15,249

- (i) A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions, during the period between two actuarial valuation dates, as determined in accordance with a particular cost method. (ASOP No. 4)

30.3 Assets and Liabilities in Relation to Post-Employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

2018-19 £'000		2019-20 £'000
724,207	Defined Benefit Obligation at 1 April 19	820,367
25,710	Current Service Cost	29,590
8,015	Past Service Costs including Curtailments	984
19,795	Interest Cost	19,867
3,865	Contributions by Scheme Participants	4,045
58,378	Re-measurement Gains and (Losses)	(111,733)
(19,603)	Estimated Benefits Paid	(19,700)
820,367	Defined Benefit Obligation at 31 March 20	743,420

Notes to the Financial Statements

Reconciliation of fair value of the scheme (plan) assets:

2018-19 £'000		2019-20 £'000
667,765	Fair Value of Employer Assets at 1 April 19	706,599
	Re-measurement Gains and (Losses):	
21,639	Expected Rate of Return on Pension Fund Assets	(47,073)
-	Actuarial Gains and Losses	-
18,019	Interest Income on Plan Assets	16,954
14,914	Employers Contributions	15,249
3,865	Contributions by Scheme Participants	4,045
(19,603)	Estimated Benefits Paid	(19,700)
706,599	Fair Value of Employer Assets at 31 March 20	676,074

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

30.4 Pensions Assets and Liabilities Recognised in the Balance Sheet

2018-19 £'000	Local Government Pension Scheme	2019-20 £'000
(790,579)	Present Value of Funded Liabilities	(717,826)
(29,788)	Present Value of Unfunded Liabilities	(25,594)
706,599	Fair Value of Employer Assets	676,074
(113,768)	(Deficit) in the Scheme	(67,346)

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits.

Notes to the Financial Statements

30.5 Analysis of Pension Fund's Assets

Argyll and Bute Council's share of the Pension Fund's assets at 31 March 2020 comprised:

2018-19 £'000		2019-20 £'000
71,431	Cash and Cash Equivalents	68,346
	Equity Instruments (by industry type)	
45,379	Consumer	43,418
36,774	Manufacturing	35,185
9,446	Energy and Utilities	9,038
30,461	Financial Institutions	29,145
18,073	Health and Care	17,293
23,292	Information Technology	22,286
-	Other	-
163,425	Sub-total Equity Instruments	156,365
	Bonds (by sector)	
22,170	Corporate	21,213
-	Government	-
22,170	Sub-total Bonds	21,213
	Real Estate	
63,976	UK Property	61,212
-	Overseas Property	-
63,976	Sub-total Real Estate	61,212
84,436	Private Equity (All)	80,788
	Investment Funds and Unit Trusts	
218,078	Equities	208,656
81,808	Bonds	78,274
354	Commodities	339
-	Infrastructure	-
906	Other	867
301,146	Sub-total Investment Funds and Unit Trusts	288,136
	Derivatives	
-	Forward Foreign Exchange Contracts	-
15	Other	14
15	Sub-total Derivatives	14
706,599	Total Assets	676,074

Notes to the Financial Statements

2018-19 £'000	Fair Value of Pension Fund Assets	2019-20 £'000
	Equity Securities	
162,998	Quoted in an Active Market	155,956
427	Not Quoted in an Active Market	409
163,425	Sub-total Equity Securities	156,365

30.6 Basis for Estimating Assets and Liabilities

The Council's share of the liabilities of Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on the assumptions about mortality rates, salary levels, etc.

The principal assumptions used by the actuary have been:

2018-19 Years	Mortality assumptions	2019-20 Years
21.4	Longevity at 65 for current pensioners: Men	20.7
23.7	Women	22.9
23.4	Longevity at 65 for future pensioners: Men	22.2
25.8	Women	24.6
2018-19 %	Financial Assumptions	2019-20 %
2.5%	Rate of Inflation (CPI)	1.9%
3.7%	Rate of Increase in Salaries	3.0%
2.5%	Rate of Increase in Pensions (CPI)	1.9%
2.4%	Rate for discounting scheme liabilities	2.3%
2018-19 %	Long-term Expected Rate of Return on Assets in the Fund	2019-20 %
2.4%	Equity Investments	2.3%
2.4%	Bonds	2.3%
2.4%	Property	2.3%
2.4%	Cash	2.3%

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

30.7 Asset and Liability Matching (ALM) Strategy

The main fund (Fund 1) of Strathclyde Pension fund does not have an asset and liability matching strategy (ALM) as this is used mainly by mature funds. The Fund does match, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. As is required by the pensions and investment regulations, the suitability of various types of investment has been considered, as has the need to diversify investments to reduce the risk of being invested into too narrow a range.

Notes to the Financial Statements

30.8 Impact on the Council's Cash Flow

The objectives of the Fund are to keep employers' contributions at as constant a rate as possible. The Fund has agreed a strategy to achieve a funding rate of 100% in the longer term. The Scheme is a multi-employer defined benefit plan and employers' contributions have been determined so that employee and employer rates are standard across all participating Local Authorities. Employer's contributions have been set at 19.3% for 2020-2021.

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2021 is £12.920m. This is based on an assumed pensionable payroll of £66.945m.

The assumed weighted average duration of the defined benefit obligation for the Council falls into the "Medium" duration category which is between 17 and 23 years (this is different from the mortality assumptions quoted in the table above in "Basis for Estimating Assets and Liabilities").

30.9 Impact of McCloud/Sargeant Ruling on Strathclyde Pension Fund

When the LGPS Scotland benefit structure was reformed in 2015, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2015 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The 'underpin' ensures that these members do not lose out from the introduction of the new scheme.

In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well. The UK Government requested leave to appeal to the Supreme Court but this was denied at the end of June 2019. Therefore, LGPS Scotland benefits accrued from 2015 may need to be enhanced so that all eligible members, regardless of age, will benefit from the underpin. Alternatively, restitution may be achieved in a different way, for example by paying compensation. In either case, the clear expectation is that many more members would see an enhanced benefit rather than just those currently subject to these protections.

Quantifying the impact of the judgement at this stage is very difficult because it will depend on the compensation awarded, members' future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service. Salary increases in particular can vary significantly from year to year and from member to member depending on factors such as budget restraint, job performance and career progression. The Government Actuary's Department (GAD) has estimated that the impact for the LGPS England & Wales as a whole could be to increase active member liabilities by 3.2%, based on a given set of actuarial assumptions. A full description of the data, methodology and assumptions underlying these estimates is given in GAD's paper, dated 10 June 2019.

The Strathclyde Pension Fund's actuary has adjusted GAD's estimate to better reflect the Fund's local assumptions and circumstances, particularly those for salary increases and withdrawal rates. The revised estimate results in around a 1.8% increase in active member liabilities as at 31 March 2019 which results in an increase of approximately £7.515m for Argyll & Bute Council. The Council has not requested an updated estimate from the actuary as it is not believed this would produce a material adjustment. As a result, there has been no further revision to this adjusted estimate at 31 March 2020.

30.10 Teachers Pensions – Administered By Scottish Public Pensions Agency

Teachers employed by the Council are members of the Scottish Teachers' Superannuation Scheme, administered by the Scottish Public Pensions Agency. The Scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The Scheme is financed by payments from employers and from those current employees who are members of the Scheme and

Notes to the Financial Statements

paying contributions at progressively higher marginal rates based on pensionable pay, as specified by the regulations.

Employers currently pay a contribution rate of 23% - about two thirds of the cost of an individual's pension. This took effect from 1 September 2019.

The Council has no liability for other employers' obligations to the multi-employer scheme. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the Scheme or withdrawal from the Scheme.

The scheme is an unfunded multi-employer defined benefit scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Authority is unable to identify its share of the underlying assets and liabilities of the scheme.

At the last valuation a shortfall of £1.3 billion was identified in the notional fund which will be repaid by a supplementary rate of 4.5% of employers' pension contributions for fifteen years from 1 April 2015. This contribution is included in the 23% employers' contribution rate.

As a proportion of the total contributions into the Teachers' Pension Scheme during the year ended 31 March 2020, the council's own contributions equate to 1.49%

2018-19		2019-20
6,130	Amount Paid Over (£'000)	7,901
17.20%	Rate of Contribution (%) April 2019 - August 2019	17.20%
	Rate of Contribution (%) September 2019 - March 2020	23.00%
528	Amount of Added Years Awarded by the Council (£'000)	520

The contributions due to be paid to the Teacher's Scheme by the Council in the next financial year are estimated to be £9.100m.

Notes to the Financial Statements

31. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement.

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments between Funding and Accounting Basis 2019-20				
	Adjustments for Capital Purposes Note (i) £'000	Net change for Pension Adjustments Note (ii) £'000	Capital element of Schools NPDO payment Note (iii) £'000	Other Adjustments Note (iv) £'000	Total Adjustments £'000
Chief Executive and Strategic Finance	2	750	-	(32)	720
Executive Director (Douglas Hendry)					
Executive Director (Douglas Hendry)	-	51	-	(4)	47
Commercial Services	2,928	1,192		3,523	7,643
Education	6,606	3,059	-	(6,023)	3,642
Legal and Regulatory Services	2,911	620	(5,610)	2,365	286
Executive Director (Kirsty Flanagan)					
Executive Director (Kirsty Flanagan)	-	31	-	(38)	(7)
Head of Customer Support Services	1,225	1,079	-	441	2,745
Head of Development and Economic Growth	387	1,248		(284)	1,351
Roads and Amenity Services	8,026	2,639	-	1,272	11,937
Social Work	386	4,227	-	(274)	4,339
Other Non-Departmental Costs	4	430	-	(12)	422
	-	-			
Net Cost of Services	22,475	15,326	(5,610)	934	33,125
Other Income and Expenditure	(41,540)	2,912	-	(541)	(39,169)
Difference between General Fund Surplus and Comprehensive Income and Expenditure Statement (Surplus)/Deficit	(19,065)	18,238	(5,610)	393	(6,044)

(i) Adjustments for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.
- Financing and investment income and expenditure – the statutory charges for capital financing (loans fund advances) and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

(ii) Net change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

(iii) Capital element of schools NPDO payment

- This is the capital cost of the annual payment to the schools NPDO operator and represents repayment of the Balance Sheet liability rather than a charge to Comprehensive Income and Expenditure Statement.

(iv) Other Adjustments

- For Financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- For services an adjustment is made for the accrual of holiday pay and other similar entitlements, this is required under generally accepted accounting principles but the impact on the General Fund is mitigated by statute which allows the impact to be reversed out through the Movement in Reserves Statement.

Notes to the Financial Statements

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts (Comparative Year)	Adjustments between Funding and Accounting Basis 2018-19				
	Adjustments for Capital Purposes Note (i)	Net change for Pension Adjustments Note (ii)	Capital element of Schools NPDO payment Note (iii)	Other Adjustments Note (iv)	Total Adjustments
	£'000	£'000	£'000	£'000	£'000
Chief Executive and Strategic Finance	2	602	-	12	616
Executive Director (Douglas Hendry)					
Executive Director (Douglas Hendry)	-	39	-	(4)	35
Commercial Services	3,885	908		3,565	8,358
Education	14,967	2,134	-	(5,498)	11,603
Legal and Regulatory Services	2,911	554	(3,733)	2,365	2,097
Executive Director (Kirsty Flanagan)					
Executive Director (Kirsty Flanagan)	-	26		(38)	(12)
Head of Customer Support Services	1,604	843		421	2,868
Head of Development and Economic Growth	496	988		(252)	1,232
Roads and Amenity Services	9,028	2,046		1,513	12,587
Social Work	1,234	3,288		(54)	4,468
Other Non-Departmental Costs	4	8,447		47	8,498
Net Cost of Services	34,131	19,875	(3,733)	2,077	52,350
Other Income and Expenditure from the Expenditure and Funding Analysis	(29,250)	712	-	(587)	(29,125)
Difference between General Fund Surplus and Comprehensive Income and Expenditure Statement (Surplus)/Deficit	4,881	20,587	(3,733)	1,490	23,225

Notes to the Financial Statements

32. UNUSABLE RESERVES

Movements in the Council's unusable reserves are detailed in the Statement of Movement in Reserves on pages 51 to 52.

32.1 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

32.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations which are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

32.3 Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on Council Tax.

32.4 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure funding will have been set aside by the time the benefits come to be paid.

Notes to the Financial Statements

32.5 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

33. USABLE RESERVES

Movements in the Council's usable reserves are detailed in the Statement of Movement in Reserves on pages 51 to 52.

33.1 Capital Funds

The Council holds two funds which make up the Capital Funds total in the Statement of Movement in Reserves, these are:

Usable Capital Receipts Reserve

During the 2006-07 financial year and prior to the transfer of the Council's housing stock during November 2006, the receipts from the sale of council houses were transferred to the Usable Capital Receipts Reserve. The amounts held in this reserve can only be used for social housing capital expenditure.

Capital Fund

During the 2007-08 financial year the Council established a Capital Fund under Section 22 of Schedule 3 of the Local Government (Scotland) Act 1975. All receipts from capital disposals are to be paid into this fund with effect from 14 February 2008.

The movement in the Usable Capital Receipts Reserve and Capital Fund are as follows:

Movements in 2019-20	Usable Capital Receipts Reserve £'000	Capital Fund £'000	Total Capital Funds £'000
Balance at 1 April 2019	2,829	1,523	4,352
Proceeds of Disposals	-	1,974	1,974
Transfer to Capital Adjustment Account	-	(1,974)	(1,974)
Contribution to Capital Fund From Revenue	-	-	-
Interest Earned	16	11	27
Balance at 31 March 2020	2,845	1,534	4,379

33.2 Repairs and Renewals Fund

The movement in the Education Repairs and Renewals Fund is as follows:

Movements in 2019-20	Balance at 1 April 2019 £'000	Contribution from Revenue £'000	Interest Earned £'000	Contribution to Revenue £'000	Balance at 31 March 2020 £'000
Education	1,696	485	9	(347)	1,843
Total	1,696	485	9	(347)	1,843

Notes to the Financial Statements

34. CONTINGENT LIABILITIES

34.1 Equal Pay Claims

The Council settled a number of equal pay claims during 2017-18, however there are a small number remaining where the outcome of the applications are unknown and there is insufficient information to allow the potential cost of these claims to be provided for. There is also the potential for other equal pay claims whose costs may be met by the Council.

34.2 Limitation (Childhood Abuse) (Scotland) Act 2017

The Limitation (Childhood Abuse) (Scotland) Act 2017 Section 1 removes the limitation period for actions of damages in respect of personal injuries resulting from childhood abuse. At this stage the extent of any potential liability is unknown.

34.3 Guaranteed Minimum Pension (GMP)

Guaranteed minimum pension (GMP) was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men's and women's benefits.

As an interim solution to avoid this problem, GMP rules were changed so that the responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes themselves for members reaching state pension age between 6 April 2016 and 5 April 2021. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers. At this stage the extent of any potential liability is unknown.

34.4 Other Legal Challenges

There are other legal challenges which are on-going and may result in future liabilities.

35. TERMINATION BENEFITS

A number of savings options have been agreed at Council budget meetings to balance the Council budget. A number of these savings options were reliant on a reduction in the Councils staffing levels. The Council had forewarning of the level of savings required to balance the budget and had previously asked all Council employees to express an interest in voluntary redundancy. As a result of the budget savings options approved by the Council a number of employees have had their redundancy application accepted.

Redundancy costs have been incurred by the Council since the 2010-11 financial year in relation to the budget savings agreed. In each year, provision was made within the financial year for the costs of all employees who had accepted redundancy as at 31 March ending that year, including accounting for costs for employees who confirmed redundancy by 31 March but left or were leaving after this date. The total cost accounted for in 2019-20 is £2.521m for 55 employees and in 2018-19 was £1.490m for 28 employees. These costs are detailed further in the Remuneration Report on page 43.

Termination costs for all Council employees who have accepted redundancy by 31 March 2020 have been accounted for in 2019-20, or in previous financial years.

The reduction in the staffing establishment includes posts from all services across the Council and reductions were in line with the savings agreed by the Council. There will be further redundancy costs

Notes to the Financial Statements

incurred as the Council is required to make further savings to balance the budget in future years and the council have earmarked monies from the loans fund one-off reprofiling gain.

36. TRUST FUNDS AND OTHER THIRD PARTY FUNDS

The Council acts as sole or custodian trustee for 57 trust funds. The funds do not represent assets of the Council, and as such have not been included in the Balance Sheet.

Funds for which the Council act as sole trustee:

	Income £'000	Expenditure £'000	Net Assets £'000	Reserves £'000
Argyll Education Trust	17	1	538	538
GM Duncan Trust	-	2	75	75
MacDougall Trust	23	-	843	843
Various Other Trust Funds	3	1	480	480
Total Trust Funds	43	4	1,936	1,936

Argyll Education Trust: this is made up of a number of small trusts to award prizes, bursaries, etc. to pupils and ex-pupils of schools within the former Argyll County Council area. GM Duncan Trust: for the provision of fuel, clothing and foodstuffs for the needy of Campbeltown. MacDougall Trust: for the provision of sheltered housing on the Ross of Mull.

Further information on the Trust Funds, administered by the Council, can be obtained from Financial Services within the Chief Executive's Unit.

A number of the trust funds administered by the Council are charitable trusts and as such are required to comply with current Office of the Scottish Charities Regulator (OSCR) financial reporting requirements. Arrangements have been put in place to ensure that all charities administered by the Council comply and will continue to comply with these requirements.

37. COMMON GOOD FUNDS

The Council administers the Common Good Accounts for the former Burghs of Oban, Campbeltown, Rothesay, Dunoon, Lochgilphead, Inveraray, Cove and Kilcreggan. The figures below summarise the aggregate income and expenditure for the year as well as providing a snapshot picture of the assets and liabilities at 31 March 2020. The Common Good Funds are for the benefit of the geographical areas of the former burghs. Further information on the Common Good Funds can be obtained from Financial Services within the Chief Executive's Unit.

37.1 Common Good Income and Expenditure Account for the year ended 31 March 2020

2018-19 Actual £'000		2019-20 Actual £'000
203	Expenditure	205
(277)	Income	(11)
(74)	(Surplus)/Deficit for the Year	194

Notes to the Financial Statements

37.2 Common Good Balance Sheet at 31 March 2020

2018-19 Actual £'000		2019-20 Actual £'000
5,145	Tangible Fixed Assets	5,022
2,531	Investments	2,452
260	Current Assets	253
(37)	Current Liabilities	(21)
7,899	Total Assets less Liabilities	7,706
5,149	Revaluation Reserve	5,026
2,750	Common Good Fund	2,680
7,899	Total Net Worth	7,706

Notes to the Financial Statements

38. Tax Incremental Financing (TIF) Projects

The Council entered into an agreement with the Scottish Government in May 2014 in respect of the Lorn Arc Tax Incremental Finance (TIF) scheme. This agreement essentially allows for the repayment of debt arising from infrastructure investment from incremental Non-Domestic Rates (NDR) revenue. The assets to be funded by the TIF project largely comprise public realm and infrastructure improvements within the Lorn Arc area of Oban. The project is for 25 years, with the first material capital investment incurred during the financial year ended 31 March 2015.

During the TIF project period, the Council is entitled to retain the TIF revenue from its NDR revenue, a pro-rate amount of NDR equal to the amount (if any) by which the collected amount exceeds the collectable amount. The Council is required to apply 100% of the TIF revenue towards repayment of the TIF debt. Following repayment in full, and until the end of the project period, the Council is entitled to retain 50% of the TIF revenue for further infrastructure investment.

Net capital expenditure incurred in the year to 31 March 2020, to be funded from borrowing, in respect of TIF assets totalled £0.002m. This is reflected in the "Summary of Capital Expenditure and Financing" outlined within note 14.4 on page 84. The total TIF debt to be repaid over the project period, in respect of investment to 31 March 2020, has been calculated in accordance with finance circular No. 4/2014 at £1.057m.

There is a retention of £0.301m of TIF income during 2019-20 to repay the notional borrowing for TIF. Principal sums accumulated by 2019-20 amount to £0.124m and cumulative interest £0.110m resulting in a net cumulative surplus of £0.623m which will be used to pay down TIF debt per the TIF agreement.

Notes to the Financial Statements

39. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The Net Cash Flows for Operating Activities can be reconciled to the Net (Surplus)/Deficit on the Provision of Services as follows:

2018-19 £'000		2019-20 £'000
24,086	Net (Surplus)/Deficit on Provision of Services	(6,234)
	Adjustments to Net (Surplus)/Deficit on the Provision of Service for Non Cash Movements:	
(23,431)	Statutory Adjustments through Statement of Movement in Reserves	5,870
207	Transfer to/from Other Statutory Reserves	174
273	Increase/(Decrease) in Inventories	(63)
276	Increase/(Decrease) in Debtors	1,389
(2,640)	(Increase)/Decrease in Creditors and Provisions	4,439
(8,078)	Other Revenue Adjustments	(14,000)
(33,393)		(2,191)
	Adjustments for items included in the Net (Surplus)/Deficit on the Provision of Services that are Investing and Financing Activities:	
9,583	Non Cash Capital	10,832
(3,783)	Capital Element of Finance Lease Payments	(5,651)
5,800		5,181
(3,507)	Net Cash Flows from Operating Activities	(3,244)
	The cash flows for Operating Activities include the following items:	
8,233	Interest Paid on Borrowings	8,474
8,413	Interest Paid on Finance Leases	9,748
(649)	Interest Received on Bank Deposits	(358)
15,997	Net Cash Outflow from Servicing of Finance	17,864

40. CASH FLOW STATEMENT – INVESTING ACTIVITIES

The cash flows for Investing Activities include the following items:

2018-19 £'000		2019-20 £'000
22,022	Purchase of Property, Plant and Equipment, Investment Property and Intangible and Heritage Assets	26,784
2,498	Investments made/(disposed of) during year	2,000
(3,033)	Proceeds from the Sale of Property, Plant and Equipment and Investment Property	(1,974)
(19,261)	Other Receipts from Investing Activities	(31,290)
2,226	Net Cash Outflow from Investing Activities	(4,480)

Notes to the Financial Statements

41. CASH FLOW STATEMENT – FINANCING ACTIVITIES

The cash flows for Financing Activities include the following items:

2018-19 £'000		2019-20 £'000
(7,673)	Cash Receipts of Short and Long Term Borrowing	(7,052)
(919)	Other Receipts from Financing Activities	(2,717)
3,783	Cash Payments for the Reduction of the Outstanding Liabilities relating to Finance Leases and on Balance Sheet PFI Contracts	5,650
2,685	Repayments of Short and Long Term Borrowing	16,889
(2,124)	Net Cash (Inflow)/Outflow from Financing Activities	12,770

Council Tax Income Account

The Council Tax Income Account shows the gross income raised from council tax levied and deductions made under the Local Government Finance Act 1992. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement of the Council.

2018-19 Actual £'000		2019-20 Actual £'000
64,148	Gross Council Tax Levied and Contributions in Lieu excluding RSL Second Home Additional Income	67,472
	Less:	
(13,413)	Other Discounts and Reductions	(13,970)
(1,210)	Provision for Bad and Doubtful Debts	(1,430)
49,525	Total	52,072
343	Adjustment to Previous Years' Community Charge and Council Tax	461
49,868	Transfers to General Fund	52,533

Notes to the Council Tax Income Account

1. CALCULATION OF THE COUNCIL TAX

Dwellings are valued by the Assessor and placed within a valuation band ranging from the lowest "A" to the highest "H". The Council Tax charge is calculated using the Council Tax Base, Band D equivalent as below. This value is then decreased or increased dependent upon the band of the dwelling. The charge for each band for 2019-20 was as follows:

Band	Valuation Band	Ratio Band D	£ per year
A	Up to £27,000	6/9	872.55
B	£27,001 - £35,000	7/9	1,017.98
C	£35,001 - £45,000	8/9	1,163.40
D	£45,001 - £58,000	9/9	1,308.83
E	£58,001 - £80,000	473/360	1,719.66
F	£80,001 - £106,000	585/360	2,126.85
G	£106,001 - £212,000	705/360	2,563.13
H	Over £212,000	882/360	3,206.63

2. CALCULATION OF THE COUNCIL TAX BASE 2019-20

Council Tax Base	A	B	C	D	E	F	G	H	Total
Total Number of Properties	7,627	10,022	9,473	6,075	7,506	4,209	2,860	248	48,020
Less - Exemptions / Deductions	1,080	771	1,020	496	592	248	153	49	4,409
- Adjustment for Single Chargepayers	872	1,041	733	434	428	211	105	6	3,830
Effective Number of Properties	5,675	8,210	7,720	5,145	6,486	3,750	2,602	193	39,781
Band D Equivalent Factor (ratio)	67%	78%	89%	100%	131%	163%	196%	245%	
Band D Equivalent Number of Properties	3,783	6,386	6,862	5,145	8,522	6,094	5,096	473	42,361
Add Contribution in lieu in respect of Class 18 dwellings (Band D Equivalent)									499
Nominal Tax Yield									42,860
Less Provision for Non-Collection	-	2.377%							1,019
Council Tax Base 2019-20 - Number of Band D equivalents									41,841

Non Domestic Rate Income Account

The Non-Domestic Rate Income Account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non-Domestic Rate Account. The statement shows the gross income from the rates and deductions made under the Local Government (Scotland) Act 1975 as amended by the Local Government Finance Act 1992 on non-domestic property. The net income is paid to the Scottish Government as a contribution to the national non-domestic rate pool.

2018-19 Actual £'000		2019-20 Actual £'000
54,516	Gross rates levied and Contributions in Lieu	55,754
	Less:	
(15,742)	Reliefs and other deductions	(16,233)
-	Payment of Interest	-
(388)	Provision for Bad and Doubtful Debts	(395)
38,386	Total Net Non-Domestic Rate Income	39,126
(2,570)	Adjustments for prior years	(1,349)
-	Business Rate Incentivisation Scheme (BRIS) NDR Income Retained	(102)
(251)	Tax Incremental Finance (TIF) Scheme NDR Income Retained	(301)
35,565	Contribution to National Non-Domestic Rate Pool	37,374
(2,530)	Difference between Distributable and Contributable NDR Income amounts	(1,740)
33,035	Distribution from Non-Domestic Rate Pool credited to Comprehensive Income and Expenditure Statement	35,634

Notes to the Non Domestic Rate Income Account

1. ANALYSIS OF RATEABLE VALUES

2018-19 £		2019-20 £
8,890,440	Industrial and freight transport subjects	9,413,245
75,057,432	Miscellaneous including Telecomms, Rail, Gas and Electricity Companies	74,628,497
	Commercial subjects:	
14,115,815	Shops	13,990,775
5,923,670	Offices	5,913,520
9,083,300	Hotels, Boarding Houses etc.	9,038,350
1,996,030	Others	2,001,650
115,066,687	Total Rateable Value	114,986,037

2. NON-DOMESTIC RATE CHARGE

2018-19 Pence		2019-20 Pence
48.0p	Rate Per Pound	49.0p
2.6p	Supplementary Rate Per Pound for Properties over £51,000	2.6p

3. CALCULATION OF RATE CHARGE FOR EACH PROPERTY

The rates charge for each subject is determined by the rateable value placed upon it by the Assessor multiplied by the Rate per £ announced each year by the Government.

Group Accounts - Introduction

INTRODUCTION

The Code of Practice on Local Authority Accounting in the United Kingdom 2019-20: Based on International Financial Reporting Standards, places a requirement on Councils to consider all their interests in external organisations including limited companies and other statutory bodies. Where the interest is considered to be material, the Council is required to prepare a full set of group accounts in addition to those prepared for Argyll and Bute Council. The Group Accounts are designed to show “a true and fair view” of the financial performance and position of the Council’s Group.

THE GROUP ACCOUNTS

The Group Accounts comprise the following financial statements:

- Group Statement of Comprehensive Income and Expenditure:** this statement shows the accounting cost in the year of providing the Council’s services and its share of the results of its associates in accordance with International Financial Reporting Standards, rather than the amount to be funded from taxation. Local authorities raise taxation to cover expenditure in accordance with regulations, and this is different from the accounting cost. The taxation position is shown in the Statement of Movement in Reserves on pages 51 to 52.
- Group Balance Sheet:** The Balance Sheet is a snapshot of the value at the 31 March 2020 of the assets and liabilities recognised by the Council and its share of the net assets or liabilities of its associates and Common Good funds. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. The net investment or liability in its associates is matched by its share of the reserves of the associates (i.e. its group reserves).
- Group Statement of Movement in Reserves:** this statement shows the movement in the year on the reserves held by the Council plus its share of the reserves of its associates. The Common Good reserves are also fully consolidated into the Group Accounts. The Council’s reserves are analysed into those which are “Usable Reserves” (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Council’s share of the reserves of Associates is an unusable reserve (i.e. it cannot be used to fund expenditure or reduce taxation). The Council’s Statement of Movement in Reserves on pages 51 to 52 gives a more detailed analysis of the movement in the Council’s usable and unusable reserves during 2019-20.
- Group Cash Flow Statement:** The Cash Flow Statement shows the changes in cash and cash equivalents of the Council and its associates Common Good Funds. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amounts of net cash flow arising from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided by the Group. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Group’s future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Group.

Group Statement of Comprehensive Income and Expenditure

2018-19			Service	2019-20		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
30,217	24,399	5,818	Chief Executive and Financial Services	26,915	21,165	5,750
129,158	13,833	115,325	Executive Director - Douglas Hendry	128,175	18,493	109,682
96,205	31,043	65,162	Executive Director - Kirsty Flanagan	95,736	33,701	62,035
142,074	78,258	63,816	Health and Social Care Integration	143,515	79,231	64,284
17,939	1,007	16,932	Other Non-Departmental Costs	10,654	257	10,397
(70)		(70)	Associates and Joint Ventures Accounted for on an Equity Basis	9,383	8,485	898
415,523	148,540	266,983	Net Cost of Services	414,378	161,332	253,046
			Other Operating Income and Expenditure:			
		(222)	Net (Gain)/loss on Disposal of Fixed Assets			1,487
		1,256	Other Operating Income and Expenditure			1,390
		1,034	Total Other Operating Income and Expenditure			2,877
			Financing and Investment Income and Expenditure:			
		16,452	Interest Payable and Similar charges			17,943
		(1,269)	Interest and Investment Income			(1,478)
		3,196	Net Pension Interest Expense			2,913
		18,379	Total Financing and Investment Income and Expenditure			19,378
			Taxation and Non-Specific Grant Income:			
		(159,277)	General Government Grants			(160,081)
		(19,339)	Government Capital Grants and Other Capital Contributions			(31,136)
		(33,286)	Non-domestic Rates Redistribution and Retained Non-domestic Rates (TIF & BRIS)			(36,037)
		(49,868)	Council Tax Income			(52,533)
		(261,770)	Total Taxation and Non-Specific Grant Income			(279,787)
		24,626	(Surplus)/Deficit on Provision of Services			(4,486)
		(7,865)	(Surplus)/Deficit on revaluation of Fixed Assets			(11,910)
		37,477	Other Post Employment Benefits (Pensions)			(66,240)
		799	Share of Other Comprehensive Income and Expenditure of Associates and Common Good Funds			(1,510)
		30,411	Other Comprehensive Income and Expenditure			(79,660)
		55,037	Total Comprehensive Income and Expenditure			(84,146)

Group Balance Sheet



31 March 2019			31 March 2020	
£'000	£'000		£'000	£'000
		Long Term Assets		
		Property Plant & Equipment		
359,366		- Other Land and Buildings	370,616	
9,656		- Vehicles, Plant, Furniture and Equipment	9,627	
214,904		- Infrastructure Assets	221,154	
7,499		- Community Assets	10,669	
2,741		- Surplus Assets	3,254	
23,877		- Assets Under Construction	26,806	
	618,043	Total Property Plant & Equipment		642,126
	2,080	Heritage Assets		2,086
	664	Intangible Assets		583
	2,110	Investment Property		2,449
	5,811	Long-Term Debtors		5,663
	3,023	Long-Term Investments		2,943
	5,425	Investment in Associates and Joint Ventures		5,062
	637,156	Total Long Term Assets		660,912
		Current Assets		
828		Inventories	765	
17,774		Short Term Debtors (Net of Impairment)	17,902	
2,322		Assets Held for Sale	674	
57,500		Short Term Investments	59,500	
14,647		Cash and Cash Equivalents	9,781	
	93,071	Total Current Assets		88,622
		Current Liabilities		
(19,619)		Short-term Borrowing	(5,944)	
(34,973)		Short-term Creditors	(34,821)	
(7)		Capital Grant Receipts in Advance	(7)	
(2,638)		Provisions	(2,177)	
(5,652)		Other Short Term Liabilities	(4,573)	
	(62,889)	Total Current Liabilities		(47,522)
		Long-term Liabilities		
(166,071)		Borrowing Repayable within a Period in Excess of 12 Months	(169,219)	
(124,865)		Other Long-term liabilities	(120,294)	
(1,301)		Provisions	(1,396)	
(5,000)		Capital Grant Receipts in Advance	(5,000)	
(115,729)		Other Long-term liabilities (Pensions)	(68,562)	
(1,935)		Liabilities in Associates and Joint Ventures	(958)	
	(414,901)	Total Long-term Liabilities		(365,429)
	252,437	Total Assets less Liabilities		336,583

Group Balance Sheet



31 March 2019			31 March 2020	
£'000	£'000		£'000	£'000
115,150		Unusable Reserves		
195,045		- Revaluation Reserve	126,560	
(3,176)		- Capital Adjustment Account	220,263	
(115,729)		- Financial Instruments Adjustment Account	(2,850)	
(6,112)		- Pensions Reserve	(68,562)	
		- Accumulated Absences Account	(7,048)	
	185,178			268,363
		Usable Reserves		
4,352		- Capital Funds	4,379	
1,696		- Repairs and Renewals Funds	1,843	
49,480		- General Fund Balance	49,670	
	55,528			55,892
	3,831	Group Reserves		4,624
	7,900	Common Good Reserves		7,704
	252,437	Total Reserves		336,583

The Unaudited Annual Accounts were issued on 25 June 2020 and the Audited Annual Accounts were authorised for issue on 26 November 2020.

Kirsty Flanagan
Section 95 Officer

Group Statement of Movement in Reserves

Movements in 2019-20	Argyll and Bute Council						Council's Share of Reserves of Associates	Total Live Argyll Reserves Usable	Total Live Argyll Reserves Unusable	Total Common Good Reserves	Total Reserves
	Usable Reserves				Total Unusable Reserves	Total Reserves of the Council					
	General Fund Balance	Repairs and Renewals Fund	Capital Funds	Total Usable Reserves							
	£'000	£'000	£'000	£'000	£'000	£'000					
Balance at 31 March 2019	(49,480)	(1,696)	(4,352)	(55,528)	(187,139)	(242,667)	(3,490)	(341)	1,961	(7,900)	(252,437)
(Surplus)/Deficit on Provision of Services	(6,234)	-	-	(6,234)	-	(6,234)	897	656	-	195	(4,486)
Other Comprehensive Income and Expenditure	-	-	-	-	(76,570)	(76,570)	(1,510)	(1,580)	-	-	(79,660)
Total Comprehensive Income and Expenditure	(6,234)	-	-	(6,234)	(76,570)	(82,804)	(613)	(924)	-	195	(84,146)
Total Statutory Adjustments (See Page 48 to 49)	5,870	-	(1,974)	3,896	(3,896)	-	-	745	(745)	-	-
Net (Increase)/Decrease before Transfers to Other Statutory Reserves	(364)	-	(1,974)	(2,338)	(80,466)	(82,804)	(613)	(179)	(745)	195	(84,146)
<i>Other Transfers required by Statute</i>											
Transfer to/from Other Statutory Reserves	174	(147)	1,947	1,974	(1,974)	-	-	-	-	-	-
(Increase)/Decrease in Year	(190)	(147)	(27)	(364)	(82,440)	(82,804)	(613)	(179)	(745)	195	(84,146)
Balance at 31 March 2020 Carried Forward	(49,670)	(1,843)	(4,379)	(55,892)	(269,579)	(325,471)	(4,103)	(520)	1,216	(7,705)	(336,583)

Group Statement of Movement in Reserves

Comparative Movements in 2018-19	Argyll and Bute Council						Council's Share of Reserves of Associates	Total Live Argyll Reserves Usable	Total Live Argyll Reserves Unusable	Total Common Good Reserves	Total Reserves
	Usable Reserves				Total Unusable Reserves	Total Reserves of the Council					
	General Fund Balance	Repairs and Renewals Fund	Capital Funds	Total Usable Reserves							
	£'000	£'000	£'000	£'000	£'000	£'000					
Balance at 31 March 2018	(50,342)	(1,515)	(4,326)	(56,183)	(240,962)	(297,145)	(4,219)	(208)	406	(6,308)	(307,474)
Surplus/(Deficit) on Provision of Services	24,086	-	-	24,086	-	24,086	(70)	444	-	(74)	24,386
Other Comprehensive Expenditure and Income	-	-	-	-	30,392	30,392	799	738	-	(1,518)	30,411
Total Comprehensive Expenditure and Income	24,086	-	-	24,086	30,392	54,478	729	1,182	-	(1,592)	54,797
Total Statutory Adjustments (See Page 50 to 51)	(23,431)	-	(383)	(23,814)	23,814	-	-	(1,315)	1,555	-	240
Net (Increase)/Decrease before Transfers to Other Statutory Reserves	655	-	(383)	272	54,206	54,478	729	(133)	1,555	(1,592)	55,037
<i>Other Transfers required by Statute</i>											
Transfer to/from Other Statutory Reserves	207	(181)	357	383	(383)	-	-	-	-	-	-
(Increase)/Decrease in Year	862	(181)	(26)	655	53,823	54,478	729	(133)	1,555	(1,592)	55,037
Balance at 31 March 2019 Carried Forward	(49,480)	(1,696)	(4,352)	(55,528)	(187,139)	(242,667)	(3,490)	(341)	1,961	(7,900)	(252,437)

2018-19 £'000		Group Note	2019-20 £'000
24,626	Net Deficit on the Provision of Services		(4,486)
(33,681)	Adjustments to net surplus or deficit on the provision of services for non-cash movements		(3,251)
5,339	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		5,191
(3,716)	Net Cash OutFlow from Operating Activities	9	(2,546)
2,262	Investing Activities	10	(5,361)
(2,117)	Financing Activities	11	12,773
(3,571)	Net (Increase)/Decrease in Cash and Cash Equivalents		4,866
(11,076)	Cash and Cash Equivalents at the beginning of the Reporting Period		(14,647)
(14,647)	Cash and Cash Equivalents at the end of the Reporting Period		(9,781)

Notes to the Group Financial Statements

1. GROUP ACCOUNTING POLICIES

The group accounts are prepared in accordance with the policies set out in Note 1 to the Financial Statements on pages 56 to 69.

- The Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme Joint Committee financial statements have been prepared under the historic cost convention.

2. COMBINING ENTITIES

The Council has an interest in a number of Associate Entities. For the purposes of consolidation and incorporation within the Group Accounts recognition has been made of the Council's significant influence over Joint Boards and other entities.

The Associates which have been incorporated are:

- Dunbartonshire and Argyll & Bute Valuation Joint Board
- Strathclyde Partnership for Transport
- Strathclyde Concessionary Travel Scheme Joint Committee

Under accounting standards, the Council is required to include the results of the above organisations as "associates" because it has "significant influence" over their financial and operating policies. The Council has no shares in or ownership of any of these organisations which are entirely independent of the Council under law and for taxation.

Two of the three Joint Boards (SPT and Concessionary Travel) are included within the Group Accounts under the wider definition of an "associate" although the Council holds less than 20% of voting rights that is normally presumed to confer significant influence. This is in view of the funding arrangements between the constituent Councils and the Joint Boards.

Live Argyll is a wholly owned subsidiary of Argyll and Bute Council and is consolidated within the group accounts on a line by line basis.

The accounting period for all entities is 31 March 2020.

3. NON MATERIAL INTEREST IN OTHER ENTITIES

The Council has an interest in Scotland Excel. Scotland Excel took up the activities of the Authorities Buying Consortium and similar bodies across the Scottish Local Authority sector on 1 April 2008. Renfrewshire Council prepare the financial statements for Scotland Excel in its role as lead authority. Scotland Excel is a not-for-profit organisation funded mainly by the 32 participating Scottish Local Authorities. The Council contributed £0.068m towards Scotland Excel in the 2019-20 financial year.

The Council also has an interest in the Highlands and Islands Transport Partnership (HITRANS). The Partnership was established as one of the seven Scottish Regional Transport Partnerships. The Transport (Scotland) Act 2005 requires these Partnerships to prepare Transport Strategies for their regions which will enhance economic well-being; promote safety; social inclusion and equal opportunity; plan for a sustainable transport system; and integrate across boundaries with other partnerships.

These entities are part of the Council's group for the purposes of Group Accounts. As such it is recognised that the nature of the relationship with these bodies should be included within these notes. However, it has been decided that the Council's share of the net worth of these entities is not material to a fair understanding of the financial position of the Council, and so they have not been consolidated into the Group Accounts.

Notes to the Group Financial Statements

4. ARGYLL AND BUTE INTEGRATION JOINT BOARD

The Argyll and Bute Integration Joint Board was established as a body corporate by order of Scottish Ministers on 27 June 2015. The partnership between the Council and NHS Highland has been established in accordance with the provisions of the Public Bodies (Joint Working)(Scotland) Act 2014 and associated Regulations. The Integration Joint Board has responsibility for all health and social care functions relating to adults and children and will oversee the Strategic Planning and budgeting of these, together with corresponding service delivery for the residents of Argyll and Bute. The Council contributed £59.946m towards the Argyll and Bute Integration Joint Board in the 2019-20 financial year.

The Council and NHS Highland are required to treat the IJB as a Joint Venture in their annual accounts and recognise a share of the overall surplus or deficit of the IJB for the year. All transactions are accounted for and shown within the single entity statements and therefore there is no material impact on the group accounts.

5. NATURE OF COMBINATION

The Council inherited its interest in these entities following the reorganisation of local government in 1996. An acquisition basis has been used as the basis of consolidation. However, as no consideration was given for this interest there is no goodwill involved in these instances.

6. FINANCIAL IMPACT OF CONSOLIDATION

The effect of inclusion of the Associates, Subsidiaries and Common Good Funds on the Group Balance Sheet is to increase both reserves and net worth by £11.003m. This gives an overall net asset position for the Group of £337.374m.

All associates and subsidiaries have prepared their accounts on a 'going concern' basis. For Strathclyde Partnership for Transport and the Joint Valuation Board funding arrangements between the Scottish Government and constituent authorities remains assured. In common with these public bodies, the Council's Group Accounts have been prepared on a 'going concern' basis as there is no reason to suggest that future funding will not continue.

7. FURTHER DETAILS ON CONSOLIDATION

Strathclyde Partnership for Transport

Strathclyde Partnership for Transport was formed on 1 April 2006 as the successor to the Strathclyde Passenger Transport Authority. It is a Joint Committee of all Councils in the West of Scotland plus Dumfries and Galloway Council. In association with the related Structure Planning Committees, the Partnership's remit included the promotion of joint working to set out the policy framework for achieving the most effective management, development and integration of the transport network across boundaries in the medium to longer term through the Joint Transport Strategy. The Council contributed £0.417m or 1.18% of the Board's estimated net running costs during 2019-20 and accounted for £5.010m of the Balance Sheet Assets within the Group Balance Sheet. The accounts of the Board are subject to independent audit and are available from the Treasurer to Strathclyde Partnership for Transport, Consort House, 12 West George Street, Glasgow G2 1HN.

Strathclyde Concessionary Travel Scheme Joint Board

This body comprises the 12 local authorities within the West of Scotland which oversees the operations of the concessionary fares scheme for public transport within its area. The costs of the scheme are met by a combination of funding from the 12 constituent councils and direct grant funding from the Scottish Government. During 2019-20 the Council contributed £0.207m or 5.11% of the net annual running costs and accounted for £0.037m of the Balance Sheet Assets within the Group Balance Sheet. The accounts of the Board are subject to independent audit and are available from the Treasurer to Strathclyde Concessionary Travel Scheme, Consort House, 12 West George Street, Glasgow G2 1HN.

Notes to the Group Financial Statements

Live Argyll

Live Argyll was established by Argyll and Bute Council and is limited by guarantee and was fully incorporated and commenced trading on 2 October 2017. The Trust is a charitable company registered in Scotland and provides a wide range of services within the Argyll and Bute area including libraries, leisure facilities, halls, sports development and community centres the assets of which are owned by the Council. During 2019-20 Argyll and Bute Council paid £3.615m in the form of a Management Fee to Live Argyll and accounted for £1.216m of Balance Sheet Liabilities within the Group Balance Sheet.

The board is made up of 3 independent board members, 3 Councillors and a Trade Union representative.

Dunbartonshire and Argyll and Bute Valuation Joint Board

This body was formed in October 1995 at Local Government reorganisation by a Statutory Instrument and is responsible for the maintenance of the electoral, council tax and non-domestic rates registers for Argyll and Bute, West Dunbartonshire and East Dunbartonshire Councils. The Board's running costs are met by the three Councils. During 2019-20 Argyll and Bute Council contributed £1.377m towards estimated running costs and accounted for £0.958m of Balance Sheet Liabilities within the Group Balance Sheet. The accounts of the Board are subject to independent audit and are available from the Treasurer to Dunbartonshire and Argyll and Bute Valuation Joint Board, Council Offices, Garshake Road, Dumbarton G82 3PU.

The following disclosures are also required for Dunbartonshire and Argyll and Bute Valuation Joint Board because the Council's interest exceeds the 25% threshold for accounting purposes:-

2018-19 £'m		2019-20 £'m
	Argyll and Bute Council has a 48.1% share of:	
2.686	Gross Income	2.823
0.358	Net (Surplus)/Deficit	0.295
0.635	Long Term Assets	0.636
0.682	Current Assets	0.711
(0.121)	Liabilities due within one year	(0.113)
-	Liabilities due over one year	-
(4.821)	Pension Liability	(3.190)
(3.625)	Capital and Revenue Reserves	(1.956)

8. REPORTING AUTHORITY ADJUSTMENTS

A number of adjustments are required to the Council's Statement of Comprehensive Income and Expenditure (pages 47 to 48) for group accounting purposes. These can be summarised as follows:

- All intra-group transactions have been removed from the Group Accounts as part of the subsidiary consolidation process.
- The Common Good Funds described in note 37 of the Notes to the Financial Statements on pages 116 to 117 have been fully consolidated into the Group Accounts. This adjustment increases the net assets and reserves of Argyll and Bute Council's Group by £7.706m.

Notes to the Group Financial Statements

9. GROUP CASH FLOW STATEMENT – OPERATING ACTIVITIES

2018-19 £'000		2019-20 £'000
24,626	Net (Surplus)/Deficit on Provision of Services	(4,486)
	Adjustments to Net (Surplus)/Deficit on the Provision of Service for Non Cash Movements:	
(23,431)	Statutory Adjustments through Statement of Movement in Reserves	5,870
207	Transfer to/from Other Statutory Reserves	174
(1,727)	Transfer Group Other Comprehensive Income and Expenditure	(2,345)
289	Increase/(Decrease) in Inventories	(63)
315	Increase/(Decrease) in Debtors	1,368
(2,721)	(Increase)/Decrease in Creditors and Provisions	4,464
(6,613)	Other Revenue Adjustments	(12,719)
(33,681)		(3,251)
	Adjustments for items included in the Net (Surplus)/Deficit on the Provision of Services that are Investing and Financing Activities:	
9,122	Non Cash Capital	10,842
(3,783)	Capital Element of Finance Lease Payments	(5,651)
5,339		5,191
(3,716)	Net Cash Flows from Operating Activities	(2,546)
	The cash flows for Operating Activities include the following items:	
8,233	Interest Paid on Borrowings	8,474
8,413	Interest Paid on Finance Leases	9,748
(649)	Interest Received on Bank Deposits	(358)
15,997	Net Cash Outflow from Servicing of Finance	17,864

10. GROUP CASH FLOW STATEMENT – INVESTING ACTIVITIES

2018-19 £'000		2019-20 £'000
22,022	Purchase of Property, Plant and Equipment, Investment Property and Intangible and Heritage Assets	26,784
2,498	Investments made/(disposed of) during year	2,000
(3,033)	Proceeds from the Sale of Property, Plant and Equipment and Investment Property	(1,974)
36	Net Receipts from Investment in Associates and Joint Ventures	(881)
(19,261)	Other Receipts from Investing Activities	(31,290)
2,262	Net Cash Outflow from Investing Activities	(5,361)

Notes to the Group Financial Statements

11. GROUP CASH FLOW STATEMENT – FINANCING ACTIVITIES

2018-19 £'000		2019-20 £'000
(7,666)	Cash Receipts of Short and Long Term Borrowing	(7,052)
(919)	Other Receipts from Financing Activities	(2,717)
3,783	Cash Payments for the Reduction of the Outstanding Liabilities relating to Finance Leases and on Balance Sheet PFI Contracts	5,651
2,685	Repayments of Short and Long Term Borrowing	16,891
-	Other Payments from Financing Activities	-
(2,117)	Net Cash (Inflow)/Outflow from Financing Activities	12,773

Independent auditor's report to the members of Argyll and Bute Council and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Argyll and Bute Council and its group for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Expenditure and Funding Analysis, the group and council-only Comprehensive Income and Expenditure Statements, Balance Sheets, Movement in Reserves Statements and Cash-Flow Statements, the Council Tax Income Account, and the Non-Domestic Rate Account and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the 2019/20 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2019/20 Code of the state of affairs of the council and its group as at 31 March 2020 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019/20 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 7 January 2019. The period of total uninterrupted appointment is two years. I am independent of the council and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter: valuation of land and buildings

I draw attention to Note 4 in the financial statements, Assumptions made about the future and other major sources of estimation uncertainty, which describes the effects of material uncertainties, caused by Covid-19, declared in the valuation report for land and buildings. My opinion is not modified in respect of this matter.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Section 95 Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the council's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Section 95 Officer and Argyll and Bute Council's Audit and Scrutiny Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Section 95 Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Section 95 Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Section 95 Officer is responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Audit and Scrutiny Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the annual accounts

The Section 95 Officer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett FCPFA
 Audit Director
 Audit Scotland
 4th Floor, South Suite
 Athenaeum Building
 8 Nelson Mandela Place
 Glasgow
 G2 1BT

Glossary of Terms

Existing Use Value. The market value of a particular Council property, less the difference between the average rental income between public and private sector properties.

Expected Rate of Return on Pension Assets. The average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the Scheme.

Fair Value. This is the price at which an asset could be exchanged in an arm's length transaction less any grants receivable towards the purchase or use of the asset.

Financial Asset. A right to future economic benefits controlled by the Council that is represented by cash, an equity instrument of another entity, a contractual right to receive cash from another entity or a financial right to exchange financial instruments under conditions that are potentially favourable to the Council.

Financial Instrument. Any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another.

Financial Instruments Adjustment Account. This holds the accumulated difference between the financing costs included in the Income and Expenditure Account and the accumulated financing costs required in accordance with regulations to be charged to the General Fund Balance.

Financial Liability. An obligation to transfer economic benefits controlled by the Council that is represented by a contractual obligation to deliver cash or another financial asset to another entity or a contractual obligation to exchange financial instruments under conditions which are potentially unfavourable to the Council.

Financial Reporting Standard (FRS). Financial Reporting Standards are issued by the Accounting Standard Board and define proper accounting practice for a given transaction or event.

Fixed Assets. Tangible assets that yield benefits to the Council and the services it provides for a period of more than one year.

Gains/losses on settlements and curtailments. The result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees. This is charged or credited to Non Distributed costs in the Comprehensive Income and Expenditure Statement.

General Fund Balance. This contains the net surplus on the provision of Council services combined with any balances from previous years and any contributions to other funds or reserves made during the year.

Group Accounts. The purpose of group accounts is to show the Council's interest in organisations and companies within the Financial Statements. The Council's shares of the assets and liabilities of these other entities are shown in the Group Movement in Reserves Statement, Comprehensive Income and Expenditure Statement and Group Balance Sheet.

Government Grants. Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past, or future, compliance with certain conditions relating to the activities of the Council.

Heritage Assets. Assets which are intended to be preserved in trust for future generations because of their cultural, environmental and historical associations and are held by the Council of the maintenance of heritage.

International Accounting Standards (IAS). International Accounting Standards are issued by the International Accounting Standards Board and define proper accounting practice for a given transaction or event. IAS's take precedence over other accounting standards in the hierarchy of technical accounting standards.

International Public Sector Accounting Standards (IPSAS), a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements.

Impairment. A reduction in the value of fixed or financial asset below the valuation held on the balance sheet.

Infrastructure Assets. Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

Intangible Assets. Non-financial assets which do not have physical substance but are identifiable and are controlled by the Council.

Interest Cost (Pensions). The expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

Inventories. Inventories may comprise the following: goods or other assets purchased for re-sale; consumable stores; raw materials and components purchased for incorporation into products for sale; products and services in intermediate stages of completion; long term contract balances; and finished goods.

Liquid Resources. Current asset investments that are readily disposable by the Council without disrupting its business and are either readily convertible to known amounts of cash at or close to the carrying amount, or traded on the active market.

Glossary of Terms

Materiality. Information is included where the information is of such significance as to justify its inclusion, and omission or misstatement could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements.

National Non-Domestic Rates Pool. All non-domestic rates collected by Council's are remitted to the national pool and, thereafter, distributed to Councils by the Scottish Government.

Net Book Value. The amount at which fixed assets are included in the Balance Sheet, i.e. their historical cost or current value less cumulative amounts provided for depreciation.

Net Realisable Value. The open market value of the asset in its existing use, or open market value in the case of non-operational assets, less the expenses to be incurred in realising the asset.

Non-Current Assets. Non-current assets are not expected to be realised within 12 months and are held to provide future economic benefits to the Council.

Non-operational assets. Are assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

Officers' Remuneration. All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are subject to UK Income Tax).

Operating Leases. A lease other than a finance lease, i.e. a lease which does not transfer the risks and rewards of ownership to the lessee.

Operating Assets. All items which derive from events or transactions that fall within the ordinary activities of the Council and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Past Service Costs (Pensions). The increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Pensions Reserve. The Pensions Reserve absorbs the timing differences arising from different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

Prior Period Adjustments. Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Public Private Partnerships (PPP). Those partnerships enable the Council to purchase services from the private sector and pay a fee based on pre-defined output criteria. The private sector uses this fee to repay loans taken out to finance the building or refurbishment of the assets.

Residual Value. The net realisable value of an asset at the end of its useful life.

Related Party Transactions. A related party transaction is the transfer of assets or liabilities, or the performance of services by, to or for a related party irrespective of whether a charge is made.

Renewal and Repairs fund. This contains funds credited at the Council's discretion from the General Fund and is available for use on capital or revenue expenditure on Council assets.

Revaluation Reserve. Records unrealised gains arising since 1 April 2007 from holding fixed assets not yet realised through sales.

Service Expenditure Analysis (SEA). An analysis which groups together expenditure on services within headings or divisions as defined in the Service Reporting Code of Practice (SeRCOP).

Specific Government Grants. These are grants received from Central Government in respect of a specific purpose or service.

Unusable Reserves. Those reserves which hold unrealised gains and losses where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences.

Usable Reserve. Those reserves which the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.

Useful Life. The period over which the Council will derive benefits from the use of a fixed asset.

Trade Union Facility Time Statement 2019-20

This information is published under the Trade Union (Facility Time Publication Requirements) Regulations 2017

Schedule 2 (Regulation 8)

Table 1: Relevant Union Officials

Total number of employees who were relevant union officials during the relevant period.

Number of employees who were relevant union officials during the relevant period		Full time equivalent employee number
Central Function	22	23.65
Education Function	3	2.6

Note: The headcount figure for relevant union officials includes all stewards and school based reps who are elected by their peers to provide first line support for members.

Table 2: Percentage of Time Spent on Facility Time

Number of employees who were relevant union officials employed during the relevant period who spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time.

Percentage of time	Number of employees	
	Central Function	Education Function
0%	1	0
1% - 50%	20	2
51% - 99%	1	1
100%	0	0

Appendix A

Table 3: Percentage of Pay Bill Spent on Facility Time

The percentage of the total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

	Central Function	Education Function
The total cost of facility time	£98,738	£45,009
The total pay bill	£93,965,299	£51,766,795
The percentage of the total pay bill spent on facility time	0.11%	0.09%

Table 4: Paid Trade Union Activities

Percentage of total paid facility time hours spent by employees who were relevant union officials during the relevant period on paid trade union activities.

	Central Function	Education Function
Time spent on paid trade union activities as percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	7%	8%



AUDITED

Annual Report and Financial Statements

2019-2020

For the Year ended 31 March 2020

SC019599	McCaig Trust
SC019607	Marquess of Bute Silver Wedding Dowry
SC013578	Baillie Gillies Bequest
SC013600	Kidston Park Trust
SC018697	Miss Annie Dickson Bequest
SC018698	Logie Baird Prize Fund
SC020382	Argyll Education Trust
SC021328	Oban Common Good

Argyll and Bute Council
Comhairle Earra Ghàidheal agus Bhòid



McCaig Trust

AUDITED

Annual Report and Financial Statements 2019-2020

For the Year ended 31 March 2020

Scottish Charity Number: SC019599

McCaig Trust
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McCaig Trust**Trustees' Annual Report – For the Year ended 31 March 2020**

The Trustees present their annual report together with the financial statements and the Independent Auditor's report for the year ended 31 March 2020.

REFERENCE AND ADMINISTRATION INFORMATION

Charity Name:	McCaig Trust
Scottish Charity Number:	SC019599
Principal Office:	Argyll and Bute Council Kilmory Lochgilphead Argyll PA31 8RT
Current Trustees:	Councillor James Anderson Councillor John Armour Councillor William Blair Councillor Rory Colville Councillor Robin Currie Councillor Mary-Jean Devon Councillor Lorna Douglas Councillor James Findlay Councillor Audrey Forrest Councillor George Freeman Councillor Bobby Good Councillor Kieron Green Councillor Graham Hardie Councillor Anne Horn Councillor Donald Kelly Councillor David Kinniburgh Councillor James Lynch Councillor Donald MacMillan Councillor Roderick Mccuish Councillor James McGrigor Councillor Julie McKenzie Councillor Yvonne McNeilly Councillor Jean Moffat Councillor Barbara Morgan Councillor Ellen Morton Councillor Aileen Morton Councillor Gary Mulvaney Councillor Iain Paterson Councillor Douglas Philand Councillor Alastair Redman Councillor Alan Reid Councillor Elaine Robertson



Current Trustees continued:	Councillor Len Scoullar Councillor Alexander Taylor Councillor Richard Trail Councillor Andrew Vennard
Honorary Secretary:	Douglas Hendry Executive Director Argyll and Bute Council
Honorary Treasurer:	Kirsty Flanagan FCCA,CPFA,ACIBS Section 95 Officer Argyll and Bute Council
Independent Auditor:	John Cornett FCPFA Audit Director Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Towards the cost of library and institute, Oban

Appointment of Trustees

The trustees of the charities are the elected members (councillors) of Argyll and Bute Council. Trustees are appointed through their election to Argyll and Bute Council.

Organisational Structure

The trustees (as the elected members of the council) meet once a year at the AGM to consider and approve the annual report and financial statements and any other business such as future plans and the reorganisation of trust funds. The trustees delegate the day to day administration of the charities to officers of the Council. The Council has established a range of committees with delegated powers to allow it to discharge its business effectively. This includes the management of charities. The Council has an approved constitution that governs the conduct of business by the Council and covers standing orders for meetings, a scheme of administration and delegation, financial and security regulations, contract standing orders and an ethical framework.

Related Parties

Trustees hold this position because they are elected members of Argyll and Bute Council. Argyll and Bute Council provides administration services to the Charity at no cost to the Trust.

Risk Management

The Section 95 Officer of Argyll and Bute Council has taken the steps required by trustees to consider the major risks to which the charity is exposed, in particular those related to its operation and finance, and to be satisfied that systems are in place to mitigate the exposure to the major risks.

McCaig Trust**Trustees' Annual Report – For the Year ended 31 March 2020****Management of Funds and Investment Policy**

The Trustees rely upon the expertise of Argyll and Bute Council to manage the investments to ensure the maximum return at least risk to the Charity. In this way, the income stream for the future benefit of the charity is protected.

The Section 95 Officer of the Council is responsible for securing the proper management of the investments of the Charity. The day-to-day management of investments is performed by external investment managers under a discretionary agreement.

OBJECTIVES AND ACTIVITIES

The object of the fund is to contribute towards the cost of a library and institute in Oban.

ACHIEVEMENTS AND PERFORMANCE

In the year to 31 March 2020, there were no grants made.

FINANCIAL REVIEW**Investments and Reserves**

The funds Increased by £545 (2018-19 increased by £594). The reserves of the trust at 31 March 2020 amount to £83,654, £48,516 in unrestricted (revenue) funds and £35,138 in endowment (capital) funds. These funds are invested as follows:

	31 March 2019	31 March 2020
	£	£
Local Government Bonds	7,600	7,600
Investments in Endowment Funds	7,600	7,600
Debtor Barclays Wealth Undistributed income	-	-
Cash and Bank - Argyll & Bute Council	75,509	76,054
	83,109	83,654
Current Assets in Restricted Funds	35,138	35,138
Current Assets in Unrestricted Funds	47,971	48,516
Total Funds	83,109	83,654

Over the year, the value of investments remained at £7,600 and £76,054 was invested in the Councils loans fund.

The change in cash balances from £75,509 to £76,054 is due to investment income receivable of £118 and interest from deposits held with Argyll and Bute Council of £427.



Reserves Policy

Unrestricted free reserves at 31 March 2020 were £48,516. The Trust has no explicit reserves policy, but the endowment funds of the Charity are held for capital growth and to provide an annual income. Income only from the investments may be distributed on an annual basis to ensure that the original funds grow over time. No specific targets have been set for either the endowment or unrestricted funds. Any unspent income is held in the unrestricted funds.

Income and Expenditure

The Statement of Financial Activities on page 10 provides an analysis of the income and expenditure for the twelve months to 31 March 2020.

Income for the year amounted to £545 (2018-19 - £594). £427 (2018-19 - £476) came from deposits with Argyll and Bute Council and £118 (2018-19 - £118) Local Bond interest.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

CONCLUSION

The reserves of the Charity increased by £545 in the year.

The trust made no awards during the year.

Since 2013-14 an audit is required to be carried out by the appointed auditor of Argyll and Bute Council in accordance with the requirements of the Local Government (Scotland) Act 1973.

The appointed auditor of Argyll and Bute Council is Audit Scotland and the Trustees would like to thank them for undertaking this task.

McCaig Trust**Trustees' Annual Report – For the Year ended 31 March 2020****DECLARATION**

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA,CPFA,ACIBS
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20

Independent auditor's report to the trustees of the McCaig Trust and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the McCaig Trust for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of My report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about ability of the charity to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Charities SORP (FRS 102).

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

McCaig Trust
Independent Auditors Report



Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett
Audit Director
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

John Cornett is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973

McCaig Trust
Statement of Financial Activities



STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDING MARCH 2020

	Note	Total Funds 2019 £	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £
INCOMING RESOURCES					
Incoming resources from generating funds:					
Investment income from managed funds	5	118	118	-	118
Interest from short-term deposits		476	427	-	427
Total Incoming Resources		594	545	-	545
RESOURCES EXPENDED					
Costs of generating funds:					
Investment management costs	6	-	-	-	-
Audit fee	7	-	-	-	-
Charitable Activities:					
Grants awarded	8	-	-	-	-
Governance costs		-	-	-	-
Total Resources Expended		-	-	-	-
Net Incoming/(Outgoing) Resources before Other Recognised Gains/(Losses)		594	545	-	545
OTHER RECOGNISED GAINS AND (LOSSES)					
Gains and (losses) on investment assets					
Realised gains/(losses)	9	-	-	-	-
Unrealised gains/(losses)		-	-	-	-
Total Gains and (Losses) on Investment Assets		-	-	-	-
Net Movement in Funds		594	545	-	545
Total funds brought forward	13	82,515	47,971	35,138	83,109
Total funds carried forward		83,109	48,516	35,138	83,654

All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 16 form an integral part of these financial statements.

McCaig Trust
Balance Sheet as at 31 March 2020



BALANCE SHEET AS AT 31 MARCH 2020

	Note	Unrestricted Funds £	Permanent Endowment Funds £	2019 £	Unrestricted Funds £	Permanent Endowment Funds £	2020 £
Fixed Assets							
Investments	10	-	7,600	7,600	-	7,600	7,600
Total Fixed Assets		-	7,600	7,600	-	7,600	7,600
Current Assets							
Debtors	12			-			-
Cash at Bank and at Hand	11	47,971	27,538	75,509	48,516	27,538	76,054
Total Current Assets		47,971	27,538	75,509	48,516	27,538	76,054
Current Liabilities							
Creditors: amounts falling due within one year		-	-	-	-	-	-
Net Current Assets or Liabilities		47,971	27,538	75,509	48,516	27,538	76,054
Total Assets less Current Liabilities		47,971	35,138	83,109	48,516	35,138	83,654
Funds of the Charity							
Unrestricted Funds	13	47,971	-	47,971	48,516	-	48,516
Endowment Funds		-	35,138	35,138	-	35,138	35,138
Total Charity Funds		47,971	35,138	83,109	48,516	35,138	83,654

The notes on pages 13 to 16 form an integral part of these financial statements.

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA,CPFA,ACIBS
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20

1. Basis of Preparation

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of Accounting

The financial statements are prepared under the historic cost convention and in accordance with:

- a) Accounting and Reporting by Charities – Statement of Recommended Practice (SORP 2005 - 2nd Edition); and the Financial Reporting Standard for Smaller Entities FRS102
- b) The Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Accounting Policies

2.1. Form of Financial Statements

- a) Unrestricted funds are those that may be used at the discretion of the trustees in the furtherance of the objects of the charity.
- b) The permanent endowment funds are invested in perpetuity and derive an annual investment income which is available for distribution.

2.2 Incoming Resources

- a) All incoming resources are recognised and included in the Statement of Financial Activities when the charity becomes entitled to the resources; the trustees are virtually certain they will receive the resources and the monetary value can be measured with sufficient reliability. The following specific policies are applied to particular categories of income.
- b) Income from investments is included in the year to which it relates.
- c) Investments gains and losses includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.
- d) The value of the services provided free of charge by Argyll and Bute Council has not been included in the accounts but is described in the trustees' annual report.

2.3 Resources Expended

- a) All expenditure is included in the Statement of Financial Activities on an accrual basis and is recognised when there is a legal or constructive obligation to pay out resources.

2.4 Investments

The charity holds two three-year fixed term deposit local bonds from Argyll and Bute Council, one for £600 with a rate of 1.35% repayable on 31st March 2021, and the other for £7,000 with a rate of 1.57% repayable on 30th September 2021 in a continuation of historic practice.

3. Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the expense to which it relates.

McCaig Trust

Notes to the Financial Statements



4. Trustee Remuneration, Expenses and Related Party Transactions

- (a) No remuneration or expenses were paid to charity trustees or persons connected to a trustee during the year (2018-19 - Nil).
- (b) The trust received interest of £427 (2018-19 £476) from Argyll & Bute Council on unrestricted reserves placed on short-term deposit with them and also local bond interest of £118 (2018-19 - £118). All transactions incoming and outgoing are made via the Council's accounts.
- (c) There were no other transactions between the charity and any trustee or any connected person during the year (2018-19 - Nil).

5. Investment Income

	Total Funds	Unrestricted	Permanent	Total Funds
	2019	Funds	Endowment	2020
	£	£	Fund	£
			£	
Income from Local Government Bond	118	118	-	118
Interest on Short-term deposits with Argyll and Bute Council	476	427	-	427
Total Investment Income	594	545	-	545

6. Investment Management Costs

In the year to 31 March 2020 there were no investment management fees (2018-19 - Nil).

7. Audit Fees.

The independent auditor's fee is not charged to the charity, the cost is borne by the Council.

8. Grants Awarded

During the year to 31 March 2020 no grants were awarded.

9. Gains and Losses on Investment Assets

There were no gains or losses on investment assets during 2019-2020.

10. Fixed Asset Investments

	£
Carrying (market) value at 1 April 2019	7,600
Add: additions to investments at cost	-
Add/(deduct): net gain/loss on revaluation	
Add/(deduct): change in uninvested cash balance in Capital Account	-
Deduct sales proceeds	
Carrying (market) value at 31 March 2020	7,600
Analysis of Investments	
Investments listed on recognised stock exchange	-
Local Government Bonds	7,600
Cash held as part of the investment portfolio	-
Total	7,600

The charity holds two three-year fixed term deposit local bonds from Argyll & Bute Council, one for £7,000 with a rate of 1.57% repayable on 30th September 2021, and the other for £600 with a rate of 1.35% repayable on 31 March 2021 in a continuation of historic practice.

An analysis of the net assets between funds for current and comparative figures is provided in the balance sheet.

11. Cash and Bank Balances

	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds £
Short-term deposits with Argyll and Bute Council:			
Carrying value at 1 April 2019	47,971	27,538	75,509
Add: lodgements during year	545	-	545
(Less): withdrawals during year	-	-	-
Gains/losses	-	-	-
Cash and Bank at 31 March 2020	48,516	27,538	76,054

During the year the above short term deposits were held by Argyll and Bute Council, which manages the administration of the funds on behalf of the Trustees. The Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. No costs were incurred by the trust for this work. The balances are repayable on demand. Interest is payable on balances.

12. Debtors: Amounts Falling Due within One Year

There are no debtor's amounts falling due within one year.

13. Movement in Funds

	At 1 April 2019 £	Incoming Resources £	Outgoing Resources	Gains/ Losses £	At 31 March 2020 £
Unrestricted Revenue Funds	47,971	545	0	0	48,516
Permanent Endowment Funds	35,138	-	0	0	35,138
Total Funds	83,109	545	-	-	83,654

Argyll and Bute Council
Comhairle Earra Ghàidheal agus Bhòid



Marquess of Bute Silver Wedding Dowry

AUDITED

Annual Report and Financial Statements

2019-2020

For the Year ended 31 March 2020

Scottish Charity Number SC019607



Marquess of Bute Silver Wedding Dowry Contents

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Marquess of Bute Silver Wedding Dowry**Trustees' Annual Report – For the Year ended 31 March 2020**

The Trustees present their annual report together with the financial statements and the Independent Auditor's report for the year ended 31 March 2020.

REFERENCE AND ADMINISTRATION INFORMATION

Charity Name:	Marquess of Bute Silver Wedding Dowry
Charity Number:	SC019607
Principal Office:	Argyll and Bute Council Kilmory Lochgilphead Argyll PA31 8RT
Current Trustees:	Councillor James Anderson Councillor John Armour Councillor William Blair Councillor Rory Colville Councillor Robin Currie Councillor Mary-Jean Devon Councillor Lorna Douglas Councillor James Findlay Councillor Audrey Forrest Councillor George Freeman Councillor Bobby Good Councillor Kieron Green Councillor Graham Hardie Councillor Anne Horn Councillor Donald Kelly Councillor David Kinniburgh Councillor James Lynch Councillor Donald MacMillan Councillor Roderick Mccuish Councillor James McGrigor Councillor Julie McKenzie Councillor Yvonne McNeilly Councillor Jean Moffat Councillor Barbara Morgan Councillor Ellen Morton Councillor Aileen Morton Councillor Gary Mulvaney Councillor Iain Paterson Councillor Douglas Philand Councillor Alastair Redman Councillor Alan Reid Councillor Elaine Robertson
Current Trustees continued:	Councillor Len Scoullar

Marquess of Bute Silver Wedding Dowry**Trustees' Annual Report – For the Year ended 31 March 2020**

	Councillor Alexander Taylor Councillor Richard Trail Councillor Andrew Vennard
Honorary Secretary:	Douglas Hendry Executive Director Argyll and Bute Council
Honorary Treasurer:	Kirsty Flanagan FCCA,CPFA,ACIBS Section 95 Officer Argyll and Bute Council
Independent Auditor:	John Cornett FCPFA Audit Director Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing Document**

£1,000 was given by John Patrick Crichton-Stuart, 3rd Marquess of Bute, on 12 April 1897 (the date of his silver wedding) to Rothesay Town Council. Noted in the Rothesay Town Council Minutes 12/04/1897 and 10/05/1897.

Appointment of Trustees

The trustees of the charities are the elected members (councillors) of Argyll and Bute Council. Trustees are appointed through their election to Argyll and Bute Council.

Organisational Structure

The trustees (as the elected members of the council) meet once a year at the AGM to consider and approve the annual report and financial statements and any other business such as future plans and the reorganisation of Charities. The trustees delegate the day to day administration of the charities to officers of the Council. The Council has established a range of committees with delegated powers to allow it to discharge its business effectively. This includes the management of charities. The Council has an approved constitution that governs the conduct of business by the Council and covers standing orders for meetings, a scheme of administration and delegation, financial and security regulations, contract standing orders and an ethical framework.

Related Parties

Trustees hold this position because they are elected members of Argyll and Bute Council. Argyll and Bute Council provides administration services to the Charity.

Risk Management

The Section 95 Officer of Argyll and Bute Council has taken the steps required by trustees to consider the major risks to which the charity is exposed, in particular those related to its operation and finance, and to be satisfied that systems are in place to mitigate the exposure to the major risks.



Marquess of Bute Silver Wedding Dowry

Trustees' Annual Report – For the Year ended 31 March 2020

Management of Funds and Investment Policy

The Trustees rely upon the expertise of Argyll and Bute Council to manage the investments to ensure the maximum return at least risk to the charity. In this way, the income stream for the future benefit of the charity is protected.

The funds of the charity are deposited with Argyll and Bute Council. There are two local bonds with a total of £2,400 (see note 8). For the balance of the funds the charity receives interest at the average market rate for the Council's borrowing. The interest received from Argyll and Bute Council is shown in the Statement of Receipts and Payments.

OBJECTIVES AND ACTIVITIES

The objective of the fund is to provide a donation to one or two girls from the poorer classes on their wedding.

ACHIEVEMENTS AND PERFORMANCE

In the year to 31 March 2020 no grants were issued.

FINANCIAL REVIEW

Overview

No grants were issued during 2019-20. Income during 2019-20 came from interest from deposits with Argyll and Bute Council of £43 (2018-19: £57) and local bond interest of £31 (2018-19: £29). The Charity held cash and bank of £7,703 as at 31 March 2020 (2018-19: £7,629) and local bonds totalling £2,400 (2018-19: £2,400).

Reserves Policy

The unrestricted free reserves at the financial year-end were £6,703 (2018-19 £6,629). This includes cash and bank only repayable on demand. The Charity has no explicit reserves policy, but the "capital" of the fund (as identified from the governing documents or available evidence) is held effectively as a permanent endowment, with only the annual income available for disbursement in the year via the unrestricted reserve. The unrestricted reserves are available for the objects of the Charity.

CONCLUSION

The charity made no grants during 2019-20.

Since 2013-14 an audit is required to be carried out by the appointed auditor of Argyll and Bute Council in accordance with the requirements of the Local Government (Scotland) Act 1973.

The appointed auditor of Argyll and Bute Council is Audit Scotland and the Trustees would like to thank them for undertaking this task.

Marquess of Bute Silver Wedding Dowry**Trustees' Annual Report – For the Year ended 31 March 2020****DECLARATION**

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA,CPFA,ACIBS
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20

Marquess of Bute Silver Wedding Dowry Independent Auditor's Report

Independent auditor's report to the trustees of the Marquess of Bute Wedding Dowry and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Marquess of Bute Wedding Dowry for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2020 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Marquess of Bute Silver Wedding Dowry Independent Auditor's Report

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett
Audit Director
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

John Cornett is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973

**Marquess of Bute Silver Wedding Dowry
Statement of Receipts and Payments – For the Year ended March 2020**



Receipts and Payments Account for the Year Ended 31 March 2020

	<i>Note</i>	2019	Unrestricted Funds	Permanent Endowment Funds	2020
		£	£	£	£
RECEIPTS					
Income from investments other than land and buildings	4	86	74	-	74
Total Receipts		86	74	-	74
PAYMENTS					
Charitable Activities - Grants and donations	5	-	-	-	-
Total Payments			-	-	
Surplus / (Deficit) for Year		86	74	-	74

All income in 2019-20 and 2018-19 relate to unrestricted funds.

The notes on page 11 form an integral part of these financial statements.

Marquess of Bute Silver Wedding Dowry
Statement of Balances as at 31 March 2020



Statement of Balances as at 31 March 2020

	Note	Unrestricted Funds £	Permanent Endowment Funds £	2019 £	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £
Cash and Bank Balances	6						
Opening Balances		6,543	1,000	7,543	6,629	1,000	7,629
Surplus for year		86	-	86	74	-	74
Closing Balances		6,629	1,000	7,629	6,703	1,000	7,703
Investments	8						
Market value		2,400	-	2,400	2,400	-	2,400
Cost		2,400	-	2,400	2,400	-	2,400

The notes on page 11 form an integral part of these financial statements.

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA,CPFA,ACIBS
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20



Marquess of Bute Silver Wedding Dowry

Notes to the Financial Statements

1. Basis of Accounting

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Fund Accounting

(a) Unrestricted funds are those that may be used at the discretion of the trustees in furtherance of the objects of the charity.

(b) Permanent endowment funds are those that the original capital cannot be spent as income and must remain in the form of investments. Any income return generated by the invested endowment may be spent on the activities of the trust.

3. Taxation

The Charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the expense to which it relates.

4. Trustee Remuneration, Expenses and Related Party Transactions

(a) No remuneration or expenses were paid to charity trustees or persons connected to a trustee during the year (2018-19 - Nil).

(b) The Charity received interest of £43 (2018-19 - £57) from Argyll and Bute Council and also local bond interest of £31 (2018-19 - £29). All transactions incoming and outgoing are made via the Council's accounts.

(c) There were no other transactions between the charity and any trustee or any connected person during the year (2018-19 - Nil).

5. Grants

In the year to 31 March 2020, no grants were made.

6. Cash and Bank Balances

During the year the Charity's balances were held by Argyll and Bute Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the Charity for this administration. The Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is payable on balances.

7. Investments

The charity holds two three-year fixed term deposit local bonds from Argyll and Bute Council, one for £2,000 with a rate of 1.29% repayable on 31 March 2022, and the other for £400 with a rate of 1.42% repayable on 30 September 2021 in a continuation of historic practice.

8. Audit Fees.

The independent auditor's fee is not charged to the Charity, the cost is borne by the council.

Argyll and Bute Council
Comhairle Earra Ghàidheal agus Bhòid



Baillie Gillies Bequest

AUDITED

Annual Report and Financial Statements

2019-2020

For the Year ended 31 March 2020

**Baillie Gillies Bequest
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Baillie Gillies Bequest**Trustees' Annual Report – For the Year ended 31 March 2020**

The Trustees present their annual report together with the financial statements and the Independent Auditor's report for the year ended 31 March 2020.

REFERENCE AND ADMINISTRATION INFORMATION

Charity Name:	Baillie Gillies Bequest	
Charity Number:	SC013578	
Principal Office:	Argyll and Bute Council Kilmory Lochgilphead Argyll PA31 8RT	
Current Trustees:	Councillor James Anderson Councillor John Armour Councillor William Blair Councillor Rory Colville Councillor Robin Currie Councillor Mary-Jean Devon Councillor Lorna Douglas Councillor James Findlay Councillor Audrey Forrest Councillor George Freeman Councillor Bobby Good Councillor Kieron Green Councillor Graham Hardie Councillor Anne Horn Councillor Donald Kelly Councillor David Kinniburgh Councillor James Lynch Councillor Donald MacMillan Councillor Roderick Mccuish Councillor James McGrigor Councillor Julie McKenzie Councillor Yvonne McNeilly Councillor Jean Moffat Councillor Barbara Morgan Councillor Ellen Morton Councillor Aileen Morton Councillor Gary Mulvaney Councillor Iain Paterson Councillor Douglas Philand Councillor Alastair Redman Councillor Alan Reid Councillor Elaine Robertson	

Baillie Gillies Bequest**Trustees' Annual Report – For the Year ended 31 March 2020**

Current Trustees continued:	Councillor Len Scoullar Councillor Alexander Taylor Councillor Richard Trail Councillor Andrew Vennard	
Honorary Secretary:	Douglas Hendry Executive Director Argyll and Bute Council	
Honorary Treasurer:	Kirsty Flanagan FCCA, CPFA, ACIBS Section 95 Officer Argyll and Bute Council	
Independent Auditor:	John Cornett FCPFA Audit Director Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN	

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing Documents**

The charity was 'inherited' from Bute County Council. William Gillies, Cooper and Fish curer in Rothesay, and at some time a Baillie and Chief Magistrate of that Burgh, bequeathed £200 for the benefit of the poor of Rothesay. He was elected to the Town Council in 1812 and retired in 1835.

Mrs Margaret Stevenson, or Lochhead, died circa 1947. Bequest of £50 to Rothesay Town Council, the income of which is to provide coals for the deserving poor of the Burgh.

Archibald Brown, Clerk in the Bute Savings Bank Rothesay, died 1903. Will confirmed and recorded in 1903, detailing bequest of £100. The interest to be divided annually at Candlemas among the deserving old and infirm poor of Rothesay.

James Duncan, Merchant in Valparaiso, Chile, thereafter residing in Rothesay died in 1874. He bequeathed £2,000 to Rothesay Town Council. Noted in the Minute Book of the Charity, 1875-1894 in the District Archives. The income was to be distributed half yearly to 10 older women of good character and honest repute, over 60 years of age and not in parochial relief, whose parents as well as themselves have been born in Rothesay or the Island of Bute.

Misses Gibson, Ardmory, Rothesay. Janet Gibson died in 1893 her will was confirmed and recorded in 1894 with a bequest of £200 to the Minister of the Parish of Rothesay and to Rothesay Town Council. The interest was to be paid out at Candlemas to the most deserving of the poor and each recipient was to get 25 pence.

Mrs Ann Taylor, or Jackson, residing at Easterhouse, Baillieston, died 1892 and her will was confirmed and recorded 1892. She made a bequest of £100, the annual income of which was to



Baillie Gillies Bequest

Trustees' Annual Report – For the Year ended 31 March 2020

be expended from time to time providing coals for the poor persons of the name Taylor residing in Rothesay and who were born in Skipness (Kintyre) or Rothesay. Minute Book of the Bequest 1892-94 in District Archives.

Annie McMillan - Minutes of Rothesay Town Council 28/11/1947, a bequest of £100 to Rothesay Town Council to provide coals for the deserving poor of Rothesay.

Jane Paterson of Whinny Brae, Rothesay, died 1902. Will confirmed and recorded in 1903 with a bequest of £300 made to Rothesay Town Council. The income from the bequest was to be divided at Candlemas among the old and infirm poor of Rothesay.

Appointment of Trustees

The trustees of the charities are the elected members (councillors) of Argyll and Bute Council. Trustees are appointed through their election to Argyll and Bute Council.

Organisational Structure

The trustees (as the elected members of the council) meet once a year at the AGM to consider and approve the annual report and financial statements and any other business such as future plans and the reorganisation of trust funds. The trustees delegate the day to day administration of the charities to officers of the Council. The Council has established a range of committees with delegated powers to allow it to discharge its business effectively. This includes the management of charities. The Council has an approved constitution that governs the conduct of business by the Council and covers standing orders for meetings, a scheme of administration and delegation, financial and security regulations, contract standing orders and an ethical framework.

Related Parties

Trustees hold this position because they are elected members of Argyll and Bute Council. Argyll and Bute Council provides administration services to the Charity.

Risk Management

The Section 95 Officer of Argyll and Bute Council has taken the steps required by trustees to consider the major risks to which the charity is exposed, in particular those related to its operation and finance, and to be satisfied that the systems are in place to mitigate the exposure to the major risks.

Management of Funds and Investment Policy

The Trustees rely upon the expertise of Argyll and Bute Council to manage the investments to ensure the maximum return at least risk to the charity. In this way, the income stream for the future benefit of the charity is protected.

The funds of the charity are deposited with Argyll and Bute Council and receive interest at the average market rate for the Council's borrowing. The interest received from Argyll and Bute Council is shown in the Statement of Receipts and Payments.

OBJECTIVES AND ACTIVITIES

The objectives of the various funds that make up the Baillie Gillies fund are as follows:

- Baillie Gillies Bequest - Prevention and relief of poverty in Rothesay.
- Margaret Lochhead Bequest - Prevention and relief of poverty in Rothesay through grants to individuals for purchase of coals.
- Archibald Brown Bequest - The interest is to be divided annually at Candlemas among the deserving old and infirm poor of Rothesay.



Baillie Gillies Bequest

Trustees' Annual Report – For the Year ended 31 March 2020

- James Duncan Bequest - Prevention and relief of poverty in Rothesay through distribution to ten old women whose parents as well as themselves were born in Rothesay
- Janet Gibson Bequest - Prevention and relief of poverty in Rothesay.
- Ann Jackson Bequest - Prevention and relief of poverty in Rothesay, by providing coals for poor persons of the name Taylor residing in Rothesay who were born in Skipness (Kintyre) or Rothesay.
- Annie McMillan Bequest - Prevention and relief of poverty in Rothesay through grants to individuals for coal.
- Jane Paterson Bequest - The objective of the fund is for the prevention and relief of poverty in Rothesay.

ACHIEVEMENTS AND PERFORMANCE

In the year to 31 March 2020, there were no grants made.

FINANCIAL REVIEW

Overview

The Charity is dormant. The only source of income during 2019-20 came from interest from deposits with Argyll and Bute Council of £56 (2018-19 - £56) and Local Bond Interest £1 (2018-19 - £1). The trust held cash at bank of £9,988 as at 31 March 2020 (2018-19 - £9,931).

Reserves Policy

The unrestricted free reserves in cash at bank at the financial year-end were £6,938 (2018-19 - £6,881). The Charity has no explicit reserves policy, but the “capital” of the fund (as identified from the governing document or available evidence) is held effectively as a permanent endowment, with only the annual income available for disbursement in the year via the unrestricted reserve. The unrestricted reserves are available for the objects of the trust.

CONCLUSION

The charity did not undertake any activities during the year.

Since 2013-14 an audit is required to be carried out by the appointed auditor of Argyll and Bute Council in accordance with the requirements of the Local Government (Scotland) Act 1973.

The appointed auditor of Argyll and Bute Council is Audit Scotland and the Trustees would like to thank them for undertaking this task.

DECLARATION

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA, CPFA, ACIBS
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20

Baillie Gillies Bequest

Independent Auditor's Report



Independent auditor's report to the trustees of the Baillie Gillies Bequest and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Baillie Gillies Bequest for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2020 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements**Opinion on matter prescribed by the Accounts Commission**

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Baillie Gillies Bequest Independent Auditor's Report



Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett
Audit Director
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

John Cornett is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973

Baillie Gillies Bequest

Statement of Receipts and Payments – For the Year ended March 2020



Receipts and Payments Account for the Year Ended 31 March 2020

	<i>Note</i>	2019 £	Unrestricted Funds £	Permanent Endowment Funds £	2020 £
RECEIPTS					
Income from investments other than land and buildings	4	57	57	-	57
Total Receipts		57	57	-	57
PAYMENTS					
Charitable Activities - Grants and donations	5	-	-	-	-
Total Payments		-	-	-	-
Surplus / (Deficit) for Year		57	57	-	57

All income in 2019-20 and 2018-19 relates to unrestricted funds.

The notes on page 12 form an integral part of these financial statements.

Baillie Gillies Bequest

Statement of Balances as at 31 March 2020



Statement of Balances as at 31 March 2020

	Note	Unrestricted Funds £	Permanent Endowment Funds £	2019 £	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £
Cash and Bank Balances	6						
Opening Balances		6,824	3,050	9,874	6,881	3,050	9,931
Surplus for year		57	-	57	57	-	57
Closing Balances		6,881	3,050	9,931	6,938	3,050	9,988
Investments	7						
Market value		50	-	50	50	-	50
Cost		50	-	50	50	-	50

The notes on page 12 form an integral part of these financial statements.

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA, CPFA, ACIBS
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20

Baillie Gillies Bequest

Notes to the Financial Statements

1. Basis of Accounting

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Fund Accounting

- (a) Unrestricted funds are those that may be used at the discretion of the trustees in furtherance of the objects of the charity.
- (b) Permanent endowment funds are those that the original capital cannot be spent as income and must remain in the form of investments. Any income return generated by the invested endowment may be spent on the activities of the Charity.

3. Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the expense to which it relates.

4. Trustee Remuneration, Expenses and Related Party Transactions

- (a) No remuneration or expenses were paid to charity trustees or persons connected to a trustee during the year (2018-19 - Nil).
- (b) The Charity received interest from deposits with Argyll and Bute Council of £56 (2018-19 - £56) and Local Bond Interest of £1 (2018-19 £1). All transactions incoming and outgoing are made via the Council's accounts.
- (c) There were no other transactions between the charity and any trustee or any connected person during the year (2018-19 - Nil).

5. Grants

In the year to 31 March 2020, there were no grants made.

6. Cash and Bank Balances

During the year the Charity's balances were held by Argyll and Bute Council, which manages the administration of the funds on behalf of the Trustees. The Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is payable on balances.

7. Investments

The charity holds a three-year fixed term deposit £50 local bond from Argyll and Bute Council, repayable on 30 September 2021. The rate of interest is 1.42%. This is a continuation of historic practice.

8. Audit Fees.

The independent auditor's fee is not charged to the charity, the cost is borne by the Council.

Argyll and Bute Council
Comhairle Earra Ghàidheal agus Bhòid



Kidston Park Trust

AUDITED

Annual Report and Financial Statements

2019-2020

For the Year ended 31 March 2020

Scottish Charity Number SC013600

Kidston Park Trust
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Kidston Park Trust**Trustees' Annual Report – For the Year ended 31 March 2020**

The Trustees present their annual report together with the financial statements and the Independent Auditor's report for the year ended 31 March 2020.

REFERENCE AND ADMINISTRATION INFORMATION

Charity Name:	Kidston Park Trust
Charity Number:	SC013600
Principal Office:	Argyll and Bute Council Kilmory Lochgilphead Argyll PA31 8RT
Current Trustees:	Councillor James Anderson Councillor John Armour Councillor William Blair Councillor Rory Colville Councillor Robin Currie Councillor Mary-Jean Devon Councillor Lorna Douglas Councillor James Findlay Councillor Audrey Forrest Councillor George Freeman Councillor Bobby Good Councillor Kieron Green Councillor Graham Hardie Councillor Anne Horn Councillor Donald Kelly Councillor David Kinniburgh Councillor James Lynch Councillor Donald MacMillan Councillor Roderick Mccuish Councillor James McGrigor Councillor Julie McKenzie Councillor Yvonne McNeilly Councillor Jean Moffat Councillor Barbara Morgan Councillor Ellen Morton Councillor Aileen Morton Councillor Gary Mulvaney Councillor Iain Paterson Councillor Douglas Philand Councillor Alastair Redman Councillor Alan Reid Councillor Elaine Robertson

Kidston Park Trust**Trustees' Annual Report – For the Year ended 31 March 2020**

Current Trustees continued:	Councillor Len Scoullar Councillor Alexander Taylor Councillor Richard Trail Councillor Andrew Vennard
Honorary Secretary:	Douglas Hendry Executive Director Argyll and Bute Council
Honorary Treasurer:	Kirsty Flanagan FCCA, CPFA, ACIBS Section 95 Officer Argyll and Bute Council
Independent Auditor:	John Cornett FCPFA Audit Director Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing Document**

A bequest of £1,000 was made by William Kidston towards the upkeep of Kidston Park (formerly Cairndow or Cairndhu Park) in April 1889. It was noted in the minutes of a meeting of the Town Council of the Burgh of Helensburgh.

Appointment of Trustees

The trustees of the charities are the elected members (councillors) of Argyll and Bute Council. Trustees are appointed through their election to Argyll and Bute Council.

Organisational Structure

The trustees (as the elected members of the council) meet once a year at the AGM to consider and approve the annual report and financial statements and any other business such as future plans and the reorganisation of Charity funds. The trustees delegate the day to day administration of the charities to officers of the Council. The Council has established a range of committees with delegated powers to allow it to discharge its business effectively. This includes the management of charities. The Council has an approved constitution that governs the conduct of business by the Council and covers standing orders for meetings, a scheme of administration and delegation, financial and security regulations, contract standing orders and an ethical framework.

Related Parties

Trustees hold this position because they are elected members of Argyll and Bute Council. Argyll and Bute Council provides administration services to the Charity.



Risk Management

The Section 95 Officer of Argyll and Bute Council has taken the steps required by trustees to consider the major risks to which the charity is exposed, in particular those related to its operation and finance, and to be satisfied that systems are in place to mitigate the exposure to the major risks.

Management of Funds and Investment Policy

The Trustees rely upon the expertise of Argyll and Bute Council to manage the investments to ensure the maximum return at least risk to the charity. In this way, the income stream for the future benefit of the charity is protected.

The funds of the charity are deposited with Argyll and Bute Council. The charity receives interest at the average market rate for the Council's borrowing. The interest received from Argyll and Bute Council is shown in the Statement of Receipts and Payments.

OBJECTIVES AND ACTIVITIES

The objective of the fund is to provide a public park, or recreation ground for the inhabitants of Helensburgh and for the purposes of boating and bathing in the Gareloch.

ACHIEVEMENTS AND PERFORMANCE

In the year to 31 March 2020, the trust spent funds on the upkeep of the park.

FINANCIAL REVIEW

Overview

Income during 2019-20 came from interest from deposits with Argyll and Bute Council of £24 (2018-19 - £25). The trust held cash and bank of £3,708 as at 31 March 2020 (2018-19 - £4,233).

Reserves Policy

The unrestricted free reserves at the financial year-end were £2,708 (2018-19 - £3,233). This includes cash and bank only repayable on demand. The Charity has no explicit reserves policy, but the "capital" of the fund (as identified from the governing documents or available evidence) is held effectively as a permanent endowment, with only the annual income available for disbursement in the year via the unrestricted reserve. The unrestricted reserves are available for the objects of the Charity.

CONCLUSION

The reserves of the Charity decreased by £525 in the year.

The trust spent £549 on annual grass cutting, weed spraying and treatment of epicormic growth.

Since 2013-14 an audit is required to be carried out by the appointed auditor of Argyll and Bute Council in accordance with the requirements of the Local Government (Scotland) Act 1973.

The appointed auditor of Argyll and Bute Council is Audit Scotland and the Trustees would like to thank them for undertaking this task.

Kidston Park Trust**Trustees' Annual Report – For the Year ended 31 March 2020****DECLARATION**

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA, CPFA, ACIBS
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20

Independent auditor's report to the trustees of the Kidston Park Trust and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Kidston Park Trust for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2020 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Kidston Park Trust

Independent Auditor's report



Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett
 Audit Director
 Audit Scotland
 4th Floor
 102 West Port
 Edinburgh
 EH3 9DN

John Cornett is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973

Receipts and Payments Account for the Year Ended 31 March 2020

	<i>Note</i>	2019 £	Unrestricted Funds £	Permanent Endowment Funds £	2020 £
RECEIPTS					
Income from investments other than land and buildings	4	25	24	-	24
Total Receipts		25	24	-	24
PAYMENTS					
Charitable Activities - Grants and donations	5	-	549	-	549
Total Payments			549	-	549
Surplus / (Deficit) for Year		25	(525)	-	(525)

All income in 2019-20 and 2018-19 relates to unrestricted funds.

The notes on page 11 form an integral part of these accounts.

Statement of Balances as at 31 March 2020

	Note	Unrestricted Funds £	Permanent Endowment Funds £	2019 £	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £
Cash and Bank Balances	6						
Opening Balances		3,208	1,000	4,208	3,233	1,000	4,233
Surplus for year		25	-	25	(525)	-	(525)
Closing Balances		3,233	1,000	4,233	2,708	1,000	3,708
Investments	7						
Market value		-	-	-	-	-	-
Cost		-	-	-	-	-	-

The notes on page 11 form an integral part of these financial statements.

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA, CPFA, ACIBS
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20



Kidston Park Trust

Notes to the Financial Statements

1. Basis of Accounting

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Fund Accounting

(a) Unrestricted funds are those that may be used at the discretion of the trustees in furtherance of the objects of the charity.

(b) Permanent endowment funds are those that the original capital cannot be spent as income and must remain in the form of investments. Any income return generated by the invested endowment may be spent on the activities of the Charity.

3. Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the expense to which it relates.

4. Trustee Remuneration, Expenses and Related Party Transactions

(a) No remuneration or expenses were paid to charity trustees or persons connected to a trustee during the year (2018-19 - Nil).

(b) The trust received interest of £24 (2018-19 - £25) from deposits with Argyll and Bute Council. All transactions incoming and outgoing are made via the Council's accounts.

(c) There were no other transactions between the charity and any trustee or any connected person during the year (2018-19 - Nil)

5. Grants / Expenditure on Charitable Activities

In the year to 31 March 2020, the trust spent £549 on annual grass cutting, weed spraying and treatment of epicormic growth.

6. Cash and Bank Balances

During the year the Charity balances were held by Argyll and Bute Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the trust for this administration. The Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is payable on balances.

7. Investments

The charity hold no investments.

8. Audit Fees.

The independent auditor's fee is not charged to the charity, the cost is borne by the Council.

Argyll and Bute Council
Comhairle Earra Ghàidheal agus Bhòid



Miss Annie Dickson Burgh Bequest
AUDITED
Annual Report and Financial Statements
2019-2020
For the Year ended 31 March 2020

Scottish Charity Number SC018697

Miss Annie Dickson Burgh Bequest Contents



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Miss Annie Dickson Burgh Bequest

Trustees' Annual Report – For the Year ended 31 March 2020

The Trustees present their annual report together with the financial statements and the Independent Auditor's report for the year ended 31 March 2020.

REFERENCE AND ADMINISTRATION INFORMATION

Charity Name:	Miss Annie Dickson Burgh Bequest
Charity Number:	SC018697
Principal Office:	Argyll and Bute Council Kilmory Lochgilphead Argyll PA31 8RT
Current Trustees:	Councillor James Anderson Councillor John Armour Councillor William Blair Councillor Rory Colville Councillor Robin Currie Councillor Mary-Jean Devon Councillor Lorna Douglas Councillor James Findlay Councillor Audrey Forrest Councillor George Freeman Councillor Bobby Good Councillor Kieron Green Councillor Graham Hardie Councillor Anne Horn Councillor Donald Kelly Councillor David Kinniburgh Councillor James Lynch Councillor Donald MacMillan Councillor Roderick Mccuish Councillor James McGrigor Councillor Julie McKenzie Councillor Yvonne McNeilly Councillor Jean Moffat Councillor Barbara Morgan Councillor Ellen Morton Councillor Aileen Morton Councillor Gary Mulvaney Councillor Iain Paterson Councillor Douglas Philand Councillor Alastair Redman Councillor Alan Reid Councillor Elaine Robertson
Current Trustees continued:	Councillor Len Scoullar

Miss Annie Dickson Burgh Bequest**Trustees' Annual Report – For the Year ended 31 March 2020**

	Councillor Alexander Taylor Councillor Richard Trail Councillor Andrew Vennard
Honorary Secretary:	Douglas Hendry Executive Director Argyll and Bute Council
Honorary Treasurer:	Kirsty Flanagan FCCA, CPFA, ACIBS Section 95 Officer Argyll and Bute Council
Independent Auditor:	John Cornett FCPFA Audit Director Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing Documents**

A bequest by Miss Mary Ann Dickson dated 4th April, 1927 to the Town Council of the Burgh of Helensburgh. Noted in an Excerpt from Copy Will and Codicils.

Miss LA Colvil's bequest - A Legacy of £200 was passed by Mr J Percival Agnew to the Town Council to perpetuate his cousin's name in Helensburgh by means of a fund for necessitous cases. Noted in the minutes of a meeting of the Finance Committee of Helensburgh Town Council on 22nd December 1969.

Appointment of Trustees

The trustees of the charities are the elected members (councillors) of Argyll and Bute Council. Trustees are appointed through their election to Argyll and Bute Council.

Organisational Structure

The trustees (as the elected members of the council) meet once a year at the AGM to consider and approve the annual report and financial statements and any other business such as future plans and the reorganisation of charity funds. The trustees delegate the day to day administration of the charities to officers of the Council. The Council has established a range of committees with delegated powers to allow it to discharge its business effectively. This includes the management of charities. The Council has an approved constitution that governs the conduct of business by the Council and covers standing orders for meetings, a scheme of administration and delegation, financial and security regulations, contract standing orders and an ethical framework.



Miss Annie Dickson Burgh Bequest

Trustees' Annual Report – For the Year ended 31 March 2020

Related Parties

Trustees hold this position because they are elected members of Argyll and Bute Council. Argyll and Bute Council provides administration services to the charity.

Risk Management

The Section 95 Officer of Argyll and Bute Council has taken the steps required by trustees to consider the major risks to which the charity is exposed, in particular those related to its operation and finance, and to be satisfied that the systems are in place to mitigate the exposure to the major risks.

Management of Funds and Investment Policy

The Trustees rely upon the expertise of Argyll and Bute Council to manage the investments to ensure the maximum return at least risk to the charity. In this way, the income stream for the future benefit of the charity is protected.

The funds of the charity are deposited with Argyll and Bute Council. The funds of the charity receives interest at the average market rate for the Council's borrowing. The interest received from Argyll and Bute Council is shown in the Statement of Receipts and Payments.

OBJECTIVES AND ACTIVITIES

The objective of the fund is for the relief of distress in the Burgh of Helensburgh.

ACHIEVEMENTS AND PERFORMANCE

In the year to 31 March 2020, there were no grants made.

FINANCIAL REVIEW

Overview

The charity is dormant. Income during 2019-20 came from interest from deposits with Argyll and Bute Council of £24 (2018-19 - £25). The trust held cash and bank of £4,201 as at 31 March 2020 (2018-19 - £4,177).

Reserves Policy

The unrestricted free reserves at the financial year-end were £1,253 (2018-19 - £1,229). This includes cash and bank only repayable on demand. The charity has no explicit reserves policy, but the "capital" of the fund (as identified from the governing documents or available evidence) is held effectively as a permanent endowment, with only the annual income available for disbursement in the year via the unrestricted reserve. The unrestricted reserves are available for the objects of the trust.

CONCLUSION

The charity did not undertake any activities during the year.

Since 2013-14 an audit is required to be carried out by the appointed auditor of Argyll and Bute Council in accordance with the requirements of the Local Government (Scotland) Act 1973.

The appointed auditor of Argyll and Bute Council is Audit Scotland and the Trustees would like to thank them for undertaking this task.

Miss Annie Dickson Burgh Bequest**Trustees' Annual Report – For the Year ended 31 March 2020****DECLARATION**

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA, CPFA, ACIBS
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20

Miss Annie Dickson Burgh Bequest Independents Auditors Report



Independent auditor's report to the trustees of the Miss Annie Dickson Burgh Bequest and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Miss Annie Dickson Burgh Bequest for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2020 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report

Miss Annie Dickson Burgh Bequest Independents Auditors Report



thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett
Audit Director
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

John Cornett is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973

Miss Annie Dickson Burgh Bequest

Statement of Receipts and Payments – For the Year ended March 2020


Receipts and Payments Account for the Year Ended 31 March 2020

	<i>Note</i>	2019 £	Unrestricted Funds £	Permanent Endowmen t Funds £	Total Funds 2020 £
RECEIPTS					
Income from investments other than land and buildings	4	25	24	-	24
Total Receipts		25	24	-	24
PAYMENTS					
Charitable Activities - Grants and donations	5	-	-	-	-
Total Payments		-	-	-	-
Surplus / (Deficit) for Year		25	24	-	24

All income in 2018-19 and 2019-20 relates to unrestricted funds.

The notes on page 11 form an integral part of these financial statements.

Miss Annie Dickson Burgh Bequest
Statement of Balances as at 31 March 2020



Statement of Balances as at 31 March 2020

	<i>Not e</i>	Unrestricted Funds	Permanent Endowmen t Funds	2019	Unrestrict ed Funds	Permanent Endowmen t Funds	2020
		£	£	£	£	£	£
Cash and Bank Balances	6						
Opening Balances		1,204	2,948	4,152	1,229	2,948	4,177
Surplus for year		25	-	25	24	-	24
Closing Balances		1,229	2,948	4,177	1,253	2,948	4,201

The notes on page 11 form an integral part of these financial statements.

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA, CPFA, ACIBS
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20



Miss Annie Dickson Burgh Bequest

Notes to the Financial Statements

1. Basis of Accounting

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Fund Accounting

(a) Unrestricted funds are those that may be used at the discretion of the trustees in furtherance of the objects of the charity.

(b) Permanent endowment funds are those that the original capital cannot be spent as income and must remain in the form of investments. Any income return generated by the invested endowment may be spent on the activities of the charity.

3. Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the expense to which it relates.

4. Trustee Remuneration, Expenses and Related Party Transactions

(a) No remuneration or expenses were paid to charity trustees or persons connected to a trustee during the year (2018-19 - Nil).

(b) The trust received interest of £24 (2018-19 - £25) from deposits with Argyll & Bute Council. All transactions incoming and outgoing are made via the Council's accounts.

(c) There were no other transactions between the charity and any trustee or any connected person during the year (2018-19 Nil).

5. Grants

In the year to 31 March 2020, there were no grants made.

6. Cash and Bank Balances

During the year the charities balances were held by Argyll and Bute Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the trust for this administration. The Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is payable on balances.

7. Investments

The charity holds no investments.

8. Audit Fees.

The independent auditor's fee is not charged to the charity, the cost is borne by the Council.

Argyll and Bute Council
Comhairle Earra Ghàidheal agus Bhòid



Logie Baird Prize Fund

AUDITED

Annual Report and Financial Statements

2019-2020

For the Year ended 31 March 2020

Scottish Charity Number SC018698

**Logie Baird Prize Fund
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Logie Baird Prize Fund**Trustees' Annual Report – For the Year ended 31 March 2020**

The Trustees present their annual report together with the financial statements and the Independent Auditor's report for the year ended 31 March 2020.

REFERENCE AND ADMINISTRATION INFORMATION

Charity Name:	Logie Baird Prize Fund
Charity Number:	SC018698
Principal Office:	Argyll and Bute Council Kilmory Lochgilphead Argyll PA31 8TL
Current Trustees:	Councillor James Anderson Councillor John Armour Councillor William Blair Councillor Rory Colville Councillor Robin Currie Councillor Mary-Jean Devon Councillor Lorna Douglas Councillor James Findlay Councillor Audrey Forrest Councillor George Freeman Councillor Bobby Good Councillor Kieron Green Councillor Graham Hardie Councillor Anne Horn Councillor Donald Kelly Councillor David Kinniburgh Councillor James Lynch Councillor Donald MacMillan Councillor Roderick Mccuish Councillor James McGrigor Councillor Julie McKenzie Councillor Yvonne McNeilly Councillor Jean Moffat Councillor Barbara Morgan Councillor Ellen Morton Councillor Aileen Morton Councillor Gary Mulvaney Councillor Iain Paterson Councillor Douglas Philand Councillor Alastair Redman Councillor Alan Reid Councillor Elaine Robertson

Logie Baird Prize Fund**Trustees' Annual Report – For the Year ended 31 March 2020**

Current Trustees continued:	Councillor Len Scoullar Councillor Alexander Taylor Councillor Richard Trail Councillor Andrew Vennard
Honorary Secretary:	Douglas Hendry Executive Director Argyll and Bute Council
Honorary Treasurer:	Kirsty Flanagan FCCA,CPFA,ACIB Section 95 Officer Argyll and Bute Council
Independent Auditor:	John Cornett FCPFA Audit Director Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing Document**

Ex-Bailie J. Arnold Fleming of Locksley, Helensburgh, invested the sum of £200 in the names of the Provost, Magistrates and Councillors of the Burgh of Helensburgh, for the Logie Baird Prize Fund. Noted in the minutes of the Town Council of Helensburgh, January 1956.

Appointment of Trustees

The trustees of the charities are the elected members (Councillors) of Argyll and Bute Council. Trustees are appointed through their election to Argyll and Bute Council.

Organisational Structure

The trustees (as the elected members of the Council) meet once a year at the AGM to consider and approve the annual report and financial statements and any other business such as future plans and the reorganisation of Charity funds. The trustees delegate the day to day administration of the charities to officers of the Council. The Council has established a range of committees with delegated powers to allow it to discharge its business effectively. This includes the management of charities. The Council has an approved constitution that governs the conduct of business by the Council and covers standing orders for meetings, a scheme of administration and delegation, financial and security regulations, contract standing orders and an ethical framework.

Related Parties

Trustees hold this position because they are elected members of Argyll and Bute Council. Argyll and Bute Council provides administration services to the Charity.



Logie Baird Prize Fund

Trustees' Annual Report – For the Year ended 31 March 2020

Risk Management

The Section 95 Officer of Argyll and Bute Council has taken the steps required by trustees to consider the major risks to which the charity is exposed, in particular those related to its operation and finance, and to be satisfied that systems are in place to mitigate the exposure to the major risks.

Management of Funds and Investment Policy

The Trustees rely upon the expertise of Argyll and Bute Council to manage the investments to ensure the maximum return at least risk to the charity. In this way, the income stream for the future benefit of the charity is protected.

The funds of the charity are deposited with Argyll and Bute Council and receive interest at the average market rate for the Council's borrowing. The interest received from Argyll and Bute Council is shown in the Statement of Receipts and Payments.

OBJECTIVES AND ACTIVITIES

The objective of the fund is for the advancement of education by providing an annual prize to a pupil at Hermitage Academy, Helensburgh.

ACHIEVEMENTS AND PERFORMANCE

In the year to 31 March 2020, there were no grants made.

FINANCIAL REVIEW

Overview

The Charity is dormant. The only source of income during 2019-20 came from interest from deposits with Argyll and Bute Council of £11 (2018-19 - £10). The Charity had cash and bank of £1,944 as at 31 March 2020 (2018-19 - £1,933).

Reserves Policy

The unrestricted free reserves in cash and bank at the financial year-end were £1,744 (2018-19 - £1,733). The Charity has no explicit reserves policy, but the "capital" of the fund (as identified from the governing document or available evidence) is held effectively as a permanent endowment, with only the annual income available for disbursement in the year via the unrestricted reserve. The unrestricted reserves are available for the objects of the Charity.

CONCLUSION

The charity did not undertake any activities during the year.

Since 2013-14 an audit is required to be carried out by the appointed auditor of Argyll and Bute Council in accordance with the requirements of the Local Government (Scotland) Act 1973. The appointed auditor of Argyll and Bute Council is Audit Scotland and the Trustees would like to thank them for undertaking this task.

Logie Baird Prize Fund**Trustees' Annual Report – For the Year ended 31 March 2020****DECLARATION**

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA,CPFA,ACIB
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20

Logie Baird Prize Fund

Independent Auditor's Report



Independent auditor's report to the trustees of the Logie Baird Prize Fund and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Logie Baird Prize Fund for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2020 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Logie Baird Prize Fund

Independent Auditor's Report



Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett
 Audit Director
 Audit Scotland
 4th Floor
 102 West Port
 Edinburgh
 EH3 9DN

John Cornett is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973

Logie Baird Prize Fund

Statement of Receipts and Payments – For the Year ended March 2020



Receipts and Payments Account for the Year Ended 31 March 2020

	Note	2019 £	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £
RECEIPTS					
Income from investments other than land and buildings	4	10	11	-	11
Total Receipts		10	11	-	11
PAYMENTS					
Charitable Activities - Grants and donations	5	-	-	-	-
Total Payments		-	-	-	-
Surplus / (Deficit) for Year		10	11	-	11

All income in 2018-19 and 2019-20 relates to unrestricted funds.

The notes on page 11 form an integral part of these financial statements.

Logie Baird Prize Fund
Statement of Balances as at 31 March 2020



Statement of Balances as at 31 March 2020

	<i>Note</i>	Unrestricted Funds	Permanent Endowment Funds	2019	Unrestricted Funds	Permanent Endowment Funds	Total Funds 2020
		£	£	£	£	£	£
Cash and Bank Balances	6						
Opening Balances		1,723	200	1,923	1,733	200	1,933
Surplus for year		10	-	10	11	-	11
Closing Balances		1,733	200	1,933	1,744	200	1,944

The notes on page 12 form an integral part of these financial statements.

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA,CPFA,ACIB
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20



Logie Baird Prize Fund

Notes to the Financial Statements

1. Basis of Accounting

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Fund Accounting

(a) Unrestricted funds are those that may be used at the discretion of the trustees in furtherance of the objects of the charity.

(b) Permanent endowment funds are those that the original capital cannot be spent as income and must remain in the form of investments. Any income return generated by the invested endowment may be spent on the activities of the trust.

3. Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the expense to which it relates.

4. Trustee Remuneration, Expenses and Related Party Transactions

(a) No remuneration or expenses were paid to charity trustees or persons connected to a trustee during the year (2018-19 - Nil).

(b) The Charity received interest of £11 (2018-19 - £10) from Argyll and Bute Council. All transactions incoming and outgoing are made via the Council's accounts.

(c) There were no other transactions between the charity and any trustee or any connected person during the year (2018-19- Nil).

5. Grants

In the year to 31 March 2020, there were no grants made.

6. Cash and Bank Balances

During the year the Charity balances were held by Argyll and Bute Council, which manages the administration of the funds on behalf of the Trustees. No costs were incurred by the Charity for this administration. The Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is payable on balances.

7. Audit Fees.

The independent auditor's fee is not charged to the charity, the cost is borne by the Council.

Argyll and Bute Council
Comhairle Earra Ghàidheal agus Bhòid



**County of Argyll Educational Trust
Scheme, 1960**

AUDITED

**Annual Report and Financial Statements
2019-2020**

For the Year ended 31 March 2020

Scottish Charity Number: SC020382

County of Argyll Educational Trust Scheme, 1960
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County of Argyll Educational Trust Scheme, 1960
Trustees' Annual Report – For the Year ended 31 March 2020



The Trustees present their annual report together with the financial statements and the Independent Auditor's report for the year ended 31 March 2020.

REFERENCE AND ADMINISTRATION INFORMATION

Charity Name:	County of Argyll Educational Trust Scheme, 1960
Scottish Charity Number:	SC020382
Principal Office:	Argyll and Bute Council Kilmory Lochgilphead Argyll PA31 8RT
Current Trustees:	Councillor James Anderson Councillor John Armour Councillor William Blair Councillor Rory Colville Councillor Robin Currie Councillor Mary-Jean Devon Councillor Lorna Douglas Councillor James Findlay Councillor Audrey Forrest Councillor George Freeman Councillor Bobby Good Councillor Kieron Green Councillor Graham Hardie Councillor Anne Horn Councillor Donald Kelly Councillor David Kinniburgh Councillor James Lynch Councillor Donald MacMillan Councillor Roderick Mccuish Councillor James McGrigor Councillor Julie McKenzie Councillor Yvonne McNeilly Councillor Jean Moffat Councillor Barbara Morgan Councillor Ellen Morton Councillor Aileen Morton Councillor Gary Mulvaney Councillor Iain Paterson Councillor Douglas Philand Councillor Alastair Redman Councillor Alan Reid Councillor Elaine Robertson

County of Argyll Educational Trust Scheme, 1960
Trustees' Annual Report – For the Year ended 31 March 2020



Current Trustees continued:	Councillor Len Scoullar Councillor Alexander Taylor Councillor Richard Trail Councillor Andrew Vennard
Honorary Secretary:	Douglas Hendry Executive Director Argyll and Bute Council
Honorary Treasurer:	Kirsty Flanagan FCCA,CPFA,ACIB Section 95 Officer Argyll and Bute Council
Independent Auditor:	John Cornett FCPFA Audit Director Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Trust is a scheme under the Education (Scotland) Acts, 1939 to 1956, for the future government and management of certain educational endowments in the County of Argyll. Formed by the amalgamation of fourteen individual endowments and approved by His Late Majesty King George V in Council on 24th July, 1933.

Robert MacFie of Airds and Oban, Sugar Refiner in Liverpool, died 1899. His will confirmed and recorded in 1899 a bequest of £150.

Appointment of Trustees

The trustees of the charities are the elected members (councillors) of Argyll and Bute Council. Trustees are appointed through their election to Argyll and Bute Council.

Organisational Structure

The trustees (as the elected members of the council) meet once a year at the AGM to consider and approve the annual report and financial statements and any other business such as future plans and the reorganisation of trust funds. The trustees delegate the day to day administration of the charities to officers of the Council. The Council has established a range of committees with delegated powers to allow it to discharge its business effectively. This includes the management of charities. The Council has an approved constitution that governs the conduct of business by the Council and covers standing orders for meetings, a scheme of administration and delegation, financial and security regulations, contract standing orders and an ethical framework.

County of Argyll Educational Trust Scheme, 1960
Trustees' Annual Report – For the Year ended 31 March 2020



Related Parties

Trustees hold this position because they are elected members of Argyll and Bute Council. Argyll and Bute Council provides administration services to the Trust at no cost to the trust.

Risk Management

The Section 95 Officer of Argyll and Bute Council has taken the steps required by trustees to consider the major risks to which the charity is exposed, in particular those related to its operation and finance, and to be satisfied that systems are in place to mitigate the exposure to the major risks.

Management of Funds and Investment Policy

The Trustees rely upon the expertise of Argyll and Bute Council to manage the investments to ensure the maximum return at least risk to the charity. The investment approach is a moderate risk tolerance with a balanced portfolio to achieve the primary objectives of capital growth and income for awards. In this way, the capital and income stream for the future benefit of the trust is protected.

The Section 95 Officer of the Council is responsible for securing the proper management of the investments of the trust. The day-to-day management of investments is performed by an external firm of stockbrokers under a discretionary agreement.

OBJECTIVES AND ACTIVITIES

The objective of the fund is for the advancement of education for children and young people within the former County of Argyll. This objective is met by the issuing of grants to individuals and organisations.

Robert MacFie - The objective of the fund is for the advancement of education by providing a gold Dux medal to Oban High School.

ACHIEVEMENTS AND PERFORMANCE

In the year to 31 March 2020, there were 9 grants made to individuals across Argyll totalling £1,250 (2018-19 - £5,235).

FINANCIAL REVIEW

Investments and Reserves

The funds increased by £3,411 (2018-19 increased by £39,130). The increase was due to interest received on investment assets offset by a loss on the re-valuation of the investment assets and grants paid out. The reserves of the trust at 31 March 2020 amount to £538,088; £158,620 in unrestricted funds and £379,468 in permanent endowment funds. These funds are held as follows:

	31 March 2019	31 March 2020
	£	£
COIF Charities Investment Fund	391,877	379,468
Investments in Endowment Funds	391,877	379,468
Debtor Barclays Wealth Undistributed income	-	-
Cash and Bank - Argyll & Bute Council	142,800	158,620
	534,677	538,088
Current Assets in Restricted Funds	391,877	379,468
Current Assets in Unrestricted Funds	142,800	158,620
Total Funds	534,677	538,088

County of Argyll Educational Trust Scheme, 1960
Trustees' Annual Report – For the Year ended 31 March 2020



Over the year, the value of investments decreased by £12,409 from £391,877 to £379,468. The Charities original investment fund (COIF) valuation at 31 March 2020 was 25,542.41 units held with a unit value of 1,485.64 pence.

The increase in cash and bank from £142,800 to £158,620 is due to investment income received of £16,262, interest from deposits held with Argyll and Bute Council of £808, less grants awarded of £1,250.

Reserves Policy

Unrestricted free reserves at 31 March 2020 were £158,620. The Trust has no explicit reserves policy, but the “capital” of the trust is held effectively as a permanent endowment for capital growth and to provide an annual income. Income only from the investments may be distributed on an annual basis to ensure that the original funds grow over time. No specific targets have been set. Any unspent income net of all expenses is held in the unrestricted funds and is available for the objectives of the trust.

Income and Expenditure

The Statement of Financial Activities on page 10 provides an analysis of the income and expenditure for the twelve months to 31 March 2020.

Income for the year amounted to £17,070 (2018-19 - £15,704). Expenditure was incurred on grants awarded of £1,250 (2018-19 - £5,235). There was a loss of £12,409 in 2019-20 for changes in the market value of investments (a gain in 2018-19 of £28,661). The Charities original investment fund (COIF) valuation at 31 March 2020 was 25,542.41 units held with a unit value of 1,485.64 pence (31 March 2019 - 1,534.22).

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

CONCLUSION

The reserves of the trust increased by £3,411 which was due to investment revaluation and Interest received. The trust made 9 awards with total value of £1,250 the trust is well placed to continue to deliver its charitable objects for the foreseeable future.

Since 2013-14 an audit is required to be carried out by the appointed auditor of Argyll and Bute Council in accordance with the requirements of the Local Government (Scotland) Act 1973.

County of Argyll Educational Trust Scheme, 1960
Trustees' Annual Report – For the Year ended 31 March 2020



The appointed auditor of Argyll and Bute Council is Audit Scotland and the Trustees would like to thank them for undertaking this task.

DECLARATION

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA,CPFA,ACIB
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20

County of Argyll Educational Trust Scheme, 1960

Independent Auditor's Report



Independent auditor's report to the trustees of the County of Argyll Educational Trust Scheme, 1960 and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the County of Argyll Educational Trust Scheme, 1960 for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of My report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about ability of the charity to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

County of Argyll Educational Trust Scheme, 1960

Independent Auditor's Report



In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Charities SORP (FRS 102).

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

County of Argyll Educational Trust Scheme, 1960
Independent Auditor's Report



Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett
Audit Director
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

John Cornett is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973

County of Argyll Educational Trust Scheme, 1960
Statement of Financial Activities – for the Year ended March 2020



STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDING MARCH 2020

	Note	Total Funds 2019 £	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £
INCOMING RESOURCES					
Incoming resources from generating funds:					
Investment income from managed funds	5	12,854	16,262	-	16,262
Interest from short-term deposits		2,850	808	-	808
Total Incoming Resources		15,704	17,070	-	17,070
RESOURCES EXPENDED					
Costs of generating funds:					
Investment management costs	6	-	-	-	-
Audit fee	7	-	-	-	-
Charitable Activities:					
Grants awarded	8	5,235	1,250	-	1,250
Governance costs		-	-	-	-
Total Resources Expended		5,235	1,250	-	1,250
Net Incoming/(Outgoing) Resources before Other Recognised Gains/(Losses)		10,469	15,820	-	15,820
OTHER RECOGNISED GAINS AND (LOSSES)					
Gains and (losses) on investment assets					
Realised gains/(losses)	9	-	-	-	-
Unrealised gains/(losses)		28,661	-	(12,409)	(12,409)
Total Gains and (Losses) on Investment Assets		28,661	-	(12,409)	(12,409)
Net Movement in Funds		39,130	15,820	(12,409)	3,411
Total funds brought forward		495,547	142,800	391,877	534,677
Total funds carried forward		534,677	158,620	379,468	538,088

All incoming resources and resources expended derive from continuing activities.

The notes on pages 12 to 14 form an integral part of these financial statements.

County of Argyll Educational Trust Scheme, 1960

Balance Sheet as at 31 March 2020



BALANCE SHEET AS AT 31 MARCH 2020

	Note	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2019 £	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £
Fixed Assets							
Investments	10	-	391,877	391,877	-	379,468	379,468
Total Fixed Assets		-	391,877	391,877	-	379,468	379,468
Current Assets							
Debtors	12			-			-
Cash at Bank and at Hand	11	142,800	-	142,800	158,620	-	158,620
Total Current Assets		142,800	-	142,800	158,620	-	158,620
Current Liabilities							
Creditors: amounts falling due within one year		-	-	-	-	-	-
Net Current Assets or Liabilities		142,800	-	142,800	158,620	-	158,620
Total Assets less Current Liabilities		142,800	391,877	534,677	158,620	379,468	538,088
Funds of the Charity							
Unrestricted Funds	13	142,800	-	142,800	158,620	-	158,620
Endowment Funds		-	391,877	391,877	-	379,468	379,468
Total Charity Funds		142,800	391,877	534,677	158,620	379,468	538,088

The notes on pages 12 to 14 form an integral part of these financial statements.

Approved and authorised for issue by the trustees on 22nd September 2020 and signed on their behalf by:

Signature(s):		
Full names(s):	Alexander Taylor	Kirsty Flanagan FCCA,CPFA,ACIB
Position:	Trustee	Honorary Treasurer
Date:	22/09/20	22/09/20

County of Argyll Educational Trust Scheme, 1960

Notes to the Financial Statements



1. Basis of Preparation

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of Accounting

The financial statements are prepared under the historic cost convention and in accordance with:

- a) Accounting and Reporting by Charities – Statement of Recommended Practice (SORP 2005 - 2nd Edition); and the Financial Reporting Standard for Smaller Entities FRS102.
- b) The Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2. Accounting Policies

2.1 Form of Financial Statements

- a) Unrestricted funds are those that may be used at the discretion of the trustees in the furtherance of the objects of the charity.
- b) The permanent endowment funds are invested in perpetuity and derive an annual investment income which is available for distribution.

2.2 Incoming Resources

- a) All incoming resources are recognised and included in the Statement of Financial Activities when the charity becomes entitled to the resources; the trustees are virtually certain they will receive the resources and the monetary value can be measured with sufficient reliability. The following specific policies are applied to particular categories of income.
- b) Income from investments is included in the year to which it relates.
- c) Investments gains and losses includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.
- d) The value of the services provided free of charge by Argyll and Bute Council has not been included in the accounts but is described in the trustees' annual report.

2.3 Resources Expended

- a) All expenditure is included in the Statement of Financial Activities on an accrual basis and is recognised when there is a legal or constructive obligation to pay out resources.

2.4 Investments

The Charities original investment fund (COIF) valuation at 31 March 2020 was 25,542.41 units held with a unit value of 1,485.64

3. Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the expense to which it relates.

4. Trustee Remuneration, Expenses and Related Party Transactions

- (a) No remuneration or expenses were paid to charity trustees or persons connected to a trustee during the year (2018-19 - Nil).

County of Argyll Educational Trust Scheme, 1960

Notes to the Financial Statements



- (b) The trust received interest of £808 (2018-19 £2,850) from Argyll and Bute Council on unrestricted reserves placed on short-term deposit with them. All transactions incoming and outgoing are made via the Council's accounts.
- (c) There were no other transactions between the charity and any trustee or any connected person during the year (2018-19 - Nil).

5. Investment Income

	Total Funds 2019 £	Unrestricted Funds £	Permanent Endowment Fund £	Total Funds 2020 £
Investment Interest from CCLA	12,854	16,262	-	16,262
Interest on Short-term deposits with Argyll and Bute Council	2,850	808	-	808
Total Investment Income	15,704	17,070	-	17,070

6. Investment Management Costs

In the year to 31 March 2020 there were no investment management fees (2018-19 - £Nil).

7. Audit Fees

The independent auditor's fee is not charged to the charity, the cost is borne by the Council.

8. Grants Awarded

During the year to 31 March 2020, £1,250 of grants were awarded to 9 individuals in accordance with the trust's objective of the advancement of education for children and young people within the former County of Argyll.

9. Gains and Losses on Investment Assets

Over the year, the value of investments decreased by £12,409 from £391,877 to £379,468 due to yearend valuation of Charities Original Investment Fund (COIF) unit trust investments.

10. Fixed Asset Investments

There were 25,542.41 units held in the Charities Original Investment Fund (COIF) at a unit price of 1,485.64 at 31 March 2020.

County of Argyll Educational Trust Scheme, 1960

Notes to the Financial Statements



11. Cash and Bank Balances

	Unrestricted Funds £	Permanent Endowment Funds £	Total Funds £
Short-term deposits with Argyll and Bute Council:			
Carrying value at 1 April 2019	142,800	-	142,800
Add: lodgements during year	17,070	-	17,070
(Less): withdrawals during year	(1,250)	-	(1,250)
Gains/losses	-	-	-
Cash and Bank at 31 March 2020	158,620	-	158,620

During the year the above short term deposits were held by Argyll and Bute Council, which manages the administration of the funds on behalf of the Trustees. The Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. No costs were incurred by the trust for this work. The balances are repayable on demand. Interest is payable on the balance.

12. Debtors: Amounts Falling Due within One Year

At 31 March 2020 there were no debtors falling due within one year (at 31 March 2019 - Nil).

13. Movement in Funds

	At 1 April 2019 £	Incoming Resources £	Outgoing Resources	Gains/ Losses £	At 31 March 2020 £
Unrestricted Revenue Funds	142,800	17,070	(1,250)	0	158,620
Permanent Endowment Funds	391,877	-	0	(12,409)	379,468
Total Funds	534,677	17,070	(1,250)	12,409	538,088

CHARITY REGISTRATION NUMBER: SC021328

**Oban Common Good Fund
Financial Statements
31 March 2020**

Oban Common Good Fund

Financial Statements

Year ended 31 March 2020

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Oban Common Good Fund

Trustees' Annual Report

Year ended 31 March 2020

The trustees present their report and the financial statements of the charity for the year ended 31 March 2020.

Reference and administrative details

Registered charity name Oban Common Good Fund
Charity registration number SC021328
Principal office Argyll & Bute Council Area office
 Lorn House
 Albany Street
 Oban

The trustees

Councillor E Robertson
Councillor Sir J McGrigor
Councillor J Lynch
Councillor K Green

Company secretary Ms Kirsty Flanagan FCCA CPFA ACIBS

Auditor John Cornett FCPFA
 Audit Scotland
 4th Floor, 102 West Port
 Edinburgh
 EH3 9DN

Bankers Royal Bank of Scotland
 Oban

Oban Common Good Fund

Trustees' Annual Report *(continued)*

Year ended 31 March 2020

Structure, governance and management

Legal and Administrative Status

The Oban Common Good Fund is regulated by the Local Government Scotland Act 1973. It is registered as a charity in Scotland, and is recognised as a charity for taxation purposes by H M Revenue & Customs

Recruitment and Appointment of Management Committee

The management committee consisted of three councillor who represent the two wards of Oban plus one further councillor.

The councillors are charity trustees for the purposes of charity law and are replaced by their successors during each local government election.

Trustee Induction and Training

Most councillors are already familiar with the work of the charity and attend an introductory meeting with those councillors who continue as trustees to introduce the most recent work of the charity and to introduce current objectives and plans.

Organisational structure

The trustees meet on a quarterly basis to review grant applications and monitor the fund's financial position. The trustees use an agreed distribution policy in order to determine the approval and level of grant assistance made available to the applicant. Approval for grants over £6,000 requires the agreement of all trustees.

The trustees delegate day to day responsibility for the running of the fund to the secretary and fund administrators. The fund administrators were appointed in 2015 and again in 2018 following a competitive tender process and are currently Simmers & Co, Chartered Accountants.

Risk Management

The trustees have assessed the major risks to which the charity is exposed, and in particular those related to the finance of the fund, and are satisfied that systems are in place to mitigate exposure to the major risks.

Objectives and activities

The fund consists of a Revenue Account and a Capital Account, with the Capital Account being held in perpetuity with no distribution permitted therefrom without the prior consent of Argyll & Bute Council as parent body.

The Revenue Account represents income available for distribution and the Capital invested in perpetuity derives an annual investment income which is available for distribution annually once associated fund costs have been accounted for.

The objectives are to administer the fund having regard to the interests of the inhabitants of the town of Oban. A comprehensive distribution policy provides a framework for grant distributions.

Oban Common Good Fund**Trustees' Annual Report** *(continued)***Year ended 31 March 2020****Achievements and performance**

The Fund agreed to the distribution of 18 grants totalling £45,269 in grants as detailed in Note 3 on page 10 of the financial statements. Projects support covered a wide spectrum of community activity in Oban arts, sports, economic development and cultural heritage. In the current climate of severe financial constraints, the Trustees recognise that there will continue to be substantial pressures placed on the Fund in terms of the number of applications, which must be balanced against the income to the Fund, which is subject to the vagaries of the stock market. In terms of this latter issue, management of the funds is delegated to CCLA for Charities to increase the ethical approach to investment whilst maintaining a positive return.

Financial review

The funds result for the year was a deficit on unrestricted funds of £4,134 (2019 - surplus £21,111) and a deficit on restricted funds of £164,548 (2019 - £29,514), the latter due, in part, to property depreciation as well as a loss in the value of the investment fund in the final quarter due to global decline in share prices which adversely affected both the restricted and unrestricted fund results.

Reserves policy

The Oban Common Good Fund invests the capital account in perpetuity in order to generate investment income to distribute annually, the balance of undistributed funds in any year is maintained in a revenue account. This can be used to increase the capital account where the return from the capital account investments shows signs of diminishing in real terms value due to the economic climate.

Including the revaluation reserve, the restricted (Investment and Capital) Funds amounted to £5,959,769 (2019 - £6,124,317) and the unrestricted (Income/ Revenue) funds amounted to £362,391 (2019 - £366,525). Included within capital funds is property with a net book value of £4,702,500.

Plans for future periods

The trustees recognise that the current pandemic is having serious impacts on the town of Oban and will look to assist where possible to mitigate the effects whilst carefully monitoring the fund's investment performance to ensure its long term sustainability

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

Oban Common Good Fund

Trustees' Annual Report *(continued)*

Year ended 31 March 2020

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustees Investments (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 22nd September 2020 and signed on behalf of the board of trustees by:

Councillor E Robertson
Trustee

Ms Kirsty Flanagan FCCA CPFA ACIBS
Charity Secretary

Oban Common Good Fund

Independent Auditor's Report to the Members of Oban Common Good Fund

Year ended 31 March 2020

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Oban Common Good Fund for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of My report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about ability of the charity to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Oban Common Good Fund

Independent Auditor's Report to the Members of Oban Common Good Fund

Year ended 31 March 2020

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Charities SORP (FRS 102).

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Oban Common Good Fund

Independent Auditor's Report to the Members of Oban Common Good Fund

Year ended 31 March 2020

John Cornett
Audit Director
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

John Cornett is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973

Oban Common Good Fund

Statement of Financial Activities

Year ended 31 March 2020

		2020			2019
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Investment income	4	52,738	–	52,738	51,638
Total income		<u>52,738</u>	<u>–</u>	<u>52,738</u>	<u>51,638</u>
Expenditure					
Expenditure on charitable activities	5,6	47,916	123,750	171,666	174,963
Total expenditure		<u>47,916</u>	<u>123,750</u>	<u>171,666</u>	<u>174,963</u>
Net (losses)/gains on investments	8	8,956	40,798	49,754	(114,923)
Net expenditure		<u>(4,134)</u>	<u>(164,548)</u>	<u>(168,682)</u>	<u>(8,402)</u>
Other recognised gains and losses					
Other gains/(losses) user defined 1		–	–	–	1,477,440
Net movement in funds		<u>(4,134)</u>	<u>(164,548)</u>	<u>(168,682)</u>	<u>1,469,038</u>
Reconciliation of funds					
Total funds brought forward		366,525	6,124,316	6,490,841	5,021,803
Total funds carried forward		<u>362,391</u>	<u>5,959,768</u>	<u>6,322,159</u>	<u>6,490,841</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 11 to 20 form part of these financial statements.

Oban Common Good Fund

Statement of Financial Position

31 March 2020

	Note	2020		2019
		£	£	£
Fixed assets				
Tangible fixed assets	13		4,702,500	4,826,250
Investments	14		1,541,543	1,591,297
			6,244,043	6,417,547
Current assets				
Debtors	15	13,509		13,514
Cash at bank and in hand		84,660		95,916
		98,169		109,430
Creditors: amounts falling due within one year	17	20,053		36,136
Net current assets			78,116	73,294
Total assets less current liabilities			6,322,159	6,490,841
Net assets			6,322,159	6,490,841
Funds of the charity				
Restricted funds			5,959,768	6,124,316
Unrestricted funds			362,391	366,525
Total charity funds	18		6,322,159	6,490,841

These financial statements were approved by the board of trustees and authorised for issue on 22nd September 2020, and are signed on behalf of the board by:

Councillor E Robertson
Trustee

The notes on pages 11 to 20 form part of these financial statements.

Oban Common Good Fund

Statement of Cash Flows

Year ended 31 March 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net expenditure		(168,682)	(8,402)
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		123,750	123,750
Net losses/(gains) on investments		49,754	(114,923)
Dividends, interest and rents from investments		(52,565)	(51,537)
Other interest receivable and similar income		(173)	(101)
Accrued (income)/expenses		(16,890)	27,123
<i>Changes in:</i>			
Trade and other debtors		(5)	(6)
Cash generated from operations		(64,801)	(24,096)
Interest received		173	101
Net cash used in operating activities		(64,628)	(23,995)
Cash flows from investing activities			
Dividends, interest and rents from investments		52,565	51,537
Net cash from investing activities		52,565	51,537
Net (decrease)/increase in cash and cash equivalents		(12,063)	27,542
Cash and cash equivalents at beginning of year		89,908	62,366
Cash and cash equivalents at end of year	16	77,845	89,908

The notes on pages 11 to 20 form part of these financial statements.

Oban Common Good Fund
Notes to the Financial Statements
Year ended 31 March 2020

1. General information

The charity is a public benefit entity and a registered charity in Scotland and is unincorporated. The address of the principal office is Argyll & Bute Council, Kilmory, Lochgilphead, PA31 8RT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Oban Common Good Fund**Notes to the Financial Statements** *(continued)***Year ended 31 March 2020****3. Accounting policies** *(continued)***Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Oban Common Good Fund**Notes to the Financial Statements** *(continued)***Year ended 31 March 2020****3. Accounting policies** *(continued)***Tangible assets** *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property - Straight line over 40 years

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Oban Common Good Fund**Notes to the Financial Statements** *(continued)***Year ended 31 March 2020****3. Accounting policies** *(continued)***Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Oban Common Good Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*Financial instruments *(continued)*

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from listed investments	52,565	52,565	51,537	51,537
Bank interest	173	173	101	101
	<u>52,738</u>	<u>52,738</u>	<u>51,638</u>	<u>51,638</u>

5. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Grants awarded	45,267	–	45,267
Support costs	2,649	123,750	126,399
	<u>47,916</u>	<u>123,750</u>	<u>171,666</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Grants awarded	47,752	–	47,752
Support costs	3,461	123,750	127,211
	<u>51,213</u>	<u>123,750</u>	<u>174,963</u>

6. Expenditure on charitable activities by activity type

	Grant funding of activities £	Support costs £	Total funds 2020 £	Total fund 2019 £
Grants awarded	45,267	–	45,267	47,752
Governance costs	–	126,399	126,399	127,211
	<u>45,267</u>	<u>126,399</u>	<u>171,666</u>	<u>174,963</u>

Oban Common Good Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

7. Analysis of grants

Grants awarded	£
Family Mediation	1,300
Camanachd Association	4,300
Oban Vikings	3,574
Oban Bowling Club	1,500
Argyll & Bute Rape Crisis	2,000
Argyllshire Gathering	4,000
Oban FM	4,822
Oban Winter Festival	4,000
Oban & Lorn Tourism Association	2,500
Lorn Group – SWI	1,250
Oban Gaelic Choir	800
Martyn's Monday Club	6,000
Crossroads	2,000
Oban Saints	2,000
Footprint Alba	2,038
Oban Pipe Band	1,500
Police Scotland Volunteers	6,033
Grants awarded not fully drawn down	(4,350)
	<u>45,267</u>

8. Net (losses)/gains on investments

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Gains/(losses) on other investment assets	(8,956)	(40,798)	(49,754)
	<u>20,687</u>	<u>94,236</u>	<u>114,923</u>

9. Net expenditure

Net expenditure is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	<u>123,750</u>	<u>123,750</u>

10. Staff costs

The average head count of employees during the year was Nil (2019: Nil). No employee received employee benefits of more than £60,000 during the year (2019: Nil).

11. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

12. Transfers between funds

There were no fund transfers in the year.

Oban Common Good Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

13. Tangible fixed assets

	Land and buildings £
Cost	
At 1 April 2019 and 31 March 2020	<u>4,950,000</u>
Depreciation	
At 1 April 2019	123,750
Charge for the year	<u>123,750</u>
At 31 March 2020	<u>247,500</u>
Carrying amount	
At 31 March 2020	<u>4,702,500</u>
At 31 March 2019	<u>4,826,250</u>

Oban Common Good Fund have leased the Oban Swimming Pool to Oban and Lorn Community Enterprise Ltd (OLCE) for a peppercorn rent. The Oban Common Good Fund has classified this as an operating lease recognising the totality of the arrangement with OLCE:-

- OLCE have since 1994, fundraised and built a multi-purpose sports facility to compliment the original swimming pool.
- Argyll and Bute Council provide an annual operating subsidy, (£436k – 2017/18), towards the running costs of the facility.
- At expiry of the lease in 2037, the facility will revert back to the Oban Common Good.

The Oban Swimming Pool was transferred to the Oban Common Good Fund in 1995 but only recognised in the 2013 accounts with an effective transfer date of 1 April 2012. At that date, the building was transferred at a historic cost of £1,088,392 and accumulated depreciation of £424,323. The building was subsequently revalued by Argyll and Bute Council on 31 March 2019 on a Depreciation Replacement Costs basis.

14. Investments

	Other investments £
Cost or valuation	
At 1 April 2019	1,591,297
Additions	–
Other movements	<u>(49,754)</u>
At 31 March 2020	<u>1,541,543</u>
Impairment	
At 1 April 2019 and 31 March 2020	<u>–</u>
Carrying amount	
At 31 March 2020	<u>1,541,543</u>
At 31 March 2019	<u>1,591,297</u>

All investments shown above are held at valuation.

Oban Common Good Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

15. Debtors

	2020	2019
	£	£
Other debtors	<u>13,509</u>	<u>13,514</u>

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2020	2019
	£	£
Cash at bank and in hand	84,660	95,916
Bank overdrafts	<u>(6,815)</u>	<u>(6,008)</u>
	<u>77,845</u>	<u>89,908</u>

17. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	6,815	6,008
Accruals and deferred income	<u>13,238</u>	<u>30,128</u>
	<u>20,053</u>	<u>36,136</u>

Oban Common Good Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

18. Analysis of charitable funds

Unrestricted funds

	At 1 April 2019 £	Income £	Expenditure £	Gains and losses £	At 31 March 2020 £
General funds	366,525	52,738	(47,916)	(8,956)	362,391

	At 1 April 2018 £	Income £	Expenditure £	Gains and losses £	At 31 March 2019 £
General funds	345,413	51,638	(51,213)	20,687	366,525

Restricted funds

	At 1 April 2019 £	Income £	Expenditure £	Gains and losses £	At 31 March 2020 £
Investment funds	1,298,066	-	-	(40,798)	1,257,268
Oban swimming pool	4,826,250	-	(123,750)	-	4,702,500
	<u>6,124,316</u>	<u>-</u>	<u>(123,750)</u>	<u>(40,798)</u>	<u>5,959,768</u>

	At 1 April 2018 £	Income £	Expenditure £	Gains and losses £	At 31 March 2019 £
Investment funds	1,203,830	-	-	94,236	1,298,066
Oban swimming pool	3,472,560	-	(123,750)	1,477,440	4,826,250
	<u>4,676,390</u>	<u>-</u>	<u>(123,750)</u>	<u>1,571,676</u>	<u>6,124,316</u>

Oban Common Good Fund

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	–	4,702,500	4,702,500
Investments	284,275	1,257,268	1,541,543
Current assets	98,169	–	98,169
Creditors less than 1 year	(20,053)	–	(20,053)
Net assets	<u>362,391</u>	<u>5,959,768</u>	<u>6,322,159</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	–	–	–
Investments	–	–	–
Current assets	–	–	–
Creditors less than 1 year	–	–	–
Net assets	<u>–</u>	<u>–</u>	<u>–</u>

20. Analysis of changes in net debt

	At 1 Apr 2019 £	Cash flows £	At 31 Mar 2020 £
Cash at bank and in hand	95,916	(11,256)	84,660
Bank overdrafts	(6,008)	(807)	(6,815)
	<u>89,908</u>	<u>(12,063)</u>	<u>77,845</u>

ARGYLL & BUTE COUNCIL**COUNCIL****LEGAL AND REGULATORY SUPPORT****26th NOVEMBER 2020**

**EXTRACT OF THE SPECIAL AUDIT AND SCRUTINY COMMITTEE MEETING HELD ON
17, NOVEMBER 2020**

3. EXTERNAL AUDIT ANNUAL AUDIT REPORT

The Committee gave consideration to a report summarising the findings arising from an audit of the annual accounts and the consideration of the four audit dimensions that frame the wider scope of public audit set out in the Code of Audit Practice 2016 - financial sustainability; financial management; governance and transparency and value for money. Consideration was also given to the ISA 260/580 letters.

Discussion took place in respect of the review of performance management reporting and training opportunities for elected members, with it being noted that actions in relation to these would be taken forward by officers.

Decision

The Audit and Scrutiny Committee:-

1. Noted the findings of the External Audit Annual Audit Report;
2. Noted the contents of the ISA 260/580 letters; and
3. Agreed to recommend to Council that the ISA 580 letter of representation be approved for signing.

(Reference: Report and ISA 260 Letter by Audit Scotland, and ISA 580 Letter by Section 95 Officer, dated 17 November 2020, submitted)

Argyll and Bute Council

2019/20 Annual Audit Report – PROPOSED



Prepared for the Members of Argyll and Bute Council and the Controller of Audit
26 November 2020 (formal date of issue)

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Key messages

2019/20 annual accounts

- 1** Our audit opinions on the annual accounts of Argyll and Bute Council, its group and the section 106 charities administered by the Council are unqualified and report that the accounts present a true and fair view of the financial position of the Council.
- 2** The financial statements include an explanatory paragraph within Note 4 describing the effect of material uncertainties, caused by Covid-19, as declared in the valuation reports for property valuations. This is a significant management disclosure in the financial statements that impacts on the users understanding of the accounts. We have included an Emphasis of Matter referring to this paragraph in our independent auditor's report on the financial statements. Although the Emphasis of Matter paragraph constitutes a modification to our independent auditor's report our opinion on the financial statements is not qualified in respect of this matter.
- 3** Covid-19 created additional challenges for both council and audit staff. The unaudited accounts were submitted for audit in line with the original timetable but key dates in the financial reporting process were updated to reflect the revised statutory deadlines.

Financial management

- 4** The Council achieved an underspend of £0.502 million.
- 5** For the third consecutive year, the social work budget has been overspent. A repayment agreement is in place with the Integration Joint Board; however, financial pressures and funding gaps are being reported in the short term and there is a risk that the repayment plan is not achieved.
- 6** The Council has appropriate and effective financial management arrangements in place that allow members and officers to scrutinise financial performance effectively.

Financial sustainability

- 7** The Council and its wider group financial position is sustainable into the foreseeable future, although Covid-19 is expected to create significant financial challenges over the next five financial years to 2025/26.
- 8** Increased levels of demand coupled with increasing costs and reductions in government funding will continue to place a strain on the Council's capacity to deliver services at current levels. The Council has established a Budget Working Group to assist in the identification, development and scrutiny of savings options.
- 9** Although a medium-term financial plan is in place it will need to be revised and updated to reflect the longer-term impacts of Covid-19. These changes to the financial plan will need to link with, and support, changes that are being made as a result of service redesign and efficiency plans in light of the current and longer-term impacts of Covid-19.

Governance and transparency

- 10** The Council has appropriate governance arrangements in place. We recognise that in responding to the COVID-19 pandemic the Council revised its governance arrangements. The new arrangements are appropriate and support good governance and accountability.
- 11** The Council is open and transparent in the way it conducts its business.

Best Value

- 12** The Best Value Assurance Report (BVAR) report recognises the progress the Council had made since the previous Best Value audit in 2015. The BVAR also highlighted improvements are still required for the Council to be able to demonstrate it is achieving all aspects of Best Value.
- 13** In response to our BVAR the Council has developed a BVAR improvement plan which was presented to the full Council together with a commitment to provide six monthly updates on progress. We will follow up progress against the improvement plan in our 2020/21 audit.
- 14** The key finding from our BVAR is the opportunity for the Council to make improvements to its performance reporting and to make better use of benchmarking and performance information to drive continuous improvement.

Introduction

1. This report summarises the findings arising from the 2019/20 audit of Argyll and Bute Council (the Council) and its group. The scope of the audit was set out in our 2019/20 Annual Audit Plan presented the Audit and Scrutiny Committee meeting on 17 March 2020.

2. This report comprises the findings from:

- an audit of the annual accounts
- consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) as illustrated in [Exhibit 1](#).

Exhibit 1 Audit dimensions



Source: *Code of Audit Practice 2016*

3. The main elements of our audit work in 2019/20 have been:

- an audit of the Council and its group 2019/20 annual accounts and the statement of accounts of the eight section 106 charities administered by the Council and the issue of independent auditor's reports setting out our opinions
- a review of the Council's key financial systems
- audit work covering the Council's arrangements for securing Best Value. This resulted in the issue of a [best value assurance report](#) to Argyll and Bute Council on 21 May 2020
- consideration of the four audit dimensions.

4. After the publication of the Annual Audit Plan, in common with all public bodies, the Council has had to respond to the global coronavirus pandemic. The impact of the global coronavirus pandemic during the final month of 2019/20 will continue to be felt into financial year 2020/21 and beyond. This has, and will continue to have, significant implications for the provision and costs of services including the suspension of planned projects and activities. Our planned audit work has had to adapt to new emerging risks as they relate to the audit of the financial statements and the wider dimensions of audit.

5. Our approach to audit during these circumstances will be pragmatic, flexible and consistent. We issued a paper, [Covid-19 How public audit in Scotland](#) is responding, setting out Audit Scotland's strategy and approach to our financial and performance audit programmes. It provided detail about the scope, timing and areas of focus for our audit work.

Adding value through the audit

6. We add value to the council through the audit by:

- early work with the s95 Officer to achieve a mutual understanding of the implications of the Council's loans fund reprofiling project from a financial planning, accounting and governance perspective. We shared insights from our work with other councils undertaking similar reviews to help inform the approach being taken at Argyll and Bute;
- regular dialogue with senior officers as the strategic and operational impact of Covid-19 developed and presenting to Audit and Scrutiny Committee on key challenges in the Covid environment;
- shared learning from our experiences working with other bodies and agreed a clear, no surprises, approach for the remote audit of the 2019/20 accounts within a revised accounts and audit timetable;
- making use of remote working to meet the revised 17 November 2020 audited annual accounts deadline ahead of the new statutory deadline of 30 November 2020
- ongoing conversations with Strategic Management Team to understand the Councils response to the Best Value Report (published in May 2020) acting as a critical friend and offering appropriate and constructive challenge to the actions being taken to address the recommendations contained in the report;
- reporting our findings and conclusions in public and sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides.

7. Taking these together, we aim to help the Council promote improved standards of governance, better management and decision making and more effective use of resources.

Responsibilities and reporting

8. The Council has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The Council is also responsible for compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

9. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK.

10. As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on:

- the effectiveness of the Council's performance management arrangements;
- the suitability and effectiveness of corporate governance arrangements, and financial position;
- the arrangements for securing financial sustainability; and
- Best Value arrangements.

11. In doing this we aim to support improvement and accountability. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

12. This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

13. Our annual audit report contains an agreed action plan at [Appendix 1](#). It sets out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

Auditor Independence

14. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

15. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2019/20 audit fee of £263,220 as set out in our Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

16. This report is addressed to both the Council and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

17. We would like to thank the management and staff who have been involved in our work for their cooperation and assistance during the audit. This is especially appreciated during the particularly challenging circumstances arising due to the Covid-19 pandemic.

Part 1

Audit of 2019/20 annual accounts



Main judgements

Our audit opinions on the annual accounts of Argyll and Bute Council, its group and the section 106 charities administered by the Council are unqualified and report that the accounts present a true and fair view of the financial position of the Council.

The financial statements include an explanatory paragraph within Note 4 describing the effect of material uncertainties, caused by Covid-19 as declared in the valuation reports for property valuations. This is a significant management disclosure in the financial statements that impacts on the users understanding of the accounts. We have included an Emphasis of Matter referring to this paragraph in our independent auditor's report on the financial statements. Although the Emphasis of Matter paragraph constitutes a modification to our independent auditor's report our opinion on the financial statements is not qualified in respect of this matter.

Covid-19 created additional challenges for both council and audit staff. The unaudited accounts were submitted for audit in line with the original timetable but key dates in the financial reporting process were updated to reflect the revised statutory deadlines.

The annual accounts are the principal means of accounting for the stewardship of resources and performance.

Our audit opinions on the annual accounts are unmodified

18. The accounts for Argyll and Bute Council and its group for the year ended 31 March 2020 were approved by the Audit and Scrutiny Committee on 17 November 2020. As reported in the independent auditor's report;

- the financial statements give a true and fair view of the financial position of the Council and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.

The Council highlighted an uncertainty in property valuations due to Covid-19

19. The 'Emphasis of Matter' section in our Independent Auditor's Report refers to the disclosures in note 4 of the financial statements which identifies a material valuation uncertainty in respect of property valuations caused by the Covid-19 pandemic. Emphasis of Matter paragraphs are added to auditor's reports where the auditor considers it necessary to draw user's attention to matters which are fundamental to the understanding of the financial statements. Further information is contained in [Exhibit 3](#) below. The audit opinion is not modified in respect of this matter.

The annual accounts were signed off in line with revised statutory timescales

20. The Scottish Government has advised that it considers the provisions made in Schedule 6 of the Coronavirus (Scotland) Act 2020 to be sufficient to allow each local authority to determine its own revised timetable for the Annual Accounts. The Council did not need to use the powers in the 2020 Act to postpone the publication of the unaudited accounts, and these were submitted to us for audit on 29 June 2020 in line with the original timetable.

21. Remote working brought additional challenges to the audit process. This affected how we were able to work as an audit team and with council staff. Our planned audit work had to adapt to new emerging risks as they relate to the audit of the financial statements and the wider dimensions of audit. New ways of working and communicating with each other had to be implemented in order to deliver an efficient and effective audit that met our quality standards. Despite these challenges we were able to deliver the audit in line with the new statutory deadline.

Our audit opinions on the eight Section 106 charities were unmodified

22. Due to the interaction of section 106 of the Local Government in Scotland Act 1973 with the charities legislation, a separate independent auditor's report is required for the statement of accounts of each registered charity where members of Argyll and Bute Council are sole trustees, irrespective of the size of the charity.

23. A review of the trust funds arrangements has been undertaken by officers to provide clarity around the current arrangements. Consideration has been given to streamlining the approach which would categorise trust funds based on their distribution and allocation methods. Plans are being progressed to revise the approach to the trust funds.

24. We received the charities' accounts in line with the agreed timetable and after completing our audit we reported in the independent auditor's reports that:

- the financial statements give a true and fair view of the section 106 charity's financial position and are properly prepared in accordance with charities legislation
- the trustees' annual report is consistent with the financial statements and prepared in accordance with proper accounting practices.

25. These were considered by the Audit and Scrutiny Committee on 17 November, approved by the Council on 26 November and signed by the statutory deadline of 30 November.

No objections were received on the annual accounts

26. The Local Authority Accounts (Scotland) Regulations 2014 require a local authority to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. The Council complied with the regulations. There were no objections to the 2019/20 accounts.

Whole of Government Accounts

27. In accordance with the WGA guidance we intend to complete the required assurance statement and submit it to the National Audit Office by the extended deadline of 4 December 2020.

Overall materiality is £6.062 million

28. The assessment of what is material is a matter of professional judgement. It involves considering both the amount and nature of the misstatement in the annual accounts. Misstatements are material if they could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

29. Our initial assessment of materiality for the annual accounts was carried out during the planning phase of the audit. With regards to the annual accounts, we assess the materiality of uncorrected misstatements both individually and collectively.

30. On receipt of the unaudited annual accounts we reviewed and re-assessed our materiality as summarised in [Exhibit 2](#). This resulted in minor changes to our materiality thresholds but did not impact on our planned audit approach.

Exhibit 2 Materiality values

Overall materiality	£6.062 million
Performance materiality	£3.637 million
Reporting threshold	£0.100 million

Source: Audit Scotland

Appendix 2 identifies the main risks of material misstatement and our audit work to address these

31. [Appendix 2](#) provides our assessment of risks of material misstatement in the annual accounts and any wider audit dimension risks. These risks influence our overall audit strategy, the allocation of staff resources to the audit and indicate how the efforts of the team were directed. The appendix identifies the work we undertook to address these risks and our conclusions from this work.

32. We have no issues to report from our work on the risks of material misstatement highlighted in our 2019/20 Annual Audit Plan. However, we have reported wider dimension risks around financial sustainability and the development of medium-term savings plans within the action plan at [Appendix 1](#).

Significant findings to report on the annual accounts

33. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices.

34. The significant findings from our work are summarised in [Exhibit 3](#) and we have no matters to report around the qualitative aspects of the councils accounting practices. Where a finding has resulted in a recommendation to management, a cross reference to the Action Plan in [Appendix 1](#) has been included.

Exhibit 3

Significant findings from the audit of the financial statements

Issue	Resolution
<p>1. Property valuations and Covid-19 uncertainty</p> <p>The Balance Sheet includes property, plant and equipment with a total value of £637.104 million. The Council has a five-year rolling valuation programme as detailed in Note 14.2. The asset valuer has included a material uncertainty disclosure within the valuation report, which covers specific asset categories, in accordance with the rolling programme and was conducted in March 2020. We believe that, due to the impact of Covid-19 from mid-March 2020, there is a wider material uncertainty within the property valuation provided.</p>	<p>Property assets are material and the impact of Covid-19 has increased the uncertainty over associated valuations. The conclusion of the valuer on the rolling programme of valuation work have contributed to the view that less certainty can be attached to the valuation than would otherwise be the case.</p> <p>Conclusion: The accounts disclose this increased uncertainty at Note 4, and we have included an 'emphasis of matter' paragraph in our independent auditors' report to draw attention to the matter.</p>
<p>2. Non-current asset classifications</p> <p>On review of the non-current asset disclosures and underlying documents we identified £9.575 million of assets under construction relating to Campbeltown Grammar and Dunoon Primary School. These assets became operational during 2019/20 and should have been transferred out of assets under construction.</p> <p>Our review of the asset disclosures we noted community asset additions in year of £2.133m. The council did not recognise these community assets as assets under construction in 2017/18 and 2018/19.</p> <p>The asset register and Balance Sheet recognised Hermitage Park Depot as assets held for sale with a value of £0.900 million. However, the valuers report noted that the depot had been sold in March 2020.</p>	<p>Adjustments to non-current asset disclosures have been processed.</p>

Source: Audit Scotland

Other findings

35. In January 2017 an Employment Tribunal ruled that a group of claimant judges had been subject to age discrimination when they were transferred to a new career average scheme, known widely as the McCloud case. On 16 July 2020, the UK Government released a consultation document on the remedy to the issues. This identified a proposed treatment for pension members affected.

36. In 2018/19 the Council instructed the actuary to the Strathclyde Pension Fund to quantify the impact on the Council's pension fund liability. This was reflected within the 2018/19 financial statements. No adjustment has been made to the 2019/20 accounts to reflect the consultation document of 16 July 2020 as the amount was not material.

37. Our audit also identified several presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual accounts. This is normal audit practice and none of the presentational changes have any impact on the council's outturn for the year.

Reasonable progress has been made in implementing prior year audit recommendations

38. The Council has made reasonable progress in implementing our prior year audit recommendations. For actions not yet implemented, revised responses and timescales have been agreed with management, and are set out in [Appendix 1](#).

Part 2

Financial management



Main judgements

The Council achieved an underspend of £0.502 million in 2019/20.

For the third consecutive year, the social work budget has been overspent. A repayment agreement is in place with the Integration Joint Board; however, financial pressures and funding gaps are being reported in the short term and there is a risk that the repayment plan is not achieved.

The Council has appropriate and effective financial management arrangements in place that allow members and officers to scrutinise financial performance effectively.

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively

The Council operated within budget in 2019/20 with an overall underspend of £0.502 million

39. The Council achieved an underspend of £0.502 million in financial year 2019/20 despite additional costs as a result of Covid-19. The section 95 officer provided the year-end outturn report against budget to the 25 June 2020 meeting of the Business Continuity Committee. This report highlighted areas of significant over and underspends against the budget.

Budget process was appropriate

40. The Council's budget and savings plans are aligned to Council priorities as set out in its Corporate Plan. The Council have made efforts in recent years to engage with the public during the budget setting process. Members of the public are able to submit their own priorities for the budget, along with suggestions for savings and income generation.

41. Detailed scrutiny of financial performance is delegated to the Policy and Resources Committee which receives bi-monthly revenue and capital monitoring reports.

42. The Council made significant savings (£2.367 million) in-year due to a review of the loans fund, as approved by the Council in February 2020. The main area of overspend was social services which is managed by the Integration Joint Board (IJB). These services overspent by £1.141million and the Council provided additional funding to meet the overspend.

43. The overspend against 2019/20 social services budget increased the total overspend against this budget to £5.348 million since 2017/18. This adverse position is due to a combination of forecast slippage on the delivery of agreed savings and the high demand for services.

44. The IJB are required to repay the additional funds provided by the Council to address these overspends. An indicative timetable for repayments was presented to

the Argyll and Bute Health and Social Care Partnership (HSCP) meeting in August 2020. It is intended that the money due to the Council will be recovered through reductions in future IJB funding. Whilst a repayment agreement is in place, current IJB financial projections are forecasting an overspend in 2020/21 due to costs arising from the impact of Covid-19. Funding gaps are also projected in both 2021/22 and 2022/23. There is a risk that the IJB may be unable to repay the funding received from the Council in line with the agreed timetable. The Council has appropriate and effective financial management arrangements in place that allow members and officers to scrutinise financial performance effectively

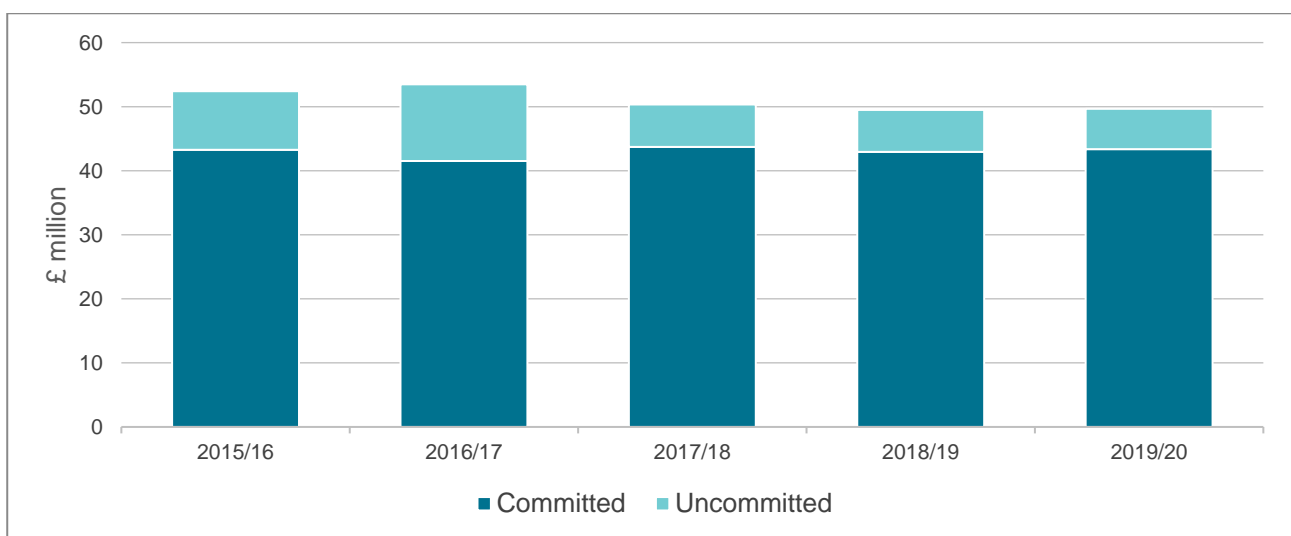
45. Senior management and members receive regular and accurate financial information on the Council's financial position. These reports allow members and officers to scrutinise financial performance effectively throughout the year. Our BVAR concluded that these reports were of a high quality and clearly explain the Council's financial position.

The level of General Fund reserves has remained stable

46. One of the key measures of the financial health of a body is the level of reserves held. The level of usable reserves held by the Council increased from £55.528 million in 2018/19 to £55.892 million in 2019/20. The general fund reserve accounts for £49.67 million of the total usable reserves, although a substantial proportion are committed. The remainder of the usable reserve balance consists of the repairs and renewal fund and capital fund which have year end balances of £1.843 million and £4.379 million respectively.

47. [Exhibit 4](#) provides an analysis of the general fund over the last five years split between committed and uncommitted reserves. The exhibit illustrates the relatively stable general fund reserve position the Council has maintained with the balance reducing by £2.747 million over this period. Whilst this is in line with the approved strategy, the impact of any service overspends, will reduce uncommitted reserves further, meaning that the Council will be at risk of breaching its reserves policy.

Exhibit 4 Analysis of general fund balance



Source: Argyll and Bute Council Annual Report and Accounts 2015/16 to 2019/20

Planned efficiency savings were not fully realised but departmental underspends met the shortfall

48. The Council has established savings plans to drive efficiencies and address any budget gap. Annual savings plans are created for the following year and are considered by the Policy and Resources Committee with the final savings plan approved by the Council as part of the annual budget proposal.

49. In 2019/20, the Council planned to achieve efficiency savings of £5.138 million from 67 identified savings options. This included saving options agreed in 2017/18, 2018/19 and 2019/20. The Council achieved actual savings of £4.357 million (84.8% of this total). The shortfall of savings achieved (£0.781 million) was met by departmental underspends.

50. The BVAR highlighted that whilst the Council has achieved a balanced budget and generated savings and efficiencies through a focus on cost reduction this approach will not address future budget gaps and support the transformational change required to achieve the Council's vision.

51. The Council is currently undertaking a themed review to identify alternative ways to deliver services in a more efficient manner and to reflect on corporate learning in responding to Covid-19 and the resulting changes to working practices.

There has been substantial slippage in the approved capital programme in 2019/20

52. The Council approved the 2019/20 capital plan with a budget of £36.036 million in February 2019. Throughout the year the Policy and Resources Committee receive regular reports on the capital plan. The reports outline progress against the plan and any changes to the agreed budget due to slippage, acceleration or virements.

53. The capital plan consists of 149 projects, with 131 of these either complete or on track. Total capital expenditure in 2019/20 was £19.321 million. As outlined within the Council's capital year end outturn report, previously agreed changes to the 2019/20 capital budget totalled £17.498 million. The changes to the capital plan relate to slippage in timescales for tender exercises, retentions, planning permission and the impact of Covid-19 on contractors. The most significant capital project delay relates to the Rothesay Pavilion project which was due to complete in June 2020. Delays were created after the identification of a need for asbestos removal work. At the Council meeting in February 2020, a proportion of the loans fund one-off gain was set aside to support strategic change projects, including Rothesay Pavilion.

54. Further delays have arisen after the contractor for the project entered administration and the Council will now need to appoint a new contractor to complete the work. The capital reports have identified a risk that the project may overspend as a consequence of these issues.

Borrowing levels have reduced

55. The Council's external borrowing as at 31 March 2020 decreased by £10 million on the previous year to £173.6 million. New loans of £7 million were taken out and £17 million of PWLB loans were repaid during the year.

56. Due to the slippage on capital projects, the Council borrowed in excess of its requirements at the year-end by £1.9 million. The situation is expected to be corrected during 2020/21 as the Council looks to address and resolve the capital slippage.

Financial systems of internal control have been designed appropriately

57. As part of our audit we identify and assess the key internal controls in those accounting systems which we regard as significant to produce the financial statements. Our objective is to gain assurance that the body has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

58. Our planned work on internal controls had to be reduced due to the impact of Covid-19. We did review the design of internal controls and test these by means of walk through tests. Consequently, we were able to conclude that the controls in the Council's main financial systems were appropriately designed and we were able to take assurance from internal work on financial systems as described at paragraph 91 below.

59. Through a combination of walkthrough tests, prior years external audit work, using the work of internal audit and substantive testing of financial transactions we concluded that there were no significant weaknesses in the Council's accounting systems used to record and process transactions.

60. Our conclusion is based on findings during the course of our normal audit work and these do not necessarily cover all the risks that may exist. It remains management's responsibility to determine the extent of the internal control system within the Council.

Part 3

Financial sustainability



Main judgements

The Council and its wider group financial position is sustainable into the foreseeable future, although Covid-19 is expected to create significant financial challenges over the next five financial years to 2025/26.

Increased levels of demand coupled with increasing costs and reductions in government funding will continue to place a strain on the Council's capacity to deliver services at current levels. The Council has established a Budget Working Group to assist in the identification, development and scrutiny of savings options.

Although a medium-term financial plan is in place it will need to be revised and updated to reflect the longer-term impacts of Covid-19. These changes to the financial plan will need to link with, and support, changes that are being made as a result of service redesign and efficiency plans in light of the current and longer-term impacts of Covid-19.

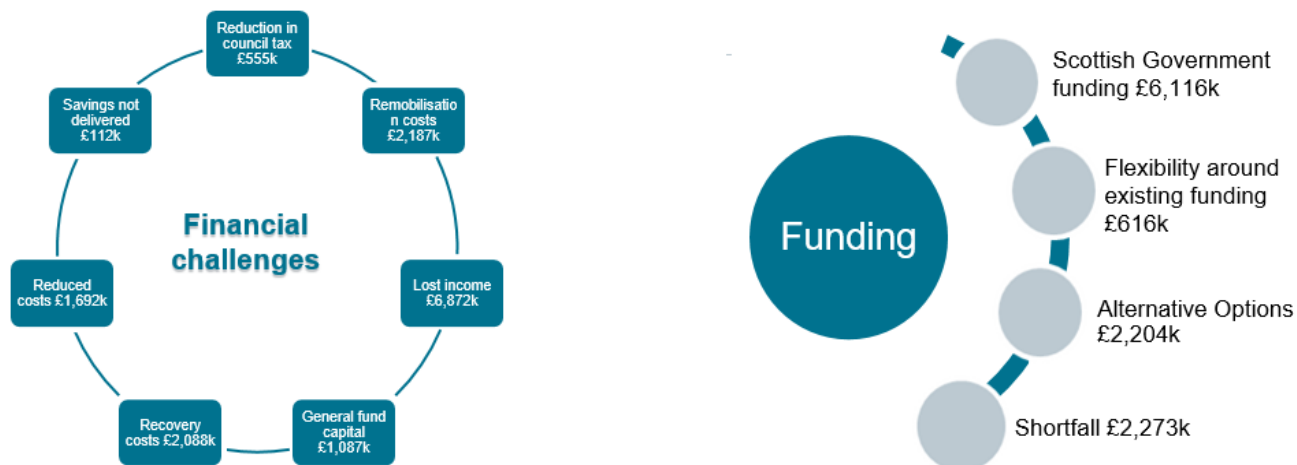
Financial sustainability looks forward to the medium and long term to consider whether the council is planning effectively to continue to deliver its services or the way in which they should be delivered.

The financial impact of the COVID-19 pandemic will be significant

61. The Council approved the 2020/21 budget in February 2020. In May 2020 the Business Continuity Committee received a report on the estimated impact of the Covid-19 pandemic. This report focussed on the first quarter of 2020/21 and estimated the costs to be £4.130 million. A further update was provided to committee in August 2020 which quantified the likely full year financial impact. In quantifying these costs, a number of assumptions have been made in relation to additional costs, lost income and the pace of service recovery. The report estimated a full year cost of £12.176 million arising from the pandemic.

62. [Exhibit 5](#) highlights the financial challenges identified by the Council arising from the Covid-19 pandemic as well as the funding sources and resulting shortfall. A cross party working group has been established and is considering options. The group are obtaining further details around the lost income scheme and possible financial flexibilities to inform their work. [Appendix 3](#) outlines the significant elements of the financial challenges at October 2020 as reported to the Policy and Resources committee. The Council will need to make decisions around other options available that could be applied to fund the Covid-19 shortfall of £2.273 million.

Exhibit 5 Financial challenges and funding



Source: Argyll and Bute Council 2019/20

Medium and longer term financial plans are in place but will have to be updated to reflect the impact of Covid-19

63. It is important that long-term financial strategies (typically covering five to ten years) are in place which link spending to the Council's strategies. Although Councillors only approve the budget for a single year, this should be supported by indicative future spending plans that forecast the impact of relevant pressures on the Council.

64. The BVAR noted that the Council has good financial planning arrangements in place based around its medium to long term financial strategy 2018/19 to 2027/28 which was approved in 2017. The strategy includes forecasts for revenue, capital and treasury management and details of plans to mitigate future budget gaps. The underlying principles previously agreed by the Council provide a flexible framework within which the Council can react to changing financial challenges.

65. The Council estimates that there will be a budget gap of between £9.464 million (most optimistic) and £46.386 million (most pessimistic) over the five-year period 2021/22 to 2025/26. These projections are largely as a result of an assumed drop in funding from the Scottish Government and increased costs as a result of pay inflation. These financial pressures will require the Council to make difficult decisions in the future around service design and delivery.

66. The Council has established a cross party Budget Working Group as part of the 2021/22 budget process. The group will assist in the identification and development of savings options. The group do not have any decision-making authority but are able to provide scrutiny over options being developed and can report and make recommendations to the Council or Policy and Resources Committee. This is a positive step in refining the Council's approach to developing savings plans and will provide the basis for the development of medium-term savings plans which can be aligned with any larger scale service redesign.

67. The Council's medium-term financial plan has not yet been updated to reflect the impact of Covid-19. It is important that the Council updates its medium-term financial plan as soon as more clarity on the financial impacts of Covid-19 is obtained.



Recommendation 1

The Council should update its medium-term financial plan as soon as more clarity on the financial impacts of Covid-19 is obtained.

Transformational planning is underway

68. The Council established a transformation board in 2017 to increase the pace and scale of transformation and to challenge services to deliver front line savings through four operating principles of cost reduction, income maximisation, service redesign or self-funding.

69. In recent years the Council has achieved financial balance largely through cost containment efficiency measures. While this approach has been successful to date it is not sustainable in the long term and the Council will need to make challenging decisions to achieve financial balance in the future.

70. As reported within the BVAR the total amount of savings or income generated though these initiatives to date is unclear. While a number of efficiency-saving and income generation plans are in place, progress has been slow. The impact of completed projects has been small-scale and within individual services.

71. There is little evidence of any plans for fundamental large-scale transformational service redesign. The location of the Council area limits opportunities to adopt some of the larger scale transformational changes being implemented by other councils in Scotland. However, as referred to in paragraph 51 above, the Council is currently undertaking a themed review of service delivery to identify alternative ways to deliver services in a more efficient manner.

Part 4

Governance and transparency



Main Judgements

The Council has appropriate governance arrangements in place. We recognise that in responding to the COVID-19 pandemic the Council revised its governance arrangements. The new arrangements are appropriate and support good governance and accountability.

The Council is open and transparent in the way it conducts its business.

Governance and transparency are concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information.

The Council has appropriate governance arrangements in place that support decision making, accountability and scrutiny

72. The Council has a committee structure in place which is supported by clear roles for officers and members. The committee structure is supported by a governance framework that includes Standing Orders, a Scheme of Delegation, Codes of Conduct and Financial Regulations. The Council's decision and delegation arrangements, and its organisational structure are reviewed on an annual basis by the full Council.

73. Papers provided by officers to support full Council and committee meetings are of a good standard, cover issues in appropriate detail and are provided sufficiently in advance of meetings for members to review in detail.

74. . Appropriate time is made available in full Council and Audit and Scrutiny Committee meetings to discuss issues on the agenda in sufficient detail and it is clear that members are well-prepared for the meetings and ask pertinent and probing questions. Relevant officers attend the committee to present reports and to respond to questions from members.

75. The Council was able to complete all scheduled 2019/20 meetings of its main governance committees before the full impact of the Covid-19 pandemic.

The Council revised its governance arrangements in response to the Covid-19 pandemic. The new arrangements are appropriate and support good governance and accountability

76. The impact of COVID-19 from March 2020 have been set out in the Annual Governance Statement in the Council's annual accounts. These were significant and allowed the Council to manage the unprecedented nature and scale of the threat to its communities and staff. We note that the following steps were taken to allow the Council staff to prioritise their response to the outbreak:

- at a special meeting of the Council on 31 March 2020, it was agreed that all Council meetings including those of the Audit and Scrutiny Committee would be suspended temporarily. A Business Continuity Committee (BCC) was established to exercise all the powers of the Council and this was extended following a review of arrangements at the end of June 2020. Meetings of the

BCC are carried out on a virtual basis. The agenda, minutes and supporting papers of the BCC are readily accessible to the public on the Council's website.

- the Chief Executive was given emergency powers to instruct executive actions during the period of the Covid-19 crisis. This was undertaken in consultation with the Leadership Group (Leader of the Council, Depute Leader and Leader of the opposition Group). This is in line with the Council's Constitution and members believe it will allow urgent decisions to be taken in response to the crisis. All decisions under this arrangement were logged and a formal report on decisions was submitted to the Council meeting on 30 June
- the BCC and the Council's general governance arrangements were kept under regular review throughout the period and reported to members. The Council agreed at its meeting on 24 September that all Committee meetings will continue on a virtual basis with a further review of the operation of Committees to be undertaken and reported to Council in April 2021. The BCC was suspended meantime with the ability to be recalled should that be required.

77. We concluded that the new governance arrangements introduced by the Council in response to Covid-19 are appropriate and support good governance and accountability.

Elected member relationships have improved significantly, resulting in constructive and more focused decision-making

78. Relationships between officers and elected members are positive and constructive. Since our last Best Value report in 2015, relationships between elected members have improved significantly including the relationship between the administration and the opposition groups. The current political set-up is productive and collegiate, with elected members committed to working together to improve Argyll and Bute for the benefit of their communities.

79. Councillor Aileen Morton, former Leader of Argyll and Bute Council, intimated her intention to step down from her current office effective at the Council meeting on 24 September. The Council Constitution required the Council to give consideration to filling the vacancy at that meeting and the appointment of the new Leader of Argyll and Bute Council, Councillor Robin Currie, was confirmed.

Councillors need to take advantage of the training opportunities available to ensure they remain an effective elected member

80. The Council provides a good level of training for members, with courses taking place throughout the year covering a range of topics relevant to their roles and linked to the Council priorities. The Council has also put in place arrangements to support members' continuing professional development.

81. Our BVAR highlighted that member attendance at training courses has been mixed, with a 55 per cent attendance rate over the last 18 months. During this period, ten members attended two or fewer training sessions.

82. Our report recommended that further action is required by elected members to review their individual training requirements with a view to agreeing tailored personal development plans to ensure that they deliver, and are able to respond to the demands, challenges and expectations of a modern elected member.

83. The Council's Best Value action plan contains various opportunities for Councillors with a reviewed training programme. We will undertake a review of this as part of the 2020/21 audit.

84. The recommendation within the BVAR remains more relevant than ever as officers and elected members adapt to the additional financial and governance challenges resulting from COVID-19. The Council has provided online training during Covid 19 with good levels of attendance.

85. The Council needs to ensure the training provided continues to be reviewed to reflect new ways of working, is flexible and can adapt to provide the necessary resources and support for members to access and complete training.

The Council is open and transparent in the way it conducts its business

86. There is an increasing focus on how public money is used and what is achieved. In that regard, openness and transparency supports understanding and scrutiny. There are increasing public expectations for more openness and transparency as citizens want to understand how public money is used and, to support their participation in local service design and delivery.

87. A transparent organisation shows the basis for its decisions and shares information about performance and outcomes, including when targets have and have not been achieved as well as how it is using its resources such as money, people and assets

88. There is evidence from several sources which demonstrate the council's commitment to transparency. Members of the public can attend meetings of the full Council, the Audit and Scrutiny Committee and other committees. Minutes of these committee meetings and supporting papers are readily available on the council's website which is easy to navigate.

89. The Council's website allows the public to access a wide range of information including the register of members' interests. The '*Have your say*' section of the website provides details on how to make a complaint and how to use social media (e.g. Facebook and twitter) to access information about the council's decision-making processes. Additionally, the Council is proactive in encouraging the public to get involved work and welcomes suggestions how services could be made more efficient and effective.

Internal audit operates in accordance with Public Sector Internal Audit Standards

90. A professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector. We carry out an annual assessment of the internal audit function to ensure it operates in accordance with Public Sector Internal Audit Standards (PSIAS). These standards apply to all internal audit service providers and coverage arrange of issues such planning, risk assessment, audit documentation, reporting and quality monitoring. Our review concluded that internal audit operates in accordance with PSIAS.

91. In terms of International Standard on auditing we reviewed internal audit work on controls within financial systems. Our review found the work to be of a good quality with testing and audit findings documented clearly. We concluded that we could use the work of internal audit in a number of areas as set out [Exhibit 6](#).

Exhibit 6

Use of internal auditors' work



Non- Domestic rates



Council tax

✓ Payroll	✓ General Ledger
✓ Receipts and banking	✓ Accounts payable
✓ Accounts receivable (debtors)	✓ Treasury Management

92. The Annual Governance Statement, within the Council's annual accounts, notes that the planned internal audit work for 2019/20 was not completed due to the impact of Covid-19 and the need to redeploy staff to support the Council's response to the pandemic. Six audit assignments were carried forward to 2020/21 to complete but these had no impact on the extent to which we could use internal audit's work. In addition, the deferred audit assignments had no material impact on internal audit's ability to provide their annual opinion for 2019/20.

The Council is proactive in following-up matches identified by the National Fraud Initiative and reporting findings to the Audit and Scrutiny Committee

93. The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise coordinated by Audit Scotland. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify 'matches' that might suggest the existence of fraud or irregularity.

94. NFI activity is summarised in Exhibit 7. Our latest review of the NFI process at the Council was completed in February 2020, and no issues were identified.

Exhibit 7

NFI activity



5910

Matches



576

High Risk



823

Completed/closed investigations

Source: Argyll and Bute Council; Internal Audit

95. The Council actively reviews and investigates data matches with findings reported to the Audit and Scrutiny Committee.

96. The Council uses a number of other agencies to provide data matches in high risk areas. For example, the Revenues Section use Datatank to highlight potential single person discount fraud. The Accounts Payable Section use an external agency, Fiscal Technologies, to highlight duplicate supplier payments for further investigation.

The Council has appropriate arrangements in place to maintain standards of conduct and for the prevention and detection of fraud and error

97. The council has a range of established procedures for preventing and detecting fraud and irregularity including a whistleblowing policy, an anti-money laundering procedure, anti-fraud strategy and codes of conduct for members and officers.

Good practice points

98. Elected members demonstrate a good understanding of the issues the Council faces. The Council has a policy lead structure where members of the administration have responsibility for different areas of Council operations and objectives. Policy leads provide verbal updates at Council meetings and take questions on their areas of responsibility. The format and operation of the policy lead structure helps promote discussion on key issues and member accountability for the delivery of council priorities

Part 5

Best Value



Main judgements

The Best Value Assurance Report (BVAR) report recognises the progress the Council had made since the previous Best Value audit in 2015. The BVAR also highlighted improvements are still required for the Council to be able to demonstrate it is achieving all aspects of Best Value.

In response to our BVAR the Council has developed a BVAR improvement plan which was presented to the full Council together with a commitment to provide six monthly updates on progress. We will follow up progress against the improvement plan in our 2020/21 audit.

A key finding from our BVAR was the opportunity for the Council to make improvements to its performance reporting and use benchmarking performance information to drive continuous improvement.

Best Value is concerned with using resources effectively and continually improving services.

The Best Value Assurance Report (BVAR) report recognises the progress the Council has made since the Best Value Report in 2015

99. Best value is assessed over the five-year audit appointment, as part of the annual audit work. In addition, a Best Value Assurance Report (BVAR) for each council will be considered by the Accounts Commission at least once in this five-year period.

100. During 2019/20 we undertook a review of best value within the Council. The findings from this review were reported in the BVAR for Argyll and Bute Council which was published on 21 May 2020. Within this we highlighted the following key messages:

- Since the 2015 Best Value report, the Council has worked hard to improve relationships among elected members and senior officers. There has been a significant improvement in the culture resulting in constructive and more focused decision-making. Members now need to build on this and make the difficult decisions required to sustain council services in the longer term.
- The Council and its partners share a strong commitment to the vision for Argyll and Bute. The Council and its partners recognise the challenges, which includes a declining and ageing population, varied geography and population density, declining funding, and a growing economic dependence on the public sector.
- The Council is not yet in a position to demonstrate that it is achieving all aspects of Best Value. In some key areas the pace of improvement has been slow since the previous Best Value report in 2015. There is limited evidence of the Council using performance information to drive improvement. The Council's performance reporting makes it difficult to conclude what progress has been made against its six corporate outcomes.

- Since 2014/15, the pace of improvement against LGBF indicators has been slower than in other councils in Scotland. The percentage of indicators in the top two quartiles increased, but around one-third of indicators are in the bottom quartile every year.
- The Council's annual budget process and savings plans have successfully achieved financial balance through a focus on cost reductions. Although the Council's transformation programme has delivered some efficiencies and achieved small-scale savings further work is required by the Council to better align its financial and transformation plans to drive meaningful change through new and innovative ways of working.
- There have been a number of changes in the management structure during 2019, including the appointment of the new chief executive in December 2019. The changes to the senior management structure have been made in line with the council's vision, and to help support the delivery of the council's corporate outcomes. The restructuring has resulted in a loss of experience at a time of challenging priorities and decreasing resources.
- In addition to reducing employee numbers, the Council makes extensive use of temporary contracts (20 per cent of the workforce). The 2018 employee survey highlighted issues with lines of communication from senior management. The Council could do more to ensure it communicates and engages effectively with all staff.
- The Council works well with partners including the third sector, youth groups, area community planning groups and business partners. The Council needs to maximise its influences with key partners in delivering its vision, in terms of economic development, relevant business skills, opportunities for learners and the Argyll and Bute Rural Growth Deal.
- The Council has made progress with the Community Empowerment Act, but it needs to make its processes easier to follow and accessible to all communities. Although there has been significant consultation there is scope to improve community engagement to make the approach more inclusive, achieve wider representation and build capacity to enable communities to take more ownership of decision-making.

In response to our BVAR the Council has developed a BVAR improvement plan which was presented to the full Council with a commitment to provide six monthly progress updates

101. The BVAR contained seven recommendations for Argyll and Bute Council to take forward. A BVAR improvement action plan has been developed by the Council. This contains specific action points, measures to gauge success in achieving outcomes; key dates for implementation and lead responsibilities to address the recommendations in the BVAR.

102. The improvement action plan was presented to the Council on 30 June 2020, together with a commitment to provide six monthly updates on progress. The Council also intend to provide an update to the Audit and Scrutiny Committee in early 2021 as part of its scrutiny role. We will continue to monitor the council's progress against the improvement actions and will report progress in our 2020/21 annual audit report.

The Council's performance reporting makes it difficult to conclude what progress has been made against its six corporate outcomes

103. The BVAR noted that the quality of the Council's performance reporting is mixed. The Council's annual performance report provides a high-level summary of the current position of specific projects and some data under each of the six

corporate outcomes. It does not provide a balanced picture of long-term trends in performance against targets or benchmarks.

104. The BVAR concluded that the Council's performance reporting does not provide information in an effective, systematic way to allow elected members to recognise areas of good practice or to challenge areas of poor performance.

The public facing performance reports do not provide a clear picture of how well the Council is performing

105. The Accounts Commission places great emphasis on councils' responsibility for public performance reporting. The Commission does not prescribe how councils should report this information but expects them to provide the public with fair, balanced and engaging performance information.

106. The BVAR noted that while all staff and elected members can interrogate performance data in the Council's intranet-based performance management system, the public have no opportunity to do so. Instead they must rely on committee reports and annual high-level summaries.

107. The Council recognises the need to improve public performance reporting. Improvements have already been made to the Council website which makes it easier to navigate the performance reports, service plans and improvement activities. However, further improvements can be achieved by defining a single space on the Council's website where the public can view trends in satisfaction, service quality or performance against individual success measures and projects that underpin the corporate outcomes.

The Council is making improvements to its performance management framework

108. The Council recognises that its performance management system is not user-friendly. The system contains a large number of historical indicators that are no longer relevant to the council's corporate outcomes. The Council is continuing to improve its approach to performance management and has established a project team to take forward improvements. This includes:

- developing a suite of outcome-focused 'impact measures' to improve measurement of long-term progress against the 17 business outcomes. This will include key indicators from the Local Government Benchmarking Framework, the CPP and other national statistics
- continuing to develop more effective scrutiny by training members and officers in the use of the performance management system
- improving public performance reporting, including the exploration of alternative performance management systems and report structures
- exploring alternative and simpler systems for presenting performance information.

109. As the Council develops its approach to performance management, the number of success measures, benchmarks and targets is changing every year. Our BVAR report highlighted there is a risk that the Council is unable to report consistent trend information for its success measures.

The Council needs to use benchmarking performance information needs to drive continuous improvement

110. The Local Government Benchmark Framework (LGBF) is a national dataset that allows all Scottish councils to compare their performance relative to other

councils for 79 indicators across a range of services. As the Council does not have any housing stock, the five LGBF indicators for housing do not apply.

111. As part of the BVAR we reviewed the how the Council used the LGBF to help improve performance. Since 2016/17 the Council has presented its own analysis of LGBF indicators to its audit and scrutiny committee. In 2017/18 relevant sections were also presented to strategic committees. The analysis highlights key measures that are important to the Council, and includes trend information, comparisons with family groups and a supporting narrative for each indicator.

112. Of the 74 indicators it analysed, 43 (58 per cent) were in the top two quartiles when ranked against all other Scottish councils. While the report identified 24 indicators that are of particular interest to the Council, there is no evidence of the Council using this analysis to drive improvement activity

The Council has appropriate arrangements in place for considering and reviewing National performance audit reports

113. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2019/20, Audit Scotland published a number of reports were issued which may be of interest to the body. These are outlined in [Appendix 3](#).

114. National performance audit reports are considered and reviewed by the relevant council committee and decide what action if any is required locally.

Appendix 1

Action plan 2019/20



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p>Financial Sustainability</p> <p>The Covid-19 pandemic has introduced further financial challenges with a projected funding gap of up to £60 million.</p> <p>Risk – The Council may not be able to deal with future financial challenges and deliver required savings without adversely impacting service delivery.</p>	<p>1. Update the MTFP to reflect the impacts of Covid-19 at the earliest appropriate opportunity.</p> <p>2. Work with key partners to identify opportunities to deliver service transformation.</p> <p>Paragraph 67</p>	<p>1. The Council will revise its financial strategy to reflect the current financial climate and future financial projections. This will be presented to full Council for approval in February 2021. It will be further revised after the 2022 local government elections to ensure it is aligned to the Council's priorities'.</p> <p>2. Work is underway to deliver savings through service redesign which will help deliver a balanced budget in 2021/22 and beyond'</p> <p>Responsible officer: Section 95 officer.</p> <p>Agreed Date: 28 Feb 2021</p>

Follow up of prior year recommendations

2	<p>Financial Strategy</p> <p>The current medium to long term financial strategy does not contain detailed financial plans beyond 3 years.</p> <p>Risk: that the impact of changes in funding or expenditure scenarios beyond three years are not fully taken into account across all aspects of the Council's activities.</p>	<p>The Council should enhance its long-term strategy when it is reviewed. In particular it should consider providing detailed financial plans for up to five years, providing details of changes in assets, liabilities and reserves over time and including an analysis of levels of service demand.</p>	<p>In progress</p> <p>Revised action: Action Plan point 1</p>
3	<p>Financial Sustainability</p> <p>The Council is forecasting significant funding gaps for the three years 2020/21 to</p>	<p>The Council should continue to develop its savings plans, and any other initiatives, to address the significant funding</p>	<p>In progress</p> <p>Revised action: Action Plan point 1</p>



No.	Issue/risk	Recommendation	Agreed management action/timing
	<p>2022/23, which have still to be addressed by identified savings.</p> <p>Risk: that savings or other measures to bridge the forecast funding gaps may not be identified.</p>	<p>gaps forecast for the three years 2020/21 to 2022/23.</p>	
4	<p>Performance Reporting</p> <p>It is difficult to connect service plan performance reports to corporate outcomes and the Corporate Plan, as service reporting only references related business outcomes.</p> <p>There is a risk that the link between service performance and the Corporate Plan is not sufficiently transparent.</p>	<p>The Council should consider developing clearer links between service area performance reporting and the corporate outcomes contained in the Corporate Plan.</p>	<p>In progress</p> <p>Revised action: A project team has been established to review the Council's approach to performance management and reporting.</p> <p>Responsible Officer – Head of Customer Support Services</p> <p>Agreed Date: 31 March 2022</p>
5	<p>Performance Reporting</p> <p>The provision within the six-monthly performance reporting process for feedback and comment from the Audit and Scrutiny Committee is not being utilised.</p> <p>There is a risk that the six-monthly performance reports are not subject to adequate scrutiny on behalf of the full Council.</p>	<p>Formal feedback from the Audit and Scrutiny Committee on the Council's six-monthly performance report should be built into the ASC's workplan.</p>	<p>In progress</p> <p>Revised action: Action Plan point 4</p>

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Risks of material misstatement in the financial statements

1 Management override of controls

Auditing Standards require that audit work is planned to consider the risk of material misstatement caused by fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to fraudulently misrepresent the position disclosed in the financial statements.

- Detailed testing of journal entries focussing on authorisation and approval.
- Review of accounting estimates and evaluation of the impact of any variability in key assumptions.
- Focussed testing of accruals and prepayments.
- Evaluation of significant transactions that are outside the normal course of business.
- Year-end cut-off testing.

Results: No unusual or inappropriate transactions were identified as part of our detailed journal testing.

A review of accounting estimates did not show any evidence of bias.

Focussed testing on accruals and prepayments did not identify any instances of management override of controls.

Within substantive testing we considered whether transactions were within the normal course of business. When selecting samples, we reviewed ledger or transaction listings that were outside the normal course of business.

Substantive testing of transactions around the year end identified controls were operating effectively.

Conclusion: we did not identify any incidents of management override of controls.

2 Fraud in expenditure

As most public-sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements.

The Council incurs significant expenditure on a range of activities. The extent of expenditure means there is an inherent risk of fraudulent or erroneous reporting of

- Testing to obtain evidence that expenditure is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.
- Analytical procedures on expenditure transactions.
- Year-end cut-off testing.

Results: Detailed testing of expenditure transactions confirmed these were normal business transactions and had been accounted for in the correct year.

Identified and reviewed significant variances within expenditure.

Substantive testing of transactions around the year end did not identify any issues with classification of expenditure relating to the financial year 2019/20.

expenditure to achieve a desired financial position.

Conclusion: we did not identify any incidents of fraud over expenditure.

3 Estimation and judgements

There is a significant degree of subjectivity in the measurement or valuation of the following material account areas:

- Non-current asset valuations are significant estimates, based on specialist and management assumptions
- Provisions (including equal pay claims)
- Pension liabilities: The council's share of the Strathclyde Pension Fund net liability at 31 March 2019 was £113.768 million. This value is an estimate based on a number of assumptions
- Loans fund repayments / borrowings: loans fund advance repayments are being rescheduled based on an average useful life for underlying assets, rather than on actual useful lives for the specific assets. The results from applying the revised basis are revenue savings of c £2.5million per annum for the ten years from 2019/20, and a one off reprofiling gain of £20.5 million.

The subjectivity of each of these areas of estimation or judgement presents an increased risk of misstatement in the financial statements.

- Completion of review of the work of management's expert' for the internal professional valuer.
- Review of revaluations carried out, assessing whether they have been performed using an appropriate and relevant valuation basis/methodology by suitably qualified individuals.
- Confirm non-current asset revaluations in surveyor's report are correctly reflected within the 2019/20 accounts.
- Work to assess the reasonableness of the valuations in the surveyor's report.
- Completion of review of the work of management's expert' for actuary.
- Confirm pension valuations in actuarial report are correctly reflected within the 2019/20 accounts.
- Review and assess the reasonableness of actuary's valuations and assumptions.
- Assess the reasonableness of judgements and estimates applied in rescheduling loans fund advance repayments.

Results: Completed a review of the work of management's expert for the internal professional valuer.

Substantively reviewed a sample of asset revaluations and confirmed that the appropriate valuation basis/methodology has been applied.

Substantive testing concluded that provisions had been accounted for appropriately.

Confirmed that the non-current asset revaluations are correctly reflected in the 2019/20 accounts.

Completed a review of the work of management's expert for the actuary.

Confirmed that the pension valuations in the actuarial reports are correctly reflected in the 2019/20 accounts.

Reviewed the judgements and estimates applied in rescheduling loans fund advance repayments for reasonableness.

Conclusion: the measurement and valuation of non-current assets, provisions, pension liabilities and loans fund repayments/borrowing included in the financial statements are reasonable and supported by evidence.

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

4 Financial sustainability-budget gap

Councils continue to face significant financial challenges with pressures on funding and increasing demand for services.

As at February 2020, the Council's budget estimates are for a mid-range budget gap of £5.014 million for 2021/22, rising

- Review of the council's annual budget setting arrangements.
- Assessment of the council's medium to long term financial strategy.
- Review and assessment of budget monitoring arrangements with a focus on reports to senior officers

Results: The audit team reviewed the council's annual budget setting arrangements.

The audit team reviewed financial updates to council and other committees throughout the year, this included reviewing the financial position and delivery of planned savings.

to £12.907 million by end of 2022/23, with a balanced budget position for 2020/21, after recognition of all agreed, and estimated, measures available. Beyond this there remain significant budget gaps in future years.

This represents a financial sustainability risk for the council as the level of necessary budget savings may adversely affect the level and quality of service provision.

and members on financial position.

- On-going review of the council's financial position and delivery of planned savings.

Conclusion: the Council achieved a year end surplus of £0.502 million in 2019/20. Significant financial challenges will continue in the short to medium term and this have been highlighted at [Appendix 1 Action Plan Point 1](#).

5 Financial sustainability-savings plans

As at February 2020, a potential shortfall in savings, planned for 2019/20, of £0.555m had been identified.

There is a risk that future planned savings and budget balance will become increasingly more difficult to deliver.

- Appraise savings plans and assess whether they are realistic and achievable.
- Comment on progress in delivering identified operational and policy savings options.

Results: The audit team reviewed savings updates presented to committees.

Reviewed the year-end financial position. The financial gap was addressed largely from savings achieved but there was an element of departmental underspends utilised.

Conclusion: the Council achieved a year end surplus of £0.502 million in 2019/20. Significant financial challenges will continue in the short to medium term and this have been highlighted at [Appendix 1 Action Plan Point 1](#).

6 Financial management – impact of Integration Joint Board overspends

The most recent budget monitoring report to members in February 2020 shows a projected overspend of £1.310 million for social work services commissioned by Argyll and Bute Integration Joint Board (IJB).

The latest IJB financial recovery plan has identified further savings options, however, it still seems likely that the outturn noted above will not be significantly improved by year end.

There is a risk that services cannot continue to be fully provided on behalf of the IJB within the council's budget, without adverse impact on Council General Fund contingency reserves.

- Review and assess recovery actions being taken by the Council to reduce overspends within Social Services.

Results: We noted regular reporting on the HSCP projected overspend to Committee throughout 2019/20.

At the end of 2019, the Chief Officer of the HSCP provided written assurance that emergency financial controls had been implemented at the HSCP and that additional measures were being put in place to restrict spending and assist in the delivery of savings.

Conclusion: More robust spending controls and improved financial monitoring and reporting has been introduced for the Council's Social Work Services. A more fundamental shift in funding/expenditure may be necessary to provide ongoing financial stability.

7 Governance – Internal Auditor independence

From January 2020, until potentially end of June 2020, the Chief Internal Auditor (CIA) has taken on some of the responsibilities of the Head of Financial Services, who is acting as Executive Director on an interim basis.

There is a risk of the CIA's independence being compromised by these arrangements, and of the Internal Audit Plan 2019/20 not being completed.

Review and assess practical operation of the arrangements put in place to mitigate risk to CIA independence.

Results: The audit team discussed the measures in place, both individually and collectively, with the S95 Officer, Chief Internal Auditor and senior finance managers. We assessed the measures and obtained assurance that these have not resulted in any significant difficulties or conflicts to date.

We did not identify any apparent conflicts of interest requiring any mitigating actions to be taken.

From our attendance at the Audit and Scrutiny Committee and from review of minutes from the Business Continuity Committee, we have confirmed that effective financial management has continued and that the Internal Audit Plan was on track for completion by the year end, but for the onset of Covid 19.

Conclusion: The interim arrangements established have operated effectively and have had no impact on the independence of the Chief Internal Auditor, nor on the completion of the 2019/20 Internal Audit Plan.”

Appendix 3

Financial challenges

Financial challenges

Financial challenge	£,000	Significant elements	£,000
Mobilisation costs	2,187	Community Food Project	873
		Homeless Accommodation	680
		Providing ELC to key workers	328
		Additional Free School Meals	92
Lost income	6,872	Piers and Harbours	2,300
		Waste Collection	986
		Parking Fees and Fines	929
		School Food and Drink	624
		Planning Fees	560
		Ferry Services	336
		Previously agreed income savings	618
General fund capital	1,087	Expenditure normally recharged to capital	830
		Project contract inflation due to delay	257
Recovery costs	2,088	Education including additional teachers, transport reconfiguration, cleaning and digital technology	1,612
		Waste and Environment	258
		Offices	119
Reduced costs	1,692	Waste Costs including recycling, landfill tax and PPP charges	540
		Closure of buildings	296
		Reduced Travel	295
		Lower Provision of School Meals	270
Reduction in council tax collection	555	Equivalent to 1% reduction in collections.	
Savings not delivered	112		

Source: Argyll and Bute Council, Policy and Resources committee October 2020

Appendix 4

Summary of national performance reports 2019/20



**2019/20
Reports**

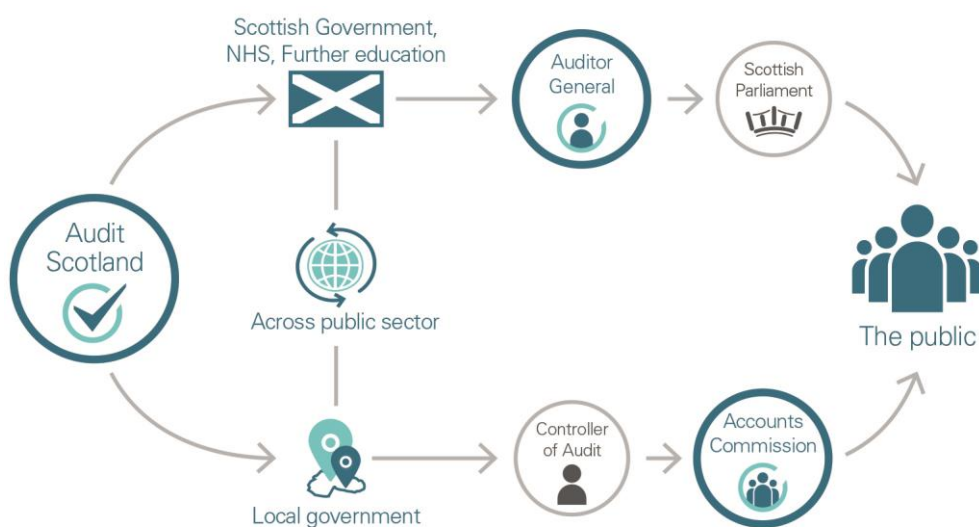
		Apr	
Social security: Implementing the devolved powers		May	
Scotland's colleges 2019		Jun	Enabling digital government
		Jul	
NHS workforce planning - part 2		Aug	
Finances of Scottish universities		Sept	
NHS in Scotland 2019		Oct	
		Nov	
Local government in Scotland: Financial overview 2018/19		Dec	
Scotland's City Region and Growth Deals		Jan	Privately financed infrastructure investment: The Non-Profit Distributing (NPD) and hub models
		Feb	
		Mar	Early learning and childcare: follow-up

Appendix 5

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public

- identifying risks, making clear and relevant recommendations.

Argyll and Bute Council

2019/20 Annual Audit Report – PROPOSED

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www.audit-scotland.gov.uk

Audit and Scrutiny Committee

17 November 2020

Argyll and Bute Council Audit of 2019/20 annual accounts

Independent auditor's report

1. Our audit work on the 2019/20 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 30 November 2020 (the proposed report is attached at [Appendix A](#)).

Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Audit and Scrutiny Committee's consideration our draft annual report on the 2019/20 audit. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual accounts.
3. The report also sets out conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.
4. This report will be issued in final form after the annual accounts have been certified.

Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected.

Fraud, subsequent events and compliance with laws and regulations

6. In presenting this report to the Audit and Scrutiny Committee we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

Representations from Section 95 Officer

7. As part of the completion of our audit, we are seeking written representations from the Section 95 Officer on aspects of the annual accounts, including the judgements and estimates made.

8. A draft letter of representation is attached at **Appendix B**. This should be signed and returned to us by the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

Independent auditor's report to the members of Argyll and Bute Council and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Argyll and Bute Council and its group for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Expenditure and Funding Analysis, the group and council-only Comprehensive Income and Expenditure Statements, Balance Sheets, Movement in Reserves Statements and Cash-Flow Statements, the Council Tax Income Account, and the Non-Domestic Rate Account and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the 2019/20 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2019/20 Code of the state of affairs of the council and its group as at 31 March 2020 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019/20 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 7 January 2019. The period of total uninterrupted appointment is two years. I am independent of the council and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter: valuation of land and buildings

I draw attention to Note 4 in the financial statements, Assumptions made about the future and other major sources of estimation uncertainty, which describes the effects of material uncertainties, caused by Covid-19, declared in the valuation report for land and buildings. My opinion is not modified in respect of this matter.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Section 95 Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the council's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Section 95 Officer and Argyll and Bute Council's Audit and Scrutiny Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Section 95 Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Section 95 Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Section 95 Officer is responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Audit and Scrutiny Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skillfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the annual accounts

The Section 95 Officer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett FCPFA
Audit Director
Audit Scotland
4th Floor, South Suite
Athenaeum Building
8 Nelson Mandela Place
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G2 1BT

APPENDIX B: Letter of Representation (ISA 580)

John Cornett, Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

Dear John

Argyll and Bute Council Annual Accounts 2019/20

1. This representation letter is provided about your audit of the annual accounts of Argyll and Bute Council for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Chief Executive and Strategic Management Team, the following representations given to you in connection with your audit of Argyll and Bute Council's annual accounts for the year ended 31 March 2020.

General

3. Argyll and Bute Council and I have fulfilled our statutory responsibilities for the preparation of the 2019/20 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Argyll and Bute Council have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (2019/20 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.
6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the Argyll and Bute Council and its Group at 31 March 2020 and the transactions for 2019/20.

Accounting Policies & Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2019/20 accounting code where applicable. Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Argyll and Bute Council circumstances and have been consistently applied.
8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

9. I have assessed Argyll and Bute Council's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Argyll and Bute Council's ability to continue as a going concern.

Assets

10. Where a rolling programme of asset valuations has been used, I have satisfied myself that the carrying amount of assets at 31 March 2020 does not differ materially from that which would be determined if a revaluation had been carried out at that date.
11. I carried out an assessment at 31 March 2020 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.
12. I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2020.
13. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.
14. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

Liabilities

15. All liabilities at 31 March 2020 of which I am aware have been recognised in the annual accounts.
16. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2020 of which I am aware where the conditions specified in the 2019/20 accounting code have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 March 2020. Where the effect of the time value of money is material, the amount of the provision has been discounted to the present value of the expected payments.

17. Provisions recognised in previous years have been reviewed and adjusted, where appropriate, to reflect the best estimate at 31 March 2020 or to reflect material changes in the assumptions underlying the calculations of the cash flows.
18. The accrual recognised in the financial statements for holiday untaken by 31 March 2020 has been estimated on a reasonable basis.
19. The pension assumptions made by the actuary in the IAS 19 report for Argyll and Bute Council have been considered and I confirm that they are consistent with management's own view.
20. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Contingent liabilities

21. There are no significant contingent liabilities, other than those disclosed in Note 34 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided under the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and IAS 37.
22. Any potential adjustment to the pension fund liability arising from the UK Government consultation documentation issued in July 2020 outlining a remedy to the McCloud case issues would not be material in the view of management.

Fraud

23. I have provided you with all information in relation to:
 - my assessment of the risk that the financial statements may be materially misstated because of fraud
 - any allegations of fraud or suspected fraud affecting the financial statements
 - fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

24. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

25. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2019/20 accounting code. I have made available to you the identity of all the Argyll and Bute Council's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

26. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2014, and all required information of which I am aware has been provided to you.

Management commentary

27. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

28. I confirm that the Argyll and Bute Council has undertaken a review of the system of internal control during 2019/20 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.
29. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2020, which require to be reflected.

Group Accounts

30. I have identified all the other entities in which Argyll and Bute Council has a material interest and have classified and accounted for them in accordance with the 2019/20 accounting code. Any significant issues with the financial statements of group entities, including any qualified audit opinions, have been advised to you.

Events Subsequent to the Date of the Balance Sheet

31. All events subsequent to 31 March 2020 for which the 2019/20 accounting code requires adjustment or disclosure have been adjusted or disclosed.

This letter was presented, and agreed at the meeting of the Council on 26 November 2020.

Yours sincerely

Kirsty Flanagan
Section 95 Officer

Argyll and Bute Council
Charitable Trusts

17 November 2020

Charitable Trusts administered by Argyll and Bute Council Audit of 2019/20 annual accounts

Independent auditor's report

1. Our audit work on the 2019/20 annual accounts is now substantially complete. Subject to receipt of revised sets of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's reports on 22 September 2020 for the charitable trusts listed below:
 - Baillie Gillies Bequest (Registered Charity SC013578)
 - Kidston Park Trust (Registered Charity SC013600)
 - Miss Annie Dickson Bequest (Registered Charity SC018697)
 - Logie Baird Prize Fund (Registered Charity SC018698)
 - McCaig Trust (Registered Charity SC019599)
 - Marquess of Bute Silver Wedding Dowry (Registered Charity SC019607)
 - County of Argyll Educational Trust Scheme 1960 (Registered Charity SC020382)
 - Oban Common Good Fund (Registered Charity SC021328)
2. The proposed reports are attached at [Appendices A to H](#).

Unadjusted misstatements

3. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected. There were no unadjusted misstatements in the audit of the charitable trust accounts.

Fraud, subsequent events and compliance with laws and regulations

4. In presenting this letter to the Audit and Scrutiny Committee we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

Representations from Section 95 Officer

5. As part of the completion of our audit, we are seeking written representations from the Section 95 Officer on aspects of the annual accounts, including the judgements and estimates made.
6. A draft letter of representation is attached at [Appendix I](#). This should be signed and returned to us by the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

Significant findings from the audit

7. The Charities and Trustee Investment (Scotland) Act 2005 allows for the reorganisation of charities which includes amalgamation or winding up to enable that the resources of the charity to be applied to better effect for charitable purposes. A number of the trust fund have been dormant, or largely dormant, for several years – for example, the Marquess of Bute Silver Wedding Dowry. Further consideration should be given by members to amalgamate or wind up such charities administered by Argyll and Bute Council.
8. There were no other issues which require to be brought to your attention in relation to the audits of the charitable trusts noted above.

Appendix A – Proposed independent auditor’s report

Independent auditor’s report to the trustees of the Baillie Gillies Bequest and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Baillie Gillies Bequest for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2020 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council’s Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor’s responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor’s report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor’s report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett FCPFA
Audit Director
Audit Scotland
4th Floor, South Suite
Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

Appendix B – Proposed independent auditor’s report

Independent auditor’s report to the trustees of the Kidston Park Trust and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Kidston Park Trust for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2020 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council’s Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor’s responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor’s report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor’s report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

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Appendix C – Proposed independent auditor’s report

Independent auditor’s report to the trustees of the Miss Annie Dickson Burgh Bequest and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Miss Annie Dickson Burgh Bequest for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2020 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council’s Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor’s responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor’s report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor’s report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

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Appendix D – Proposed independent auditor’s report

Independent auditor’s report to the trustees of the Logie Baird Prize Fund and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Logie Baird Prize Fund for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2020 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council’s Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor’s responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor’s report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor’s report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

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Appendix E – Proposed independent auditor’s report

Independent auditor’s report to the trustees of the McCaig Trust and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the McCaig Trust for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of My report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council’s Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about ability of the charity to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor’s responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Charities SORP (FRS 102).

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

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Appendix F – Proposed independent auditor’s report

Independent auditor’s report to the trustees of the Marquess of Bute Wedding Dowry and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Marquess of Bute Wedding Dowry for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2020 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1), (2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council’s Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor’s responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor’s report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor’s report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

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Appendix G – Proposed independent auditor’s report

Independent auditor’s report to the trustees of the County of Argyll Educational Trust Scheme, 1960 and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the County of Argyll Educational Trust Scheme, 1960 for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of My report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council’s Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about ability of the charity to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor’s responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Charities SORP (FRS 102).

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

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Appendix H – Proposed independent auditor’s report

Independent auditor’s report to the trustees of the Oban Common Good Account and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of the Oban Common Good Account for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of My report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council’s Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about ability of the charity to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor’s responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Charities SORP (FRS 102).

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett FCPFA
Audit Director
Audit Scotland
4th Floor, South Suite
Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT



Chief Executives Unit

John Cornett FCPFA
Audit Director
Audit Scotland
4th Floor
102 West Port
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Financial Services, Kilmory
Lochgilphead, Argyll, PA31 8RT
Tel: 01546 604268
Email: Kirsty.flanagan@argyll-bute.gov.uk
Website: www.argyll-bute.gov.uk

Ask For: Kirsty Flanagan

Our Ref:
Your Ref:
Date: 26 November 2020

Dear John

Charitable Trusts administered by Argyll and Bute Council

Annual Accounts 2019/20

- Baillie Gillies Bequest (Registered Charity SC013578)
- Kidston Park Trust (Registered Charity SC013600)
- Miss Annie Dickson Bequest (Registered Charity SC018697)
- Logie Baird Prize Fund (Registered Charity SC018698)
- McCaig Trust (Registered Charity SC019599)
- Marquess of Bute Silver Wedding Dowry (Registered Charity SC019607)
- County of Argyll Educational Trust Scheme 1960 (Registered Charity SC020382)
- Oban Common Good Fund (Registered Charity SC021328)

1. This letter of representation is provided in respect of the annual accounts of the registered charitable trusts named above for the year ended 31 March 2020. It is for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing an opinion on the Trustees' Annual Report.
2. I confirm to the best of my knowledge and belief, and having made appropriate enquiries of the trustees of the registered charitable trusts where Argyll and Bute Council is the sole trustee, the following representations given to you in connection with your audit for the year ended 31 March 2020.

General

3. I acknowledge my responsibility and that of Argyll and Bute Council (as the administering authority of the Charitable Trusts) for the financial statements. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by the Charitable Trusts have been recorded in the accounting records and are properly reflected in the financial statements.

4. I confirm that the eight trusts presented for audit are all the trusts that require an audit, where the sole trustee is Argyll and Bute Council.
5. The information given in the Trustees Reports to the financial statements presents a balanced picture of the Charitable Trusts and are consistent with the financial statements.
6. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

7. The financial statements of Baillie Gillies Bequest, Kidston Park Trust, Miss Annie Dickson Bequest, Logie Baird Prize Fund and Marquess of Bute Silver Wedding Dowry have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and directions made thereunder by the Scottish Ministers including all relevant presentation and disclosure requirements.
8. The financial statements of the McCaig Trust, County of Argyll Educational Trust Scheme 1960 and Oban Common Good Fund have been prepared in accordance with the requirements of the Charities Statement of Recommended Practice (SORP): Financial Reporting Standard 102 (FRS 102) and directions made thereunder by the Scottish Ministers including all relevant presentation and disclosure requirements.
9. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the Charitable Trusts at 31 March 2020 and the transactions for 2019/20.

Accounting Policies and Estimates

10. The Annual Report and Financial Statements of the Baillie Gillies Bequest, Kidston Park Trust, Miss Annie Dickson Bequest, Logie Baird Prize Fund and Marquess of Bute Silver Wedding Dowry have been prepared on a receipts and payments basis as per applicable regulations and the founding documents of each Trust.
11. The Annual Report of the Trustees and Financial Statements of the McCaig Trust, County of Argyll Educational Trust Scheme 1960 and Oban Common Good Fund have been prepared on an accruals basis as per applicable regulations and the founding documents of each Trust.
12. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

13. Several the trusts have been dormant in recent years. The Trustees have assessed the ability of the registered charitable trust to carry on as a going concern, and have disclosed in the financial statements any material uncertainties that have arisen as a result.
14. Proposals are in place to implement the connected charities provisions to reorganise the trust funds. The proposal is to amalgamate the trusts into four categories and four corresponding sets of accounts.

Assets

15. The assets shown in the Statement of Balances/Balance Sheet at 31 March 2020 were owned by Charitable Trusts, other than assets which have been purchased under finance leases. Assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

Liabilities

16. All liabilities have been provided for in the financial records, including the liabilities for all purchases to which title has passed prior to 31 March 2020.

Fraud

17. I have provided you with all information in relation to:
- my assessment of the risk that the financial statements may be materially misstated because of fraud
 - any allegations of fraud or suspected fraud affecting the financial statements
 - fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Law and Regulations

18. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

19. All material transactions with related parties have been disclosed in the financial statements in accordance with the 2019/20 accounting code. I have made available to you the identity of all the Charitable Trusts' related parties and all the related party relationships and transactions of which I am aware.

Corporate Governance

20. I confirm that there are no issues or deficiencies in internal control that require to be disclosed.

Events Subsequent to the Date of the Balance Sheet

21. There have been no material events since the date of the Statement of Balances/Balance Sheet which necessitate revision of the figures in the financial statements or notes thereto including contingent assets and liabilities.
22. Since the date of the Statement of Balances/Balance Sheet/Statement of Financial Position no events or transactions have occurred which, though properly excluded from the financial statements, are of such importance that they should be brought to your notice.

Yours sincerely

Kirsty Flanagan
Section 95 Officer
26 November 2020

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ARGYLL AND BUTE COUNCIL
COUNCIL**FINANCIAL SERVICES****26 NOVEMBER 2020**

AUDIT AND SCRUTINY COMMITTEE ANNUAL REPORT 2019/20

1. SUMMARY

- 1.1 The purpose of this report is to provide the Chair of the Audit and Scrutiny Committee's annual overview of the Committee's activity during the financial year 2019/20 and a summary of key developments since the commencement of 2020/21. It sets out how the Committee has fulfilled its remit and provides assurances to the Council.

2. RECOMMENDATIONS

- 2.1 Review and endorse the Chair's Annual Report.

3. DETAILS

- 3.1 It is important that the Committee fully complies with best practice guidance on Audit Committees to ensure it can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance for the Council. The Chartered Institute of Public Finance and Accountancy (CIPFA) issued an updated guidance note Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition which incorporates CIPFA's Position Statement: Audit Committees in Local Authorities and Police. This sets out CIPFA's view of the role and functions of an Audit Committee. The CIPFA Audit Committees Guidance includes the production of an annual report on the performance of the Audit Committee against its remit for submission to the Council.

4. CONCLUSION

- 4.1 The Audit and Scrutiny Committee Annual Report 2019/20, which is appended to this report as Appendix 1, provides assurance to full Council over the activity of the Committee

5. IMPLICATIONS

- | | | |
|-------|-----------------------|------|
| 5.1 | Policy: | None |
| 5.2 | Financial: | None |
| 5.3 | Legal: | None |
| 5.4 | HR: | None |
| 5.5 | Fairer Scotland Duty: | None |
| 5.5.1 | Equalities: | None |
| 5.5.2 | Socio-Economic Duty: | None |
| 5.5.3 | Islands Duty: | None |
| 5.6 | Risk: | None |

5.7 Customer Service: None

For further information please contact Internal Audit (01436 657694)

Laurence Slavin
Chief Internal Auditor
26 November 2020

Appendices:

1. Audit and Scrutiny Committee Chair Annual Report 2019/20

Appendix 1 - Audit and Scrutiny Committee Chair Annual Report 2019/20

Introduction by the Chair of Audit and Scrutiny Committee

This report provides an overview of the Audit and Scrutiny Committee's (the Committee) activity during the financial year 2019/20 and a summary of key developments since the commencement of 2020/21.

In 2019/20 the Committee met quarterly with the following as appointed members:

Martin Caldwell (Chair)	George Freeman	Richard Trail
Sandy Taylor (Vice Chair)	Sir Jamie McGrigor	Andrew Vennard
Jim Findlay	Alan Reid	

Committee meetings were also attended by appropriate representatives of the Council including the Head of Financial Services and the Chief Internal Auditor (CIA). Audit Scotland also attend as do other Council Officers as and when appropriate including the Chief Executive and the Head of Customer Support Services who attends regularly to advise the Committee on issues relating to performance management.

In January 2020 the CIA, at the request of the Chief Executive, has been acting up as the Head of Financial Services on a shared basis with the Council's Finance Manager and the Council's Revenues and Benefits Manager. I am satisfied that appropriate arrangements were put in place to split the role in such a manner that, in conjunction with other appropriate arrangements, the CIA and the Internal Audit team, operated throughout 2019/20 with no impairments or restrictions in scope or independence.

In looking forward to 2020/21 and beyond, the Council will need to continue to respond to the medium to longer term effects of the COVID-19 pandemic on both the Council itself but also the wider Argyll and Bute community.

2019/20 also saw the completion of the Council's Best Value review and I am pleased to see it was an overall positive report and also that the Council is taking action to address the key areas for improvement highlighted in the report. The Committee look to scrutinise progress against the Council's agreed BV action plan at an appropriate time.

Martin Caldwell - Chairperson

Sandy Taylor - Vice Chairperson

22 September 2020

1. Audit and Scrutiny Committee's Effectiveness and Impact

- 1.1 The Committee's role is to ensure that the Council's internal control framework and governance arrangements are operating effectively. In order to fulfil this role a range of reports are provided to the Committee during the year. I am satisfied that the frequency, content and detail of reports provided to the Committee allow myself and fellow members to adequately fulfil this role.
- 1.2 In March 2019 both Audit Scotland and Internal Audit presented their annual audit plans setting out their respective approaches to the 2019/20 audit of the Council, reflecting their statutory duties and risk based approach. The audit plans were considered by the Committee and accepted.
- 1.3 During 2019/20 the CIA has continued to develop our approach to audit and scrutiny. Particular developments in the past 12 months which have furthered the effectiveness of both Internal Audit and the Committee are:
- introduced an annual strategic risk assurance mapping exercise
 - incorporated external audit's recommendations into the follow-up process
 - changed from a monthly to a quarterly follow up process to better prioritise resources
 - implemented local benchmarking indicators with five other local authorities
 - ongoing engagement with Committee members on our approach to scrutiny.

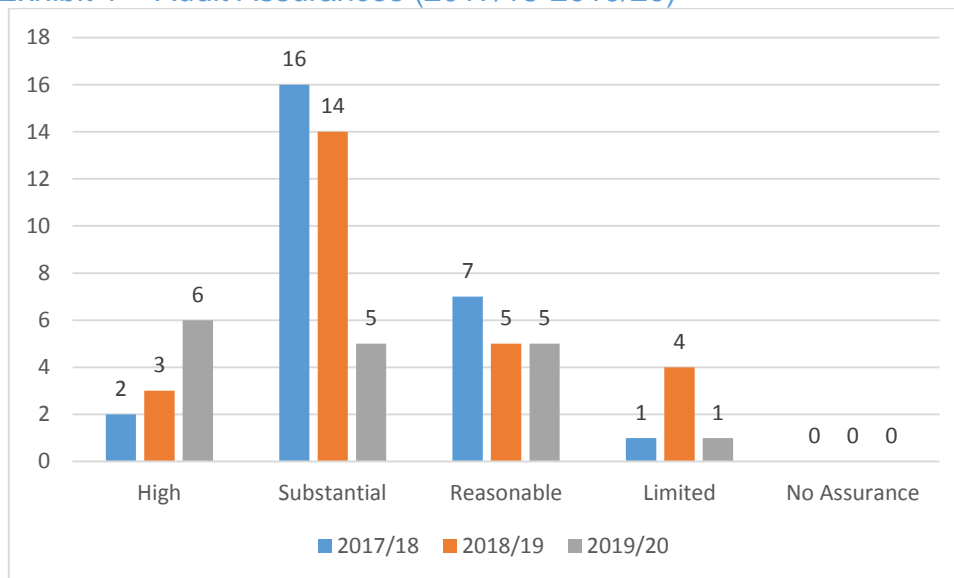
2. Assurances

Internal Audit Assurance

- 2.1 Internal Audit is a key source of assurance for both members and management on the effectiveness of the control environment. The Committee has a responsibility for ensuring that Internal Audit is effective in the provision of this assurance. The COVID-19 pandemic meant the 2019/20 audit plan could not be completed in its entirety due to a need to redeploy audit resource to priority tasks required to support the Council's response to the pandemic. However I am content that appropriate action has been taken to revise the 2020/21 audit plan to accommodate the impact of this redeployment and I am content with the assurance provided by the CIA that sufficient work has been undertaken to allow him to provide an opinion on the Council's systems of governance and internal control. Throughout the year, in my opinion, clear assurance judgements are provided, underpinned by an appropriate evidence base and, where appropriate, include sound management advice and guidance.
- 2.2 The Committee has received regular reports and information from the CIA including:
- risk based internal audit annual plan
 - regular progress reports
 - annual report, in line with PSIAS, which provided the CIA's independent annual opinion on the effectiveness of the Council's risk management, internal control and governance processes.
- 2.3 Exhibit 1 shows an analysis of assurance opinions provided by internal audit in the three year period 2017/18 – 2019/20. It is encouraging to see an

increase in the number of audits classified as providing a high level of assurance in 2019/20 and that only one was classified as being limited. The limited assurance report focused on management of the Pupil Equity Fund. For this and all other audit reports, management have accepted 100% of audit recommendations and action plans have been agreed with a robust follow-up system in place with progress presented to the SMT on a quarterly basis and to the Committee as a standard agenda item.

Exhibit 1 – Audit Assurances (2017/18-2019/20)



- 2.4 The Committee has a clear role in relation to oversight of the internal audit function; specifically in relation to overseeing its independence, objectivity, performance and professionalism. I am pleased to advise, as Chair of the Committee, that I am satisfied that internal audit is effective and activity is undertaken in accordance with relevant standards.

External Audit Assurance

- 2.5 External Audit is an essential part of the process of accountability and assurance for public funds, providing an independent opinion on the financial statements, and reviewing aspects of governance and financial management. Working closely with Internal Audit, the external audit programme ensures that statutory responsibilities are delivered, without the duplication of audit work. The Council's external auditors are Audit Scotland.
- 2.6 Due to the impact of COVID-19 the audit of the Council's financial statements was still ongoing at the time I wrote this report and the Council was still to receive its 2019/20 annual audit report. Consequently this reduces the assurance we can take at the current time from external audit's work however the Council were subject to a Best Value review in 2019/20 which highlighted good progress made by the Council since the last inspection in 2015, specifically the significantly improved relationships amongst elected members and between members and officers, the Council's sound approach to financial planning. It also identified areas for the Council to focus its continued improvement upon, such as performance management, more significant transformation and redesign of services and better engage staff in planning and implementing change. I am pleased that the Council has responded positively to these messages and have agreed an action plan to help address the issues highlighted.

3. Risk Management

- 3.1 It is the role of the Committee to gain assurance on the adequacy of the Council's risk management arrangements. In January 2020 the Committee considered a risk management audit presented by the CIA which confirmed that a high level assurance could be taken over the Council's risk management arrangements.
- 3.2 Furthermore the CIA now performs an annual strategic risk register assurance mapping exercise which enables the Committee to assess the levels of assurance it can take over the activity undertaken by the Council to manage its strategic risks. This is complemented by the Chief Executive presenting the Strategic Risk Register to the Committee on an annual basis to allow the Committee to further scrutinise the approaches being taken to manage risk.

4. Independence

- 4.1 To assist in preserving the Committee's independence measures are in place including:
- the appointment of an independent chair
 - observation of the Internal Audit Charter which specifies the independence of the CIA and the wider audit team
 - the non-political approach of the committee
 - the active involvement of the external auditors
 - clear terms of reference aligned to CIPFA's Role of the Audit Committee Guidance

5. Scrutiny

- 5.1 During 2019/20 the Committee has continued to develop its approach to Scrutiny including consideration of a lessons learned report in March 2020 which highlighted a number of areas for improvement and development both in terms of process learning for the Committee members and administrative learning points for the internal audit team. The report was discussed at the formal March meeting of the Committee but also in a development session prior to that meeting which provided for a good opportunity for debate.
- 5.2 As with the audit work the delivery of scrutiny work was put on hold during the Council's response to the COVID-19 however I am pleased to say that it has restarted and we are looking to further develop our approach to scrutiny as the process matures.
- 5.3 Our scrutiny panels have developed their approach to review work with a renewed emphasis on seeking clearer evidence behind published programme and policy positions. Members are also sharing insights in teleconference and telephone discussions which are sharpening our focus in subsequent panel sessions. We will maintain our search for continuous improvement to review work.

6. Looking Forward

- 6.1 The Committee will continue to implement and further develop the Council's scrutiny approach including exploring implementing the lessons discussed at the March 2020 meeting of the Committee and further exploring different approaches to carrying out scrutiny.

- 6.2 This focus on continuous improvement is equally applicable to the audit element of the Committee and we will continue to work with the CIA and, where appropriate, our colleagues in Audit Scotland, to identify opportunities to further develop the skillset and expertise of both the Committee and the internal audit department to facilitate effective challenge and scrutiny.
- 6.3 In September the Council's new counter fraud team will be launched and we look forward to seeing how it develops and the results it can deliver during its two year pilot.

7. Conclusion

- 7.1 Based on the reports received and reviewed by the Committee they are in agreement with the CIA's annual audit report which confirms that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control system in 2019/20. I am satisfied that active monitoring and follow up of recommendations is in place in respect of agreed management action. This follow up process is further enhanced by the continuous monitoring programme carried out by internal audit which provides ongoing assurance over the Council's core transactional based systems.

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ARGYLL AND BUTE COUNCIL**ARGYLL AND BUTE COUNCIL****FINANCIAL SERVICES****26 NOVEMBER 2020**

**COUNCIL TAX ON EMPTY PROPERTIES – PROPOSED EXTENSION OF
TEMPORARY AMENDMENT DUE TO COVID 19**

1.0 EXECUTIVE SUMMARY

- 1.1 On 14 May 2020 the Council's Business Continuity Committee (BCC) approved a temporary policy amendment to remove the double charge of Council Tax on long-term empty dwellings under the following circumstances:
- where there is conclusive evidence that efforts have been made, or are being made to bring the empty properties back into use and that the homeowners' ability to bring the home back into use is affected by Covid-19
 - where there is conclusive evidence of financial hardship of the taxpayer caused by Covid-19
 - where the Council does not apply any new double charges of Council Tax on long-term empty dwellings where it becomes long-term empty between 1 April 2020 and 30 September
- 1.2 This was a temporary policy change which allowed council officers to use their discretion to charge only the normal rate of Council Tax for long-term empty properties under the qualifying circumstances in 1.1. The temporary amendment covered the period 1 April 2020 to 30 September 2020.
- 1.3 The policy amendment expired at midnight on 30 September and the double charge has been reapplied to 97 properties that had benefitted from the temporary reduction in charges.
- 1.4 The Council has had a number of complaints about reapplying the charge and the Covid-19 situation has moved on from April and May 2020 when the original policy amendment was proposed. It is clear from the complaints that there are still issues now around availability of licensed tradesman and delays in delivery times for materials that are contributing to job completion delays for those renovating their properties.
- 1.5 This has been considered by Financial Services Management and it is proposed to extend the terms of the temporary policy amendment to 31 March 2021 and remove the third category in paragraph 1.1 that would allow a new double charge to be applied for a long-term empty property between 1 October 2020 and 31 March 2021.
- 1.6 The potential cost to the Council of this proposal is not expected to exceed £30,000 by way of a reduction in the level of Council Tax that can be recovered for long-term empty properties.

**COUNCIL TAX ON EMPTY PROPERTIES – PROPOSED EXTENSION OF
TEMPORARY AMENDMENT DUE TO COVID 19**

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Council approve a temporary policy amendment to allow management the discretion to remove the double charge of Council Tax for a maximum of 6 months between 1 October 2020 and 31 March 2021 where there is conclusive evidence that efforts have been made, or are being made to, bring the empty properties back into use and that the homeowners' ability to bring the home back into use is affected by Covid-19.
- 2.2 It is recommended that the Council approve a temporary policy amendment to allow management the discretion to remove the double charge of Council Tax for a maximum of 6 months between 1 October 2020 and 31 March 2021 in exceptional circumstances where there is conclusive evidence of financial hardship of the taxpayer caused by Covid-19.

3.0 DETAIL

- 3.1 On 14 May 2020 the BCC approved a temporary policy amendment to remove the double charge Council Tax on long-term empty dwellings under regulation 4 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 under the following circumstances:
- where there is conclusive evidence that efforts have been made, or are being made to, bring the empty properties back into use and that the homeowners' ability to bring the home back into use is affected by Covid-19
 - where there is conclusive evidence of financial hardship of the taxpayer caused by Covid-19
 - where the Council does not apply any new double charges of Council Tax on long-term empty dwellings where it becomes long-term empty between 1 April 2020 and 30 September 2020
- 3.2 This policy change allowed council officers to apply discretion and only charge the normal rate of Council Tax for long-term empty properties under the qualifying circumstances in paragraph 3.1. The temporary amendment covered the period 1 April 2020 to 30 September 2020.

THE COVID-19 POSITION

- 3.3 The rationale for the temporary policy amendment for the period 1 April 2020 to 30 September 2020 was that, at the time, the country was in lockdown due to Covid-19 meaning skilled tradesman were unable to plan new jobs or complete work

already started. In addition, for people with their property listed for sale or let, there was evidence that the housing market had really slowed.

- 3.4 However in November 2020 whilst we are no longer in formal lockdown, the government has introduced a new Covid-19 tiered response mechanism to minimise the risk of outbreaks by local authority. Whilst Argyll and Bute is at tier 2 of the national system, cases of Covid-19 are increasing and there is ongoing concern regarding a potential second wave of the pandemic.
- 3.5 The Council has received complaints from owners of long-term empty properties stating that the availability of licensed tradesmen is still an issue due to the backlog developed during the 10 week lockdown period and also there is an impact of delays in the delivery of materials for carrying out renovation works.

IMPACT OF COVID-19 TEMPORARY POLICY CHANGE ON COLLECTION OF COUNCIL TAX FOR LONG-TERM EMPTY PROPERTIES IN 2020/2021

- 3.6 Since the policy change was approved on 14 May 2020 there have been 97 properties where the double charge was either cancelled or new charges not applied when it normally would have been.
- 3.7 The value of Council Tax not levied as a consequence is just under £38,500. In year collection rate of double charge levies in 2019/2020 is 77%. Based on that the income foregone by the temporary policy amendment for the period 1 April 2020 to 30 September 2020 is estimated as £29,645.
- 3.8 The proposal is that officers are given the discretion to reduce the double charge of Council Tax to a single charge for the period 1 October 2020 to 31 March 2021 but, unlike the first temporary policy amendment, we do not propose to stop automatically applying the double charge to properties that become long-term empty in the period. We would only remove the double charge if there were Covid-19 related reasons for the property being long-term empty or if the homeowner can demonstrate that they are in financial hardship. The reduction to the double charge cannot be granted beyond the 31 March 2021.
- 3.9 Decisions would be made by management on a case-by-case basis. Approval will require conclusive evidence there is a recent history of engagement with the taxpayer in relation to renovation works or a clear schedule of work that is planned. Additionally where there is clear evidence of financial hardship brought about by Covid-19 then there could be a reduction on the charge agreed for the period from 1 October 2020 to 31 March 2021.
- 3.10 If the property has already been on the list of long-term empty properties for more than two years at 1 April 2020 then no reduction will be available.
- 3.11 It is proposed that a new double charge is added to any Council Tax accounts where the property becomes eligible to attract the charge between 1 October 2020 and 31 March 2021.
- 3.12 It should be noted that a proportion of the reduction in empty dwelling discount and the increase in taxes in relation to empty properties is paid over to the Strategic Housing Fund. These monies are given to the Registered Social Landlords to

support the development of new housing in our area. Funding for these purposes will reduce if there is a reduction in the number of taxpayers affected by the double charge that actually pay. By assisting those who need help in the current circumstances it is expected that payment can be more easily maintained thereby the funding to support Housing is more likely to be maintained at current levels.

4.0 CONCLUSION

4.1 Covid-19 has impacted the local economy in a way that makes the renovation of empty properties more difficult than normal. The Council relaxed its policy to apply a double charge of Council Tax for 6 months from 1 April 2020 to 30 September 2020 in order to support taxpayers impacted by current market conditions. Management recommend that the policy is amended to allow further relaxation of the policy until 31 March 2021.

5.0 IMPLICATIONS

- | | |
|-----------------------|--|
| 5.1 Policy: | Temporary relaxation of terms of policy to allow staff to reduce the Council Tax charged on long-term empty properties under some circumstances. |
| 5.2 Financial: | Anticipated reduction in amount billed estimated at £38,500 in 2020/021 and subsequent reduction in amount collected estimated at £29,645. |
| 5.3 Legal: | None. |
| 5.4 HR: | None. |
| 5.5 Equalities: | None. |
| 5.6 Risk: | No change. |
| 5.7 Customer Service: | No change. |

Kirsty Flanagan
S95 Officer
9 November 2020

Policy Lead for Financial Services and Major Projects: Councillor Gary Mulvaney

For further information please contact Fergus Walker, Revenues and Benefits Manager Tel 01586-555237

Background papers

Council tax on empty properties: Business Continuity Committee 14 May 2020

ARGYLL AND BUTE COUNCIL**COUNCIL****Date 26 November 2020**

CHIEF SOCIAL WORK OFFICER REPORT 2019 - 2020

1.0 EXECUTIVE SUMMARY

- 1.1 The report presents the Argyll and Bute Chief Social Work Officer report for the period 1st April 2019 until 31st March 2020. The report provides oversight and accountability within the local authority for all social work and social care services, delegated to the Integrated Joint Board. Following consideration of the report it will be submitted to Scottish Government. Social work and social care services are key to delivering the Strategic Plan.

1.0 INTRODUCTION

- 2.1 The Chief Social Work Officer has a statutory requirement to produce an annual report providing an overview of social work services for Argyll and Bute. The Chief Social Work Officer also has a responsibility to report directly to elected members, Chief Officer and Chief Executive in respect of any significant, serious or immediate risk or concern arising from statutory responsibilities within her professional remit.

The report details arrangements within Argyll and Bute Council to enable the Chief Social Work Officer to fulfil the responsibilities. For the purposes of this report it should be noted that for the reporting period 2019 to 2020 the Chief Social Work Officer was Alex Taylor who has since retired.

Key highlights of service achievements for the reporting year 2020 – 2021 will also be included.

2.0 RECOMMENDATIONS

- I. Note, comment and approve the contents of the Chief Social Work Officer Annual Report for 2019 to 2020.
- II. Acknowledge the efforts of social work and social care staff across all sectors, as well as unpaid carers in continuing to support the people of Argyll and Bute.
- III. Approve the publication of this report
- IV. Note that once approved, the report will be forwarded to the Scottish Government.

3.0 DETAIL

- 4.1 The report highlights the progress of the delivery and performance of social work services during 2019 – 2020. The report highlights performance information and also challenges for the year and provides highlights and areas for development for the forthcoming year.

The report provides acknowledgement to the early stages of the Coronavirus pandemic and this will be feature more prominently in next year's annual report. It should be noted that the Scottish Government agreed to a shorter report for 2019 - 2020 given the ongoing impact of Coronavirus and the changes that this has required to service delivery. Current priorities for recovery in response to Coronavirus are included and remain a prominent feature moving forward in line with the changing directions in relation to policy and legislation as this arises.

5.0 CONCLUSION

- 5.1 Throughout 2019/20, our workforce have continued to deliver and provide high quality, flexible services to children, young people and adults who need additional support. Examples of innovative practice and developments to improve outcomes for people using our services are highlighted in the report. As mentioned earlier this year's report comes at a very difficult time and reflects the challenges faced by the citizens of Argyll and Bute and also our staff as a result of working through the pandemic. Performance data is provided and reflects the close partnership working with our performance team who support the delivery of this report.
- 5.2 The members of the Council are asked to note the content of the report and approve the contents. Once approved the report will be forwarded to the Scottish Government.

6.0 IMPLICATIONS

- 6.1 Policy – no policy implications as retrospective report. Information presented may have a bearing on future policy recommendations
- 6.2 Financial - none
- 6.3 Legal – The report details arrangements within Argyll and Bute Council to enable the Chief Social Work Officer to fulfil the responsibilities outlined in Section 5 (1) of the Social Work (Scotland) Act 1968 (as amended).
- 6.4 HR - none for this report
- 6.5 Fairer Scotland Duty: – none specific outwith national legislation and policy guidelines
- 6.5.1 Equalities -
The report links in to the Local Outcome Improvement Plan and Strategic plan. The report further links to the policies and legislation that surround children's, adults, justice, learning disability, mental health and older

adults care. These priorities further include the underpinning human rights principles across all services. Our priorities also include maximising inclusion and reducing inequalities and empowering people to be part of communities that are strong, resilient and citizen led

6.5.2 Socio-economic Duty – none specific outwith national legislation and policy guidelines

6.5.3 Islands – none specific outwith national legislation and policy guidelines

6.6. Risk – none for this report

6.7 Customer Service – none for this report

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APPENDICES

Appendix 1 Chief Social Work Officers Report 2019-20

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**Argyll and Bute
Health and Social Care Partnership
Chief Social Work Officer
Annual Report 2019/20**



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Chief Social Work Officers Report

Introduction

Welcome to the annual Chief Social Work Officer report for Argyll and Bute for the year 2019/2020.

This report comes at a time of change for Argyll and Bute with the retirement of our previous CSWO Alex Taylor, the introduction of a new children and adult services restructure and the shift to moving from locality teams to that of a full Argyll and Bute service delivery model.

The report is also a shortened version of the standard annual report. This is in line with information shared from the Office of the Chief Social Work Advisor to all Chief Social Work Officers. The report will focus on the areas of Governance and Accountability, Service Quality and Performance, Resources, Workforce and Coronavirus (COVID-19). An overview of our challenges will also be provided all in the context of social work service delivery across our remote, rural and Island communities. It is also important to share the areas that we have identified as requiring improvement and highlight the work of our ongoing culture review.

Whilst the majority of the work detailed in the report pre-dates COVID-19, the challenges and impact that the virus has had across our communities, teams and staff will be noted.

Governance and Accountability

Role of the Chief Social Work Officer

The recently appointed Chief Social Work Officer for Argyll and Bute is also Head of Adult Services. This portfolio includes direct responsibility for Mental Health, Learning Disability, Addictions and Transitions.

The Chief Social Work Officer is a member of the Senior Leadership Team and has specific accountability for the delivery of social work and social care services ensuring that the statutory duties of the profession are delivered across children's, adults and justice services.

Partnership working with a wide range of multi-agency professionals including the Chief Officer, Chief Executive, Elected Members, health and social care managers and practitioners are all crucial to the role. This ensures that appropriate advice, guidance and support is given to ensure that services are delivered safely and professionally.

The CSWO is a member of various key groups and committees within the organisation. Clear governance and reporting arrangements are in place. The CSWO provides professional advice and guidance on all social work matters and provides

assurance that social work services are being delivered to the best standards and within the required statutory and policy guidelines. Regular performance reporting around risk management is also provided with the CSWO specifically reporting through the Public Protection Chief Officers Group. The CSWO is the MAPPA (Multi-agency public protection arrangements) lead officer and is a member of the Adult Support and Protection and Child Protection Committees. The CSWO further reports to the IJB on key changes and developments regarding social work profession and any policies and legislative changes as part of the professional accountability to the role as well as leading on the performance and development of the social work workforce in line with the SSSC standards and guidance of the profession.

Service Quality and Performance

Service quality and performance is managed on an ongoing basis and in several ways. This is in line with the discharge arrangements of the CSWO and the requirement to manage the performance and quality of social work services being delivered. For example, the introduction in January this year of a more robust supervision template for staff, a planned self-evaluation based audit for Learning Disability Services and a review of the Social Work Training Board to ensure a robust analysis of statutory training requirements and support for staff to gain positive post qualifying learning in line with their continuous professional development.

Another example of performance improvement is through the restructure of the management team. The shift to an Argyll and Bute wide service model of delivery will enable streamlined reporting, improved communications across teams and the ability to gain a balcony/dancefloor overview of social work staffing and resources. The need to make any improvements to support staff particularly in more remote areas as well as ensuring equality of services across Argyll and Bute will be developed under the new model and collaborative plans are underway already to support this.

Since the start of 2020 we have worked robustly to address a backlog of social work complaints to the team. The nature of the complaints were mostly in relation to service requirements and in particular a delay in responding to complaints. This has been a priority area and the robust approach taken to review all complaints and the reinforcement of staff adhering to complaint timescales, has been positive and has seen the outstanding complaints reduce. However, we will keep complaints and our response to them under review in the forthcoming year.

Given the recruitment of two new Heads of Service in November and December 2019 and the recent appointment of one of the Heads of Service as CSWO a more robust overview is being given to performance and service delivery and there is a planned shift in priority with the rest of the SLT to enhancing the priorities for health and social care delivery for the forthcoming year. I look forward to providing a more rigorous

overview of performance and delivery and more succinct examples and outcomes within the next CSWO report for 2020-2021.

Adult Care – A performance overview

Similar to other Health and Social Care Partnerships, Argyll and Bute faces pressures of demographic change and financial constraints, resulting in pressure on services throughout the health and social care system. Effects of these pressures include an increased demand for services across the area in relation to readmissions to hospital, delayed discharge, and extended stays.

Our work has benefitted from pilot activity both locally and elsewhere. NHS Scotland is operating a pilot of the Buurtzorg principles (a self-managing and joined up neighbourhood model) with NHS Highland. Similarly process improvement work in Mid-Argyll has tested some of the approaches needed to introduce a single point for access to services. In the short term the localities have expressed an immediate need to develop multi-disciplinary Community Teams and 'Single Point of Access' to the services they offer. This should better integrate services from the point of view of the customer, while ensuring sufficient flexibility is available to meet the needs of individual agencies. This work will be developed as we progress through 2020-2021.

Care at Home

Within Argyll and Bute 75% of the localities now have fully implemented the New Model of Care in partnership with our local Care at Home providers. Previously Care at Home services were commissioned on a spot purchase basis and were time and task focused, which can on occasion inhibit providers having consistency in service planning and cause concerns regarding compliance with employment law. The New Model of Care has implemented an outcome focused model that offers additional flexibility to service users and can respond to changing priorities at short notice. The services are commissioned in blocks of hours, in mapped areas and advising on guide times.

Care Homes

The provision of the Care Homes, whether it is in-house or in partnership with independent providers and/or Housing Associations requires ongoing assessment and engagement. Nationally we know that recruitment and retention of staff in care homes is a significant challenge, which is further emphasised by the rurality of Argyll and Bute. Also, it is recognised that the number of older people is set to rise significantly in the coming years; with the steepest rises being in the over 75 year age group. Giving the challenges the HSCP developed a Care Home & Housing Steering Care Homes & Housing Steering Group in July 2018 to look to assess and project the future need of Care Home and Housing for older people in Argyll and Bute for the next

5-20 years. The development of the care home modelling tool has been central to the work undertaken to calculate the potential future demand for 24 hour care, and the development of options to meet that demand. Demand for care home places is projected to increase by 85% over the next 20 years. The number of funded places in January 2019 was 483, and this could increase to 894 by 2038 if no changes are made to care delivery models.

Delayed Discharge

Reducing unnecessary delays in hospital remain a priority for Argyll & Bute HSCP. There have been significant challenges in terms of staff shortages in care at home services, lack of capacity in care homes and insufficient social work staff to complete timely assessments which reflects the issues over Scotland. This has been further complicated by a number of complex patients requiring specialist resources out with Argyll and Bute HSCP. There has been challenges in the provision of care home and care at home services in a large geographical rural area, which has resulted in private services becoming unsustainable and closing. Reablement teams have become embedded within adult services to support patient on discharge to reach as full a recovery as possible. The continued aim is to ensure that there is a single point of access for teams that are multi-disciplinary to improve their effectiveness in order to avoid delays and duplications to facilitate a safe discharge or prevent admission. Further work is required with regards to using “just checking” to support higher risk discharges. This will be progressed through 2020-2021

Adult Support and Protection

Adult Support and Protection (ASP) remains a key priority and under integration Argyll and Bute HSCP has improved the continuity of care and outcomes for service users, as there is a greater sharing of knowledge and experience in this area.

The adult protection committee regularly engages with practitioners through case study and research presentations, hearing the real story of protection and support. Seminars and development of activity in multi-agency groupings on Care Home support, on financial harm, and forthcoming developments on self-harm and hoarding, as well as examination of issues arising in Significant Case Review has sharpened the focus on practice and standards. The training and staff development activity continues to be a challenge as does reach into health services and community support, within our remote and rural environment.

Mental Health

In line with the Scottish Government Mental Health Strategy 2017-2027 Argyll and Bute HSCP recognise the importance of prevention, early intervention and physical wellbeing with regards to good mental health. With the new structure new embedded we are keen to develop the vision for our mental health services across Argyll and

Bute and bring this into full alignment with the Strategy requirements. This will form part of our ongoing work for 2020-2021.

Adults with Incapacity Act (Scotland) 2000

In Scotland, the number of individuals that were on a guardianship order on 31 March 2020 were 15,973 compared to 13,501 in 2018 (MWC statistical monitoring report). The most common primary diagnosis was Learning Disability (49%) and dementia/Alzheimer's Disease (36%) (19/20)

Argyll and Bute HSCP have 195 guardianship orders (2019-20) which is 58.9 per 100,000 this picture has increased from 23 guardianship orders in 2010-11 to that of 43 orders in 2019-2020. Of the 43, 17 were local authority guardianships and 26 were private applications

In Argyll and Bute HSCP 40% of private applications, 52% of local authority applications were due to Dementia and 50% of private, 28% of local authority was due to Learning disability (19/20)

Mental Health (Care and Treatment) (Scotland) Act 2003

A Mental Health Officer (MHO) has the duty under section 231 of the Act to provide a social circumstances report. The Mental Welfare commission report (statistical information report 2018-19) report that Argyll and Bute HSCP completed 50% of social circumstances reports. We are aware that this is an area that requires improvement. Some key changes have been made, we were delighted to be awarded funding from the Scottish Government during 2019 to fund a MHO placement and a configuration of the Social Work Training Board budget now ensures that we have at least two places available to develop our MHO workforce given the rural complexities to recruitment.

We have temporarily introduced a Team Leader (who is also a MHO) to oversee the work of the MHO teams across Argyll and Bute and as well as providing leadership for the team, quality assurance and performance improvement work is underway across the service. The aim for 2020-21 is that there will be a 20% increase in the completion of SCR's.

Mentally Disorder Offenders

Argyll and Bute HSCP MHO team are working alongside forensic services and inpatient (low/medium/state hospital) to support 7 people who have significantly complex mental health needs. The further development of an existing forensic pathway again in partnership with NHSGG&C and NHS Highland will provide assurance to the Restricted Patients Unit at the Scottish Government that Argyll and Bute are able to manage these complex cases in line with human rights principles and strategic requirements.

Jean's Bothy

Jean's Bothy is a new community mental health and well-being hub in the Helensburgh. It is the result of a co-production model with service users, Argyll and Bute Health and Social care partnership, Enable Scotland. The ministry of defence and the third sector interface. The Bothy was successful in receiving a significant grant from the Big Lottery Fund which has allowed the partnership (through Enable) to employ a full-time member of staff to develop the project. This has been supported by a redesign of how mental health support services were delivered in Helensburgh with the aim to roll this out, prior to the project we supported 14 people on an outreach basis for community mental health support. The Bothy now has 154 members which reflects the success of the re-design. It is hoped that further funding will be received to roll out this model over the Argyll and Bute HSCP.

Learning Disability, Autism and Transitions

Within the restructure we have created the post of a Service Manager for Learning Disability, Autism and Transitions. The HSCP has recognised the need for improvements in the Learning Disability Service and how services are delivered in line with the Keys to Life Strategy and also the Coming Home report.

Work is also underway to support the repatriation of individuals who are currently placed out with the Argyll and Bute area. This is not without its challenges as it brings with it the requirement for additional specialist resources and provision, however, we remain committed to exploring and developing services to meet these identified needs. To this end we are working with housing and third sector partners including Scottish Autism and Cornerstone to support this work. An example of this is the development of an Autism Toolbox which is being used in schools and our ongoing work with Cornerstone on a 10-bed resource in Garelochhead. Work is also underway with Scottish Autism to develop a resource in Helensburgh.

The Argyll and Bute Autism Strategy Group was restarted in January 2020 and the group has been tasked to review the delivery and progress of the Implementation Plan. One area of progress has been the adult diagnostic and signposting service, for which a new Autism practitioner post is currently being advertised. This post will work alongside the existing co-ordinator and consultant psychiatrists. It is anticipated this post will maximise the availability of appointments and ensure diagnosis and signposting is at an optimum across Argyll and Bute.

Carers

The Carers (Scotland) Act 2016 came into force on 1st April 2018 introducing new rights for unpaid carers and new delegated duties which have been transferred from Argyll and Bute Council and NHS Highland to the Health and Social Care Partnership. The new Act formalises the need for unpaid carers to be recognised and supported in continuing in their caring role as long as they wish to do so and to have a life alongside their caring role. All carers who reside in Argyll and Bute will be able to access some

form of support no matter if they meet eligibility criteria or not. Access to services such as information and advice from local councils and local carer support services/Carers Centres. Argyll and Bute launched a five year Carers Strategy and Implementation plan was launched earlier this year.

Alcohol and Drug Partnership

Within Argyll and Bute the Alcohol and Drug Partnership (ADP) provides strategic direction to reduce the level of drug and alcohol problems amongst young people and adults in the community works to prevent and support recovery from the harmful use of alcohol and drugs. The ADP worked collaboratively with statutory, voluntary and private sectors and engages with the wider community to deliver services.

Argyll and Bute Addiction Team (ABAT) is a multi-disciplinary team primarily focussing on supporting recovery. The team offer a wide range of services and supports to individuals and their families and the team also work in partnership across the HSCP supporting mental health, justice and children's services.

ADDACTION are commissioned by the Alcohol and Drug Partnership to deliver Recovery Support services across Argyll and Bute to those with a substance use issue and their families. ADDACTION offers one to one, group work, peer support, harm reduction advice, needle exchange service, DTTO (Drug Treatment and Testing Orders for the courts) and advice/support to relatives and family members.

Children & Families and Justice Social Work

The Children, Families and Justice Service includes Social Work, Youth Justice, Child Health, Paediatric Allied Health Professionals, Child and Adolescent Mental Health (CAMHS) and Maternity Services. Over the past year the Children and Families Management Team have undergone a management restructure, the new model aligns management, professional and clinical leadership and strengthens oversight of the services and the accountability of managers and staff. The service is underpinned and delivered in line with the Getting it Right for Every Child (GIRFEC) Framework.

GIRFEC Collective Leadership Programme

Argyll and Bute were one of two partnerships selected to be part of the Scottish Government test phase of the Getting it Right for Every Child (GIRFEC) Collective Leadership Programme.

The programme commenced in August 2019 and worked with leaders across children's services to examine the content, structure and delivery of GIRFEC. To understand how systems were currently operating, the partnership required to undertake a range of supported evaluation interventions. The purpose of the supported evaluation was to provide a detailed analysis and understanding of how well GIRFEC was embedded across the partnership, drawing on evidence from partners and a wide range of practitioners, children, young people, parents and carers on their perspective of the children's services system. Whilst the supported evaluation

identified key areas for improvement under this auspices of collective leadership, unfortunately progress with this has currently been postponed due to COVID 19.

CAMHS

CAMHS in Argyll and Bute is under immense pressure resulting in a failure to meet 18 week waiting times target. The percentage of children and young people waiting less than 18 weeks to access a Primary Mental Health Worker or the Child and Adolescent Mental Health Service (CAMHS) is considerably lower (58% and 54%) than the 90% target figures for 2019/20. This is a direct result of the CAMHS team experiencing significant staffing issues.

COVID-19 resulted in a change to the way staff made contact and communicated with children and young people. Using the NHS 'Near Me' platform was both successful in some areas, and challenging in others. The main challenges included access to IT equipment and poor broadband connections in some areas. Feedback from children and young people on using virtual/on line platforms has been mixed. Some welcomed this approach and others prefer the face to face contact.

Argyll and Bute have been successful in recruiting to the Scottish Government funded School Counselling posts. It is anticipated the new service will commence in January 2021.

Corporate Parenting

Corporate Parenting and the current duties of Corporate Parents can be traced back to the publications Extraordinary Lives (2006), We Can and Must Do Better (2007), These are our Bairns (2008) and more recently the Children and Young People (Scotland) Act 2014. Corporate Parents now have a legal duty to work together to combat the stigma and redress the numerous disadvantages care experienced children and young people face in life. In Argyll and Bute we aim to do this by bringing our key improvement priorities together within our Corporate Parenting Plan, central to this is:

- Preventing vulnerable children and young people being accommodated
- Improving health and wellbeing outcomes
- Improving attainment and achievement
- Improving the availability of appropriate accommodation for care leavers
- Delivering a whole system approach to Youth and Justice
- Continuing to improve permanence outcomes
- Improving participation and engagement with children and young people

The Corporate Parenting Board has continued to make good progress across all our priority areas this year. To strengthen the strategic leadership of Corporate Parenting, a Corporate Parenting Plan Management Group comprised of the corporate Chief Officers provides executive level oversight and support to drive the achievement of the plan.

During the past year, in conjunction with the Life Changes Trust and Who Cares Scotland, we have appointed a Participation Co-ordinator and a care experienced Participation Assistant under our Modern Apprentice Scheme.

Two of our Children's Houses remain graded 5 (Very Good) and the third at 4 (Good). Adoption and Fostering services are also graded 5 (with 4 for Management and Leadership) and we will continue to strive for improvement and excellence.

Good progress has been made with regard to securing our care experiences children's futures. We have continued a number of Tests of Change through the CELCIS Permanence and Care Excellence (PACE) programme to achieve improved outcomes for care experienced children, with four multi agency groups using formal improvement methodology to improve the timely achievement of permanence for those who need it. Key areas of work were;

- Considering plans for permanence at an earlier stage by reviewing all children on a CSO over 24 months and ensuring children do not remain on orders longer than necessary
- Ensuring plans for permanence are confirmed within 30 weeks of becoming looked after and accommodated
- Improving our approach to Legal meetings to reduce delay
- Speed up the process for lodging applications in court

We have successfully embedded our Kinship Panel which has been welcomed by our Kinship Carers and Professionals and is demonstrating that with a dedicated panel, we are securing children with their families sooner while ensuring ongoing support and review. We continue to see a rise in the proportion of care experienced children and young people living with wider family members.

We have fully embraced our commitment to Continuing Care and are registered as an Adult Service with the Care Inspectorate to be in a position to support our young people in their foster or residential placements until 21 years of age. The Through and Aftercare services continue to develop partnership arrangements based on the principles set out in The Children and Young People (Scotland) Act 2014. To underline this process there is a continued focus on the developments surrounding the messages from the Scottish Care Leavers Covenant.

This resource was created in response to the council's commitment to our young people who opt for ongoing care within existing resources. The Core and Cluster model has been successfully piloted in Helensburgh to provide a supported stepping stone towards independence.

Staff from Through and Aftercare services are well represented at the Corporate Parenting Board and are strong advocates for identified services that have grown from the direct work carried out with young people in our communities, supporting around 100 care experienced adults at any one time.

In Argyll and Bute we particularly welcome the outcome of the Independent Care Review and the Promise which sets the challenges and will form the foundation for our work over coming years.

As we moved into the initial stages of coronavirus restrictions at the end of the reporting period we brought in emergency measures to ensure families, staff and carers are supported and kept safe, in most instances this meant initially moving most visits and meetings to virtual platforms.

Contact agreements were reviewed with families and carers on a case by case basis to ensure compliance with the national guidelines and to ensure the protection of families, staff and carers. In most instances this meant implementing virtual contact.

Child Protection

The past year saw a continued focus on the Child Protection Committee's interagency priority of "doing the basics right", in support of this we have provided supervision training for Practice Leads and continued to focus on improving the quality of risk assessments and plans. This has been underpinned by key practice developments, in particular developing our systematic use of the National Risk Assessments Framework in a 15 partnership with Herriot Watt University, expanding use of the Neglect Tool Kit and embedding Chronologies in day to day practice.

Initial quality assurance work confirmed that we continue to make sustained progress in these areas.

The services key strengths are

- The wellbeing of children in need of care and protection continues to improve.
- Children and young people enjoy positive and caring relationships with staff and carers.
- Children and young people were respected and listened to at both operational and strategic levels.
- Overall, processes for recognising and responding to children and young people in need of protection are well established.
- Children and young people in need of care and protection benefit from well-managed, independently chaired reviews and review meetings providing quality assurance and accountability, adding to the prospect of better outcomes.

As with all other areas of Scotland, COVID-19 restrictions created significant challenges. Multi agency operational management groups were established to coordinate initial responses along with a commitment to maintain core CP services. Initially, most visiting and monitoring moved to virtual arrangements, all CP plans for children on the register were reviewed and updated to reflect the regulations and guidance and PPE were made available where there was a need for face to face interviews. All vulnerable children not receiving social work support, were reviewed by education staff to ensure sufficient supports were made available.

Initial indications were that while aspects of direct work had to be put on hold, core CP services were maintained and children closely monitored and in the initial phase most

families coped very well. Overall levels of CP activity and new referrals dropped in March and this will continue to be monitored by the CPC as the virus progresses.

Justice Social Work

The Justice Social Work Service has introduced a new structure with resources being shifted towards provision of operational responsibilities. This has led to a number of staff changes and vacancies throughout the year, however all posts, apart from one, have been successfully recruited to. Due to the COVID-19 outbreak, recruitment was halted. It is anticipated that this post will be filled in the coming months which will lead to an increased resilience in service delivery across Argyll & Bute.

The opportunity was taken with the introduction of the new structure to refocus the service priorities, methods of working and vision for the service moving forward. This has created a renewed focus on a number of key areas of practice, including audit, completing a training needs analysis, realigning various roles and duties, and practice and skills development for staff. A model of peer supervision has also been introduced to ensure that staff feel part of a 'team' rather than isolated practitioners in their localities. This has also increased staff confidence, improved practice and consistency of service delivery across the localities.

One key area of practice development over the past year has been the development of improved assessment and interventions for perpetrators of domestic abuse. This links with national Community Payback Order Guidance, the Equally Safe Plan and Violence against Women and Girls strategy which outlines the requirement to deliver robust, high quality and evidence based interventions for perpetrators of domestic abuse. Justice Social Work remains a key partner in Argyll & Bute's Violence against Women and Girls Partnership, with the responsibility for this area of work transferring to the Service Manager Justice. This has been further strengthened with the Justice Service Manager now attending 'L' Division MATAC monthly meetings. The focus on victims of domestic violence continues to be developed and Argyll & Bute's MARAC is now a well-established multi agency partnership having been operational since May 2019.

The service continues to provide statutory supervision to offenders via Community Payback Orders (CPO) and assists community reintegration and rehabilitation from prison via post release supervision. The service also provides assessment reports to the Courts and Parole Boards and participates in the Multi Agency Public Protection Arrangements (MAPPA) which aim to manage the risk posed by violent and sexual offenders. The service works with other agencies, both within the HSCP and beyond, including Police Scotland, the Scottish Prison Service, NHS Highland and Greater Glasgow and Clyde and a range of third sector providers.

The Community Justice Partnership has seen partner agencies working together to deliver on the Community Justice Outcome Improvement Plan. The main focus for 2019/20 was on improving the pathways from custody to the community, community sentences and improving access to Diversion from Prosecution. Improvement work has taken place within Justice Social Work Service over the past year with a renewed focus on the quality of assessments and intervention work being delivered by the Community Payback Officers for diversion cases, which takes cognisance of the new

Diversion from Prosecution Standards. In relation to the custody to community work stream, a small grant was obtained from the CORA Foundation to enable Sisco to undertake lived experience consultation with service users to ensure that any change in service provision would meet the needs of those returning to the community from short term custodial sentences and improve the provision and take up rates of voluntary Throughcare. This work stream was due to report in July 2020, however due to COVID-19 this has been extended to December 2020.

Unpaid Work

The Community Payback Order (CPO) requirement for unpaid work continues to be offered by Justice Social Work and services have been developed to meet the needs of individuals within the available resources. Consultation and agreement with local communities and organisations continues with good publicity, projects and placements being realised. An example of one project that was commenced in 2019 was working in partnership with the Friends of St Conan's Kirk in Loch Awe.

Service Quality and Performance statistical data– including delivery of statutory services National & Local Outcomes

93% of adults tell us that they are able to look after their health well or quite well

Please note for 2019/20 due to effect on data availability as a result of COVID-19 the most recent National Health and Wellbeing Outcome Indicator and IJB Performance Scorecard data reported is calendar year (2019) and not financial quarter as in previous years.

Snapshot of key HSCP performance success for 2019/20:

IJB Performance Scorecard Measure	2019 Calendar Year Performance	Target
NI-1 - % of adults able to look after their health very well or quite well	93.0 %	93.0 %
NI-3 - % of adults supported at home who agree they had a say in how their support was provided	76.0 %	76.0 %
A&B - % of Total Telecare Service Users with Enhanced Telecare Packages	45.7 %	31.0 %
NI-13 - Emergency Admissions bed day rate	109,759	123,200
MSG 2.2 - Number of unplanned bed days MH specialties - A&B	13,835	15,896
NI-5 - % of adults receiving any care or support who rate it as excellent or good	85.0 %	80.0 %

NI-6 - % of people with positive experience of their GP practice	85.0 %	83.0 %
CA72 - % LAAC >1yr with a plan for permanence	85.2%	81.0%
NI-12 - Rate of emergency admissions per 100,000 population for adults	11,353	12,241
NI-14 - Readmission to hospital within 28 days per 1,000 admissions	76.0	98.6
MSG 5.1 - % of last six months of life by setting community & hospital - A&B	89.9%	88.2%
A&B - % of Waiting Time breaching >12 weeks	21 %	25 %
NI-11 - Rate of premature mortality per 100,000 population	393	425
NI-17 - % of SW care services graded 'good' '4' or better in Care Inspectorate inspections	84.1 %	83.0 %
NI-19 - No of days people [75+] spent in hospital when ready to be discharged, per 1,000 population	540 Days	640 Days
CPC01.4.4 - % Waiting time from a patient's referral to treatment from CAMHS	92.5%	90.0%
AC21 <=3 weeks wait between SM referral & 1st treatment	91.3%	90.0%
NI-9 - % of adults supported at home who agree they felt safe	83.0%	83.0%
CP43 - No of Child Protection Repeat Registrations - 18 months	0	0
CJ63 - % CPO cases seen without delay - 5 days	95.6%	80.0%
A&B - % of Adult Protection referrals that lead to AP Investigation	12.5%	10.0%
A&B - % of complaints [Stage 2] responded within timescale	25.0 %	20.0 %
NI-10 - % of staff who say they would recommend their workplace as a good place to work	71%	67%
NI-15 - Proportion of last 6 months of life spent at home or in a community setting	91.0%	89.0%
NI-18 - % of adults with intensive needs receiving care at home	68%	62%
NI-20 - % of health & care resource spend on hospital stays where patient admitted in an emergency	22%	24%
MSG 4.1 - Number of DD bed days occupied - A&B	8,113	8,604

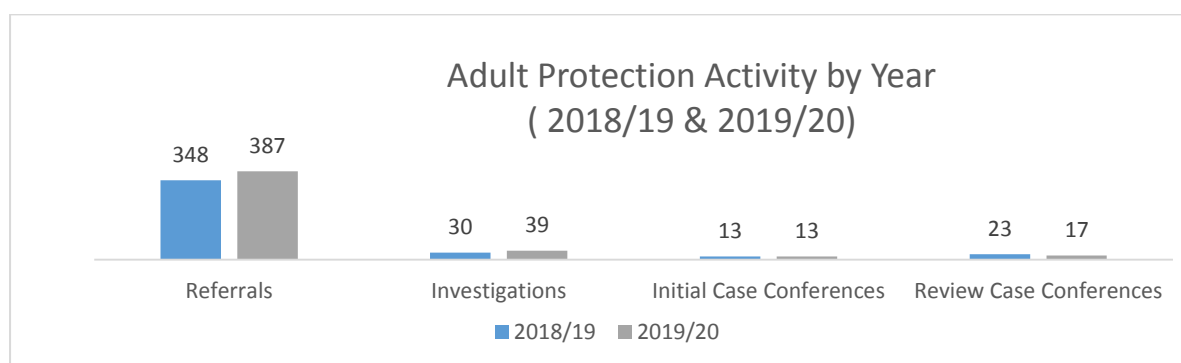
Source: Pyramid IJB Scorecard data as at Sep 2020

Early Intervention

83% of people supported at home told us that they feel safe

Adult Protection

Across 2019/20 there were 387 Adult Protection referrals, representing an increase from 348 in 2018/19 with 30% coming from the Police. Of all referrals, 54% identified an adult as being at risk (i.e. met the 3 point test) and 11.9% led to further Adult Protection activity. There were 39 investigations during 19/20, however no Protection Orders were recorded as having been granted during this reporting year.



Data collected since the implementation of the Adult Support and Protection (Scotland) Act 2007 shows the adult protection referrals trend to reflect a generally consistent level of annual activity, although 2018-20 period does report a decrease of 10.8% compared with previous biennial period, and analysis of this trend will continue. The impact of COVID-19 on referrals has been limited.

The partnership has continued to use various methods to understand and develop adult protection practice including:

- analysed quarterly performance data
- shared case studies where adults were at risk of harm
- discussed training requirements for the HSCP and partner agencies
- Contributed to multi-agency learning events, financial harm, trafficking, domestic violence and older adults, hoarding and self-harm
- Disseminated information to staff through newsletters and locality meetings, including the independent Convenor (Locality Forums are held in the four administrative areas)
- Updated all policies, procedures and guidance

Activity has also been on improvement areas:

- identified the gaps in our adult protection electronic paperwork, and produced a new suite of forms including risk assessment and chronology

- developed daily, weekly, and monthly statistics so that we can monitor any variances in adult protection activity
- listened to the needs of staff and organised events which reflect the gaps in their learning
- visited each area team and listened to the challenges they face in delivering adult protection in rural locations and 23 inhabited islands
- responded to the COVID-19 pandemic supporting staff, providing guidance, becoming part of the caring for people tactical group
- considered the increased adult protection concerns for those who are shielding or subject to domestic abuse

In terms of analysing outcomes, we monitor quarterly data and have now added live information to our Pyramid system so that when completed the committee will be able to view the data live.

Adult Support and Protection Large Scale Investigation

During the first quarter of 2020, the HSCP led a large scale investigation into an older adult care home. The detail will not be replicated however the process was reflected upon in terms of the application of the procedures and the organisation of the investigation. This was the first LSI which had been undertaken in many years within the HSCP. Our learning from this process is as follows:

Our key learning Care Homes:

- Prevention of an LSI means early identification of issues with care homes-our assurance process through the multi-agency care home assurance meeting could have this oversight. This is in place and robust.
- Care Home support through local visiting professional groups can also play a part in this process-however this needs to be a sustainable process.
- Building a strengthened network of care home support is important and can be co-ordinated by the Care Home Task Force-promotes good practice.
- The HSCP needs to have a commissioning strategy for care home beds and where there are concerns consider the ability of the home to manage new admissions particularly residents with complex needs.

Wider Recommendations:

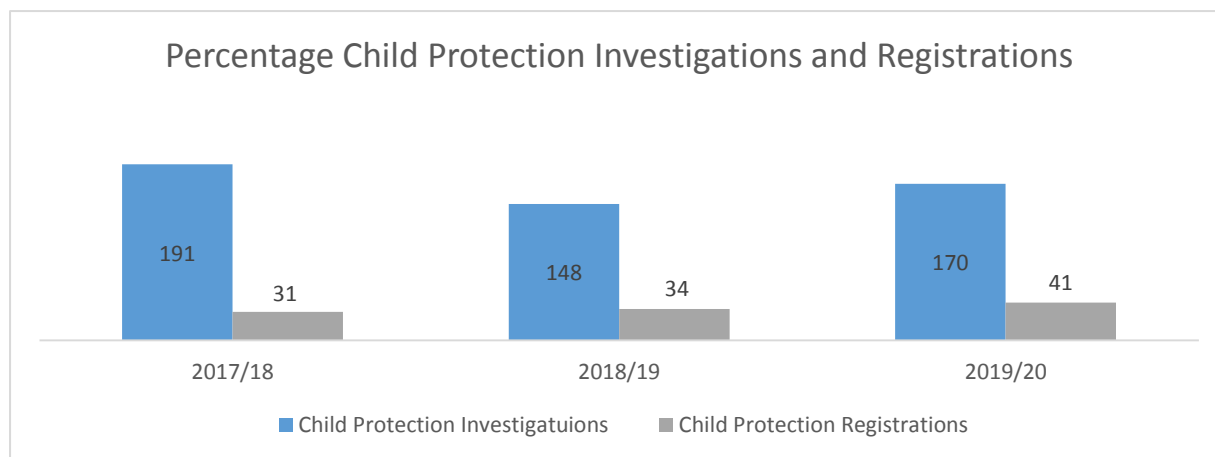
- LSI procedures need reviewed and training for Managers
- Quality Assurance processes re care homes need formally built in
- Risk assessment and care planning is key
- Dissemination of learning in terms of care homes and our own processes
- Review communication strategy for families during an LSI offering various ways to communicate this should be integrated into procedures

- Excellent partnership working particularly with the Care Inspectorate this can be reflected within our assurance processes

Child Protection

Performance with regards to the number of child protection investigations across the previous 3 years notes an overall 11% reduction from 17/18 (191) to 19/20 (170).

This reduction has not been seen across the three year periods with regards to the number of investigations which are converted to child protection registrations. The trend across the registration data notes over the three year period an increasing performance trend with a median conversion rate of (35) per year.



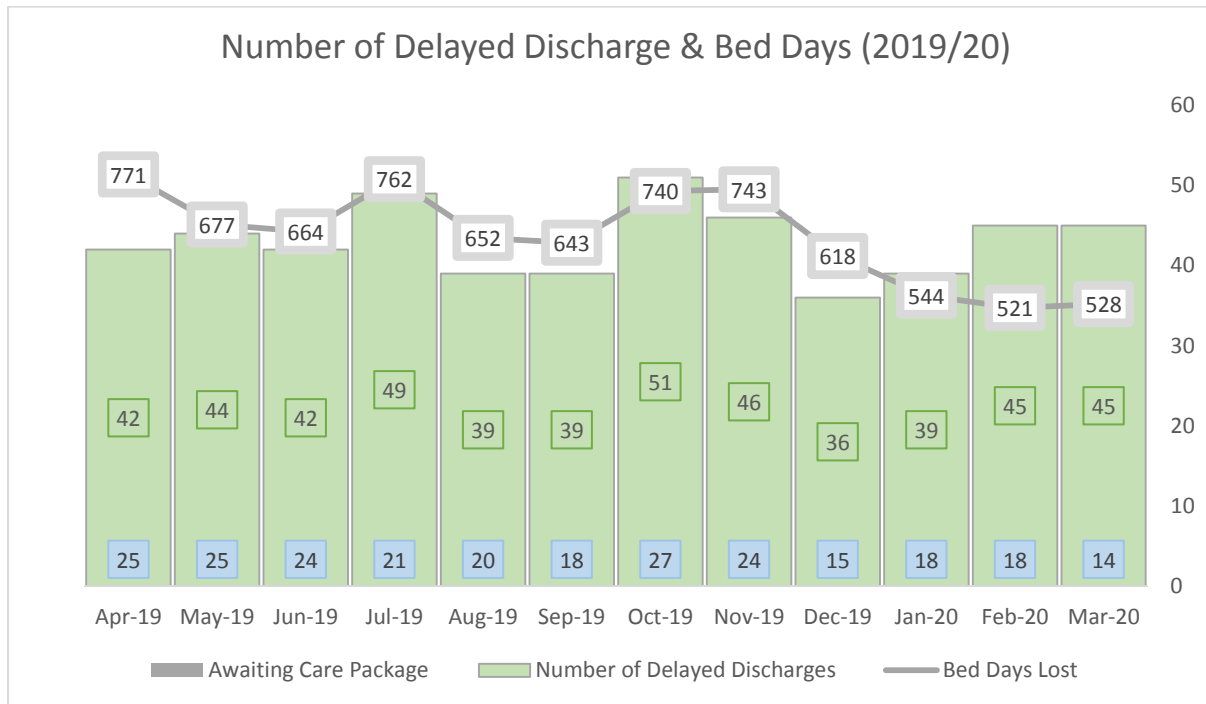
Argyll and Bute Child Protection Committee (CPC) is committed to the continuous improvement of our interagency child protection arrangements which are underpinned and informed by a robust cycle of self- evaluation activity. Two events took place in 2018 and 2019 and were well attended by a broad range of professionals involved in child protection service delivery. Outcomes included:

- Overall people were confident in child protection when sharing information and GDPR had no effect on this;
- Multi agency relationships are improving and collaborative work is embedded in practice;
- Changes to the CPC website, including a staff message board, have improved accessibility to information.

The CPC continues to use data to identify and respond to emerging trends or changes. In 2020 we are in the process of applying the National Minimum Dataset to our existing indicators on Pyramid and have developed a workbook format to present and analyse this data. The CPC has held 2 development sessions for members focussing on National Guidance for CPC's in Scotland and how we communicate better with frontline staff. Before the COVID-19 crisis, CPC delivered a wide range of training programmes, some of which were already online. As we move through the pandemic, CPC is considering alternative platforms for delivering training.

Delayed Discharge

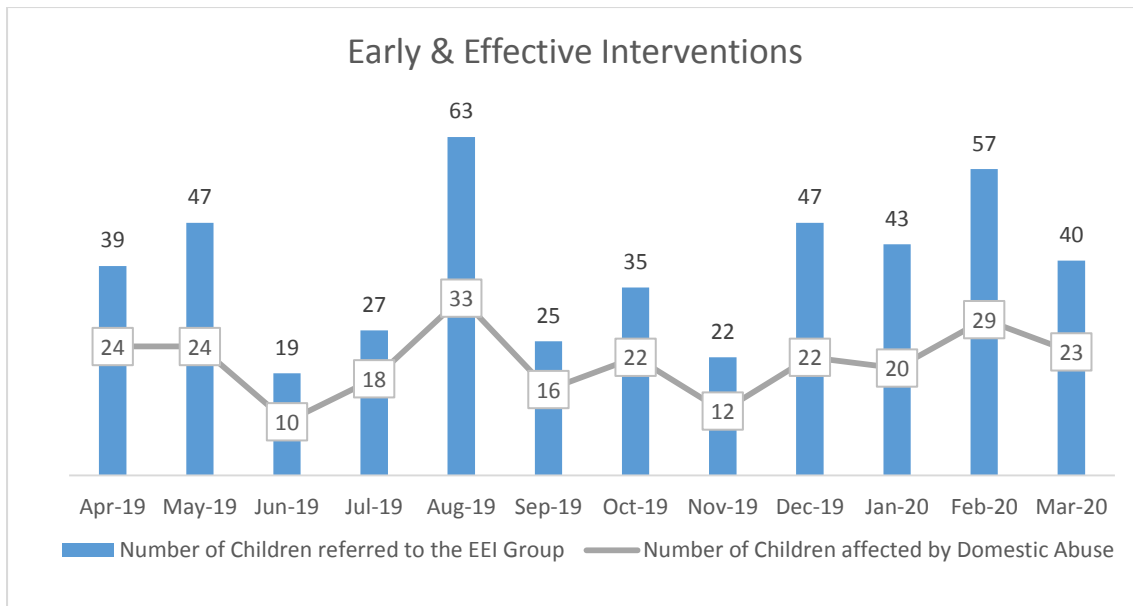
The total number of patients delayed has increased from 453 previous year to 517 in 2019/20. With regards to bed days lost, there has been a 17.5% reduction from 9530 previous year to 7863 in 2019/20. Average delay period has fallen concurrently, with 21 days previous year average and 15 days in 2019/20 reflecting more DD patients are being delayed less, with 25% of all DD patients discharged between 3-14 days.



Source: Pyramid data as at May 2019 & MSG4 Bed Day data ISD publication dated May 2019

Children & Families Early Intervention Services

Performance with regards to referral to the EEI group across the year notes a significant increase in trend of referral numbers (median 38) the largest number of referrals reported across the year was Aug 2019 (63). Total referrals across the year reports a 250% increase against previous reporting period with (464) recorded in 19/20 compared to (132) in 18/19. The number of children referred affected by Domestic Abuse again shows an increased median trend (21) across the total number of referral. Statistically there appears to be a direct link with an increase in referrals and those referrals involving domestic abuse with 55% of EEI referrals citing Domestic Abuse.



Justice Services

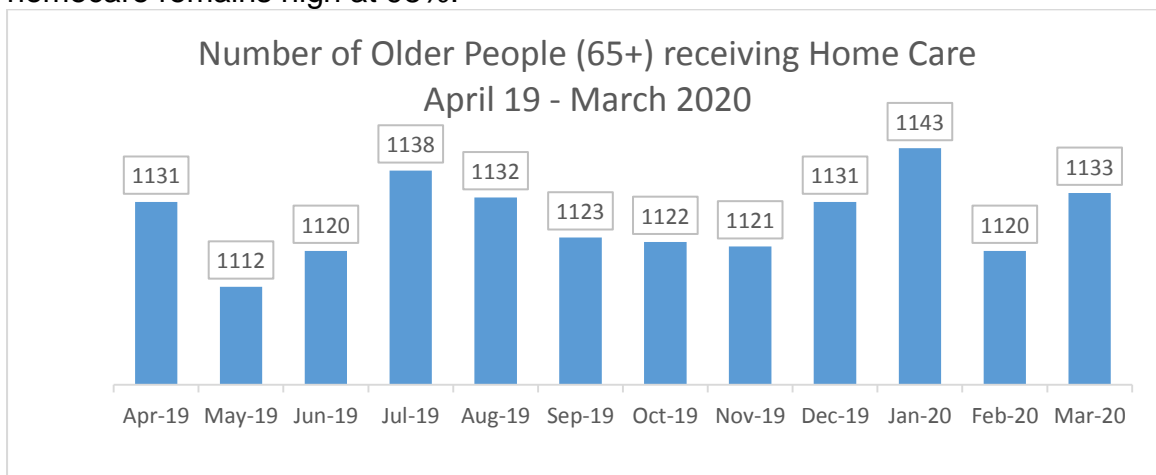
Since the implementation of the new model for community justice on 1st April 2017, the governance arrangements of Justice Services in Argyll and Bute have changed. Justice Strategic Planning and service delivery is now the responsibility of local Community Justice Partners which include the Argyll and Bute Council and Argyll and Bute Community Planning Partnership.

With regards to those subject to Community Payback Orders performance across the year has seen a steady and gradual reduction in the percentage of orders seen within 5 days. Although there has been a reducing yearly data trend, overall performance remains above the 80% target.

Personalisation of Services and Coproduction

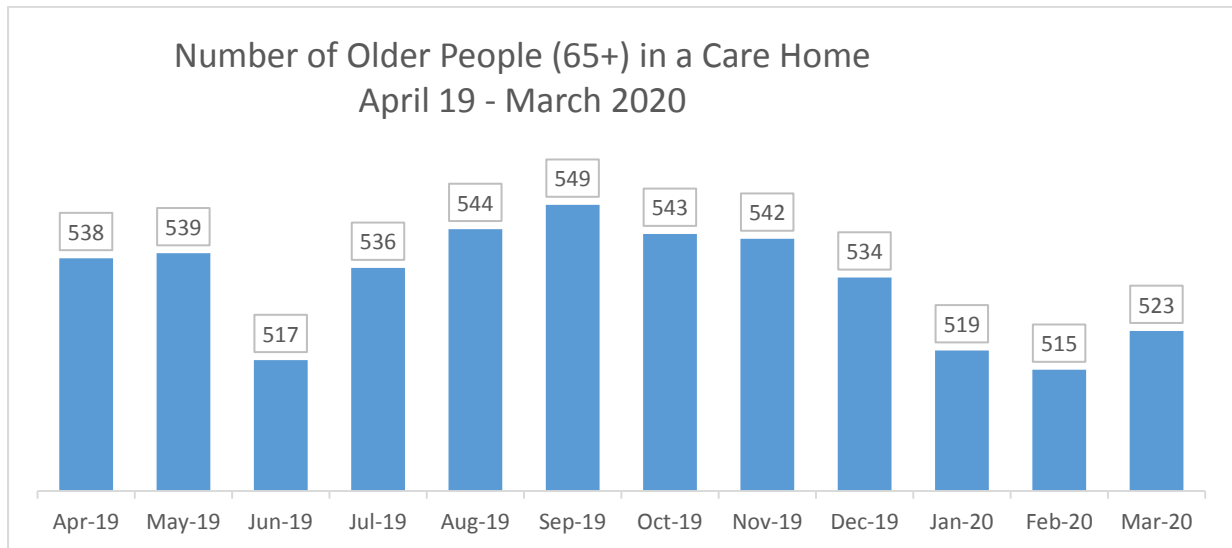
Homecare

Argyll and Bute Social Work services continue to support older people to live at home and previous years' data has indicated year on year increases in the number of people aged 65+ directly in receipt of homecare. Personal Care as a proportion of all homecare remains high at 98%.

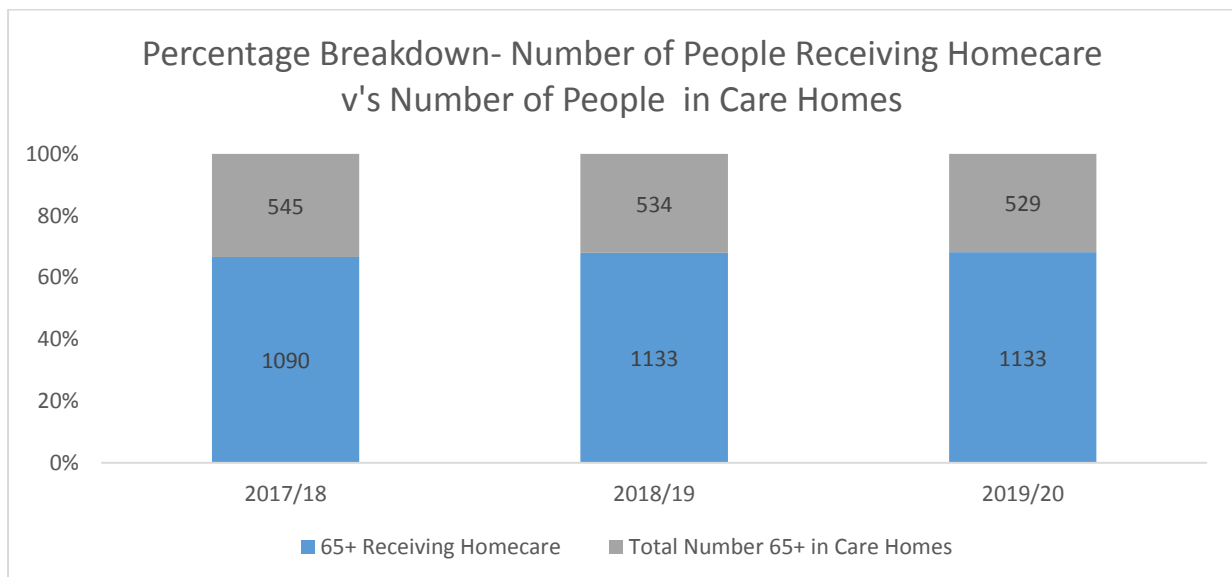


Residential Care

Over the last year the numbers of those supported in care homes has again decreased slightly to 523, representing a 2.1% decrease across the 2 year period from 2018/19. The falling trend across this data could be indicative of successful implementation of strategies to maintain support to people to remain in their own homes as demonstrated in the relatively consistent levels outlined above.



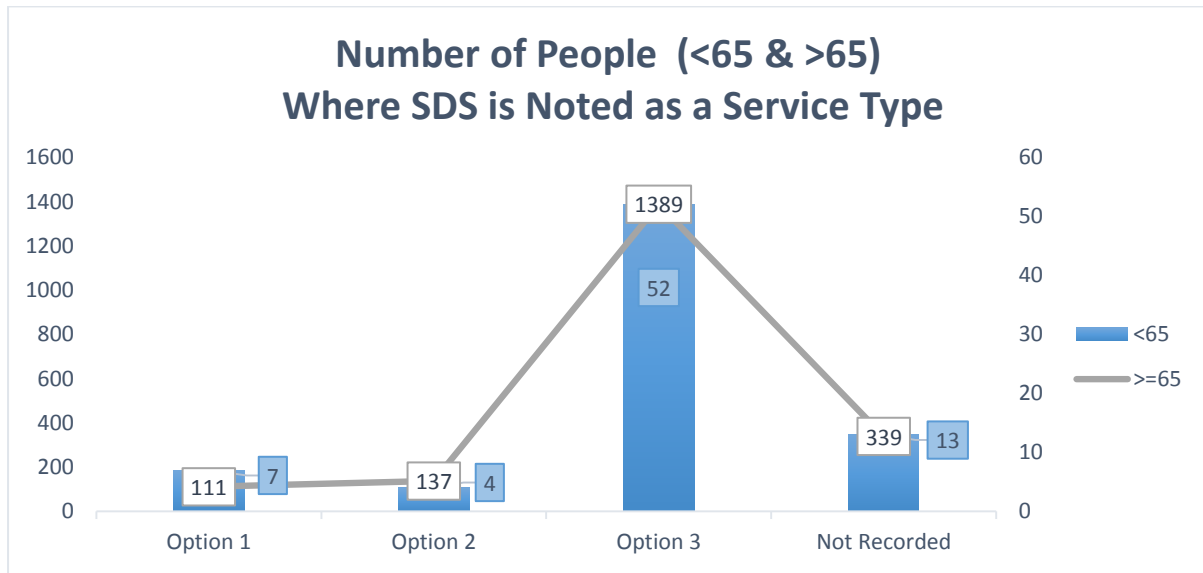
The proportion of care at home provision in terms of Personal Care remains high compared to that given in a residential setting.



Self-Directed Support

Self-Directed Support (SDS) enables people to be in control of and direct how, when, in what way and by whom, they are supported. During 2018/19 there were 4421 adult service users known to have been supported by a social work team, of which 1700 were assessed for SDS. The numbers selecting Option1 (direct payment) fell from

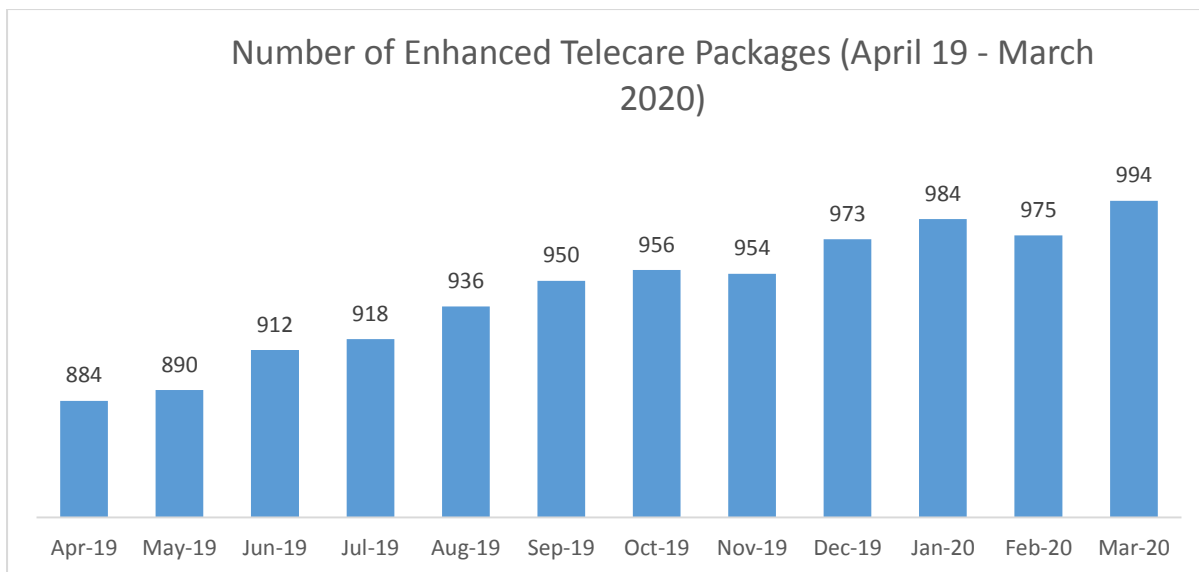
123 to 118. The largest population across both those under and over 65 year age groups note that Option 3 (Council provided services) remains the most popular, statistically this equates to 84.7% of the total across the three options excluding those not recorded. In addition across the three options as a percentage of the total (excluding not recorded) those under <65 years of age account for 4% of the total population, the 65+ age group account for 96% of SDS use across the HSCP.



Source: Carefirst Service Agreement data as at May 2019

Technology Enabled Care

The number of enhanced telecare packages within Argyll and Bute continued to rise across 2019/20 and monthly service user numbers greatly exceed those of the previous financial year's monthly totals. Enhanced Telecare packages offer a range of sensors; alerts and reminders that play a key role in enabling people remain safely in their own homes and communities. Some packages can be remotely monitored via web-based technology, reassuring relatives or alerting professional carers to specific needs e.g. wandering.

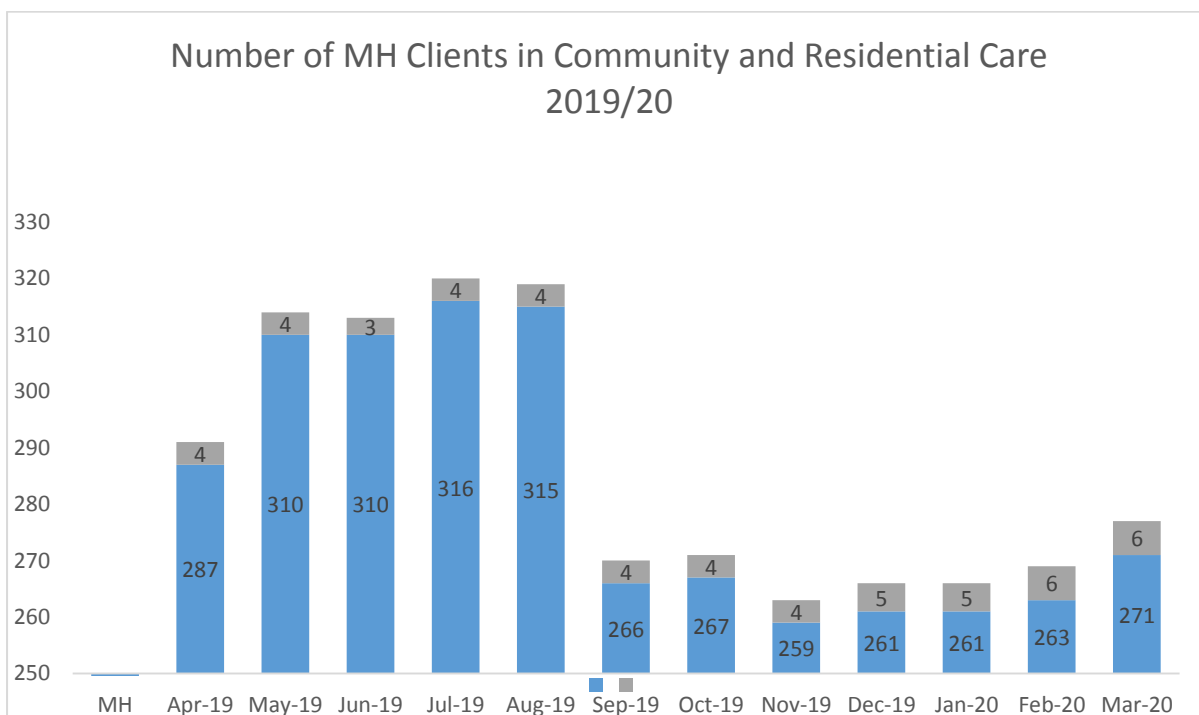


Alcohol and Drugs

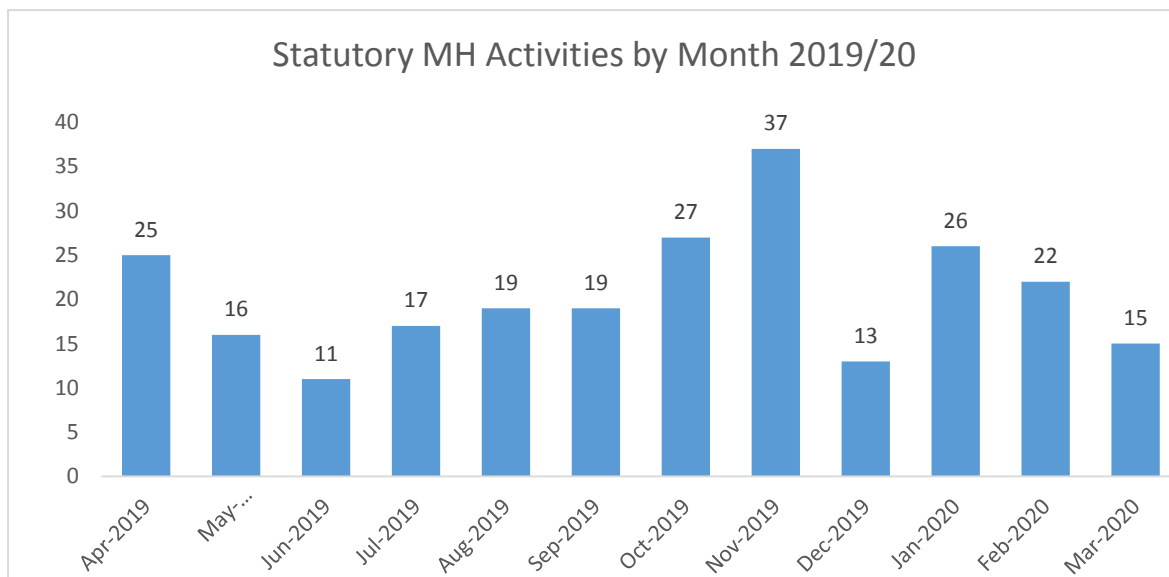
In relation to the national referral to treatment standard for alcohol (December 2018) the Argyll and Bute Alcohol and Drugs Partnership saw 90.5% of people referred and treated within 0-3 weeks raising to 98.3% within 5 weeks. This is against the Scotland Average of 93.9% for 0-3 weeks and 97.3% within 5 weeks. This is an area that will require an overview across all services during 2020/2021.

Mental Health

The number of Mental Health Service Users being supported in the Community has fluctuated slightly but remained relatively constant across 2019/20 with 97.8% of Mental Health patients supported in a community setting as at the 31st March 2020.



Overall there were 247 Statutory MH Activities recorded across the FY. Rates of Detention for period April 2019 to March 2020 under the Mental Health (Care and Treatment) (Scotland) Act 2003 are consistent with those recorded in previous financial year and are as outlined below.



Resources

Financial Overview

It was clear from the beginning of financial year 2019-20 that the HSCP had financial challenges. The final revenue outturn for 2018-19 was an overspend of £6.681m. The health related overspend of £3.554m was covered by the Scottish Government brokerage given to NHS Highland. The social work related overspend amounting to £3.127m has to be repaid to Argyll and Bute Council. The main service areas contributing to the overall overspend position are noted below:

- **Looked After Children** - Overspend arises due to service demand for external residential placements, overspends on the Life Changes Trust project, overspends on staffing costs within children's homes and slippage on agreed savings in residential placements (£200k) partially offset by underspends in fostering arising due to lower than budgeted service demand.
- **Physical Disability** - Overspend arises mainly due to higher than budgeted demand as well as slippage on the delivery of efficiency savings for supported living services. This is partially offset by an underspend in respite and payments to other bodies.
- **Learning Disability** - Overspend arises due to a combination of higher than budgeted demand for supported living and care home services and slippage on

savings developed to reduce both of these commitments partially offset by underspends on day services and respite.

Workforce

Argyll and Bute HSCP will continue to progress active recruitment plans in order to recruit the best possible social workforce to the area. Some of the most remote communities and the Islands continue to face pressures. Some areas for development for us include social work recruitment days, an overview of our social work training board and the continuation of grow your own social workers and dedicated mental health officer training. Consideration is also being given to the National Joint Investigative Interviewing programme with early discussion with COSLA, West Dunbartonshire and Police Scotland on how we can roll this model out across Argyll and Bute. This programme introduces a new approach to joint investigative interviewing for staff in Scotland and all related work in respect of protecting children and young people.

In 2019-2020 we had three candidates on the social work course and they are due to qualify later this year. We were very grateful to receive funding from the Scottish Government to fund a Mental Health Officer post and this means that we have one MHO due to qualify later this year and a new candidate in training. Adult Protection and Child Protection training events continue with an overview of both Committees. (All training has been impacted on due to Covid-19).

We continue to work with the SSSC to support all of our staff maintain and gain their professional registration status. We are currently working with staff to gain their registration in housing support and care at home in line with the December 2020 deadline.

COVID 19

Like other HSCP areas Argyll and Bute has been impacted on by COVID-19. Staff mobilised quickly to respond to the impact of the virus in terms of service delivery and also to ensure that our most vulnerable children and adults were supported through continuing with visits, use of technology to maintain an overview of families and also by undertaking reviews. This ensured that care needs and protection requirements were upheld. Throughout the pandemic our frontline social workers and social care workforce have been working from planned team “bubbles” to ensure a balance between service delivery, risk and social distancing. Staff have worked from home and the results of a recent survey by the Chief Executive indicates that this has been positive with staff advising that they have coped well to develop their working practice to suit the balance of blended working. Staff working from home have continued to have access to support and regular formal supervision.

Staff have worked with our Caring for People Team to support families and communities in line with humanitarian approaches to care and support. This has been a very successful piece of work.

COVID-19 fatigue has been noted and staff have been encouraged to take annual leave to have a break and rest. The majority of staff have been taking their leave but for some, particularly those staff who have been shielding there will be a need for annual leave to be taken into the next annual leave year. This will have to be planned in partnership with team leads in order to ensure a level of safe staffing. In Argyll and Bute we have also worked in partnership with our human resources and organisational development team and also our mental health teams to ensure a fast track tier process for staff experiencing difficulties.

Care Homes, Care at Home and Day Services have like other areas been pressured by COVID-19 demands and regulations. Testing and PPE have been particularly challenging given the nature and pace of change that has been observed as we have progressed through the Pandemic.

During the Pandemic we have maintained a strong links with our Care Inspectorate Strategic Inspector and this has provided assurance to him that Argyll and Bute have managed to continue our service provision and overview of risk across all of our social work and social care services.

We were expecting an increase across Child Care, Adult Support and Protection and Mental Health referrals. The expected increase has not been to the level that we anticipated, however this does not mean that we reduced our vigilance around these areas and maintain strong collaborative relationships with Police Scotland and other key partners locally to remain alert to any elements of hidden harm across all services.

Key Priorities for Recovery in Response to COVID-19

At this point in time we need to maintain our current work arrangements to ensure risk is maintained for our staff and that we are adhering to Scottish Government guidelines. We look forward to a point that we can make plans in line with recovery for making definitive working arrangements for staff.

Winter Planning and the implementation of the flu vaccine programme remains a high priority for us as well as a robust overview and support to care homes.

We will maintain an overview of legislative developments and in particular to those areas where we have noted some delays. For example, Court limitations around the progress for Guardianships and permanence planning. We are aware that service demands will increase as we progress and our teams will be monitored to ensure work capacity is available to support the increase.

We continue to have daily huddles in Argyll and Bute to keep a close overview of areas and service specific teams. This is very positive and also aids as a communication channel for staff to hear about developments and also as a way of bringing any pressure areas to the huddle in order that we can respond quickly. We have maintained this through the Pandemic and will continue to do so as we move forward. We will continue to monitor our ability to achieve our set financial savings targets given that demands for social services will increase as we move through the winter. We will support service users by linking to our caring for people groups, education, housing

and other colleagues to ensure that any families or individuals that do find themselves in hardship are fully supported.

Finally we will continue to ensure that our care planning and reviews are undertaken in order that any shift in the balance of care that is required is undertaken quickly. This will ensure that services are provided timeously and carer's needs are fully considered during this significantly challenging period.

Challenges ahead

The Pandemic in general, the nature of the spread and continued learning about COVID-19 for us all will mean that we will need to continually navigate the fluidity it brings. We need to progress our recovery planning whilst keeping a firm view of the nature and behaviour of the Pandemic and continue to respond as best we can. We will definitely continue to find the financial challenges a pressure and the ability to reach financial targets that were set prior to COVID-19. Future targets will also be challenging as we prepare for the year ahead. We are also aware of the financial implications of the Scottish Child Abuse Inquiry and that this may also have an impact on our budgets.

The sustainability of care homes and care at homes remains challenging as will the increased demands for services and the legislative and protection elements to our role. Care Home managers are under extreme pressure given the level of scrutiny in particular that they face.

We need to keep our Strategic priorities for service redesign and transformation of services in view, given the changes we need to make to ensure services are fit for purpose and deliver to the needs of the population across Argyll and Bute. The modernisation of social care will play a large part of this work.

We are expecting some significant changes to legislation in 2020 and we will need to ensure that we have the workforce and financial backing to deliver and sustain these. National developments of matters such as the Review of Adult Social Care, Mental Health legislation, Self - directed support, the Care Review and the inclusion of the United Nations Convention on the Rights of the Child (UNCRC) are all complex areas for development that will require the CSWO overview and a continuation of our views across National Forums.

Throughout Argyll and Bute we have been involved in the Culture review that has originated from NHS Highland and so we are working across all the teams to support the shift to a more positive culture. We are achieving this through training on Courageous Conversations to support staff speak up and speak out in a more confident manner. Further team development and training plans are also in place.

Priorities for 2020/21

Recovery planning for Covid-19 will be the main priority for all services. The implementation of the new restructure for adult and children's services and to recruit to any gaps.

The development of Learning Disability Services and the implementation of the Learning Disability strategy to support the vision and priorities for the area. This will include Autism and Transitions and the development of a pathway from children to adult's services.

Redesign of Mental Health Services to include the implementation of a Forensic Psychiatry pathway and Peri-Natal pathway across Argyll and Bute. A more integrated approach to the delivery of mental health services is planned.

Support to Care Homes and the development of Care at Home services will continue to be progressed.

The GIRFEC Leadership programme will progress across all services and any learning arising from this will be implemented.

To support the workforce in terms of more robust training and development including leadership and management and to support the progress of a more health and care integrated service with a clear understanding of roles and responsibilities. To support staff by ensuring that they have robust leadership and management structures in place and that they have access to regular quality supervision and career development opportunities.

To support the work of the Chief Officer with the progression of the Culture review in line with NHS Highland and for Argyll and Bute to be positive work environment.

To undertake a review of the current out of hours social work system which is not fit for purpose and in the long term unsustainable. Proposals to develop this are being planned for 2020/2021.

We will also await the outcomes for the development of new and updated legislation to support our workforce and of the impact of the National Care review and the UNCRC across our services.

Conclusion

COVID-19 still reigns over us and continues to place us under pressure as we continue to support the needs of service users across Argyll and Bute whilst maintaining staff safety. No-one is clear about how the next few months or years will impact on us but we remain positive that by continuing to maintain an overview of services and support and look out and be kind to each other we can sustain the pace that we are working at.

As newly appointed CSWO I look forward to the next year and to have the opportunity to support and lead our social work workforce and represent Argyll and Bute not only in the CSWO group at Social Work Scotland but also in the National Forums with representatives from the Scottish Government and partners. In this context I am not only privileged to represent my CSWO colleagues across Scotland but also as the CSWO for Argyll and Bute.

I look forward to being part of a Senior Leadership Team in Argyll and Bute who will strive to make the transformational changes that are required to enhance and support the residents of Argyll and Bute across all of our services in whatever capacity.

Julie Lusk

Chief Social Work Officer and Head of Mental Health, Addictions, Learning Disability, Autism, Transitions and Physical Disability Services.

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ARGYLL AND BUTE COUNCIL**COUNCIL****ARGYLL AND BUTE HSCP****26th November 2020**

CHILDREN AND YOUNG PEOPLE'S SERVICES PLAN 2020 - 2023

1.0 EXECUTIVE SUMMARY

- 1.1 Part 3 of the Children and Young People (Scotland) Act 2014 introduces the requirement for Argyll and Bute Council and NHS Highland to prepare a Children and Young People's Services Plan to cover the period 2020 to 2023.
- 1.2 The Children and Young People's Services Plan has been prepared to share the local priorities for achieving Argyll and Bute's vision for all children and young people and makes clear what services and partners need to do together to achieve them. The plan provides a framework for professionals, parents, carers and volunteers working with children and young people helping to shape and improve the services provided in Argyll and Bute.
- 1.3 The Children and Young People's Services Plan 2020 – 23 will replace the 2017-20 Children and Young People's Services Plan and is the key strategic plans with the aim of delivering the priorities and local outcomes for children and young people articulated in the Argyll and Bute Local Outcome Improvement Plan (LOIP).

RECOMMENDATION

It is recommended that Argyll and Bute Council:

- I. Note that both NHS Highland and Argyll and Bute Council are jointly and equally responsible for children's services planning.
- II. Approve Argyll and Bute's Children and Young People's Services Plan which covers the period 2020-23 on behalf of Argyll and Bute Council.
- III. Once approved by Council and the Integration Joint Board approve the publishing of the Children and Young People's Services Plan.
- IV. Once approved by Council and the Integration Joint Board approve the submission of the Children and Young People's Services Plan to Scottish Government, and
- V. Note that Argyll and Bute's Children's Strategic Group will oversee the delivery of the outcomes and actions identified in the plan with annual performance and progress reports to be presented to future meetings of the Community Services Committee and the Integration Joint Board.

ARGYLL AND BUTE COUNCIL

COUNCIL

ARGYLL AND BUTE HSCP

26th November 2020

CHILDREN AND YOUNG PEOPLE'S SERVICES PLAN 2020 - 23

2.0 INTRODUCTION

- 2.1 This report introduces members to our new Children and Young People's Services Plan. The requirement to produce the plan is laid out in Part 3 of the Children and Young People (Scotland) Act 2014.
- 2.2 The responsibility for preparing children service's planning rests with the local authority and its relevant health board who are considered jointly and equally responsible, with other members of the Community Planning Partnership and some national public bodies either consulted with, or obliged to participate at various stages of the plan's development and review.
- 2.3 The preparation of Argyll and Bute's Children and Young People's Services Plan has been overseen by Argyll and Bute's Children's Strategic Group, chaired by Joanna MacDonald, Chief Officer, Argyll and Bute HSCP. The plan will cover the time period 2020 - 2023 replacing the 2017 – 2020 Plan.
- 2.4 The plan reflects our strategic priorities for children and young people having taken time to consider Scottish Government's expectations and aspirations in relation to the Children and Young People (Scotland) Act 2014.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Argyll and Bute Council:
- I. Note that both NHS Highland and Argyll and Bute Council are jointly and equally responsible for children's services planning.
 - II. Approve Argyll and Bute's Children and Young People's Services Plan which covers the period 2020-23 on behalf of Argyll and Bute Council.
 - III. Once ratified by Council and approved by Argyll and Bute Integration Joint Board approve the publishing of the Children and Young People's Services Plan.
 - IV. Once ratified by Council and approved by Integration Joint Board approve the submission of the Children and Young People's Services Plan to Scottish Government, and
 - V. Note that Argyll and Bute's Children's Strategic Group will oversee the delivery of the outcomes and actions identified in the plan with annual performance and progress reports to be presented to

future meetings of the Community Services Committee and the Integration Joint Board.

4.0 DETAIL

- 4.1 Argyll and Bute's Children and Young People's Services Plan has been prepared in partnership with our children and young people and the range of agencies and services who support them. The plan sets out the shared local priorities for achieving Argyll and Bute's vision for all children and young people and makes clear what services and partners need to do together to achieve them. The plan provides a framework for professionals, parents, carers and volunteers working with our children and young people helping to shape and improve the services we offer.
- 4.2 This Children and Young People's Services Plan, while acknowledging the provision of universal services, focuses on services that target the most vulnerable and disadvantaged children who require care and support from a number of agencies, including education, social work, health, Police, Scottish Fire and Rescue, Third Sector children's services and other partners.
- 4.3 This plan builds on the work described in the previous 2017 – 20 Plan and has been informed by what children, young people and families have told us about their needs and experiences. As a consequence of what we have learned, we have committed ourselves to work in partnership to continuously improve how we coordinate and deliver our universal and targeted services to ensure children and families get the help they need when they need it.
- 4.4 The outcomes and actions included within the plan were identified after thorough engagement and consultation with practitioners, young people and their parents who attended a programme of focus groups held across Argyll and Bute.
- 4.5 The Children and Young People's Services Plan is the core plan for the multi-agency delivery of children's services in Argyll and Bute. It is one of the key strategic plans developed and implemented on behalf of NHS Highland, Argyll and Bute Council and the Community Planning Partnership, with the aim of delivering those priorities and local outcomes articulated in the Argyll and Bute Local Outcome Improvement Plan (LOIP).
- 4.6 The Children and Young People's Services Plan is underpinned by the Getting It Right for Every Child framework. This ensures that we link the outcomes set out in the plan with both the Argyll and Bute Local Outcome Improvement Plan (LOIP) and the relevant National Performance Framework.
- 4.7 The implementation of the plan will be overseen by Argyll and Bute's Children's Strategic Group. Argyll and Bute Council and NHS Highland have a duty to report annually on the performance and progress in delivering the plan. The review must: (a) establish if services are being

delivered in line with the plan's aims and objectives; (b) ascertain what impact, if any, the services covered by the plan are effectively safeguarding, supporting and promoting the wellbeing of children; and (c) identify ways in which either delivery and/or the plan may be improved (to better meet current aims and requirements). The review must be published and shared with the Scottish Government.

5.0 CONCLUSION

5.1 The Children and Young People's Services Plan presented to Argyll and Bute Council has been prepared in compliance with the requirements set out in the Statutory Guidance accompanying the Children and Young People (Scotland) Act 2014.

5.2 The purpose of the Children and Young People's Services Plan is to:

- Provide a clear statement of direction and vision for children's services over the life of the Plan.
- Produce a statement of purpose and intent that provides a basis for meaningful engagement with partner agencies over the co-ordination of work and appropriate allocation of resources.
- Provide a planning framework agreed by all partner agencies that will be used to develop, monitor, review and improve how we deliver services to children and families in Argyll and Bute.
- Provide leadership and support to operational staff by delivering a coherent and rational framework that clarifies the structure, direction, purpose and priorities to be taken forward.
- Show how children's services in Argyll and Bute are working to meet national and local legislation and policy.

5.3 The plan is the overarching strategic planning document for integrated children services in Argyll and Bute with a range of existing plans feeding into it.

6.0 IMPLICATIONS

6.1 **Policy:** The Children and Young People's Services Plan is underpinned by the Getting It Right for Every Child framework.

6.2 **Financial:** None known at this time.

6.3 **Legal:** The Council and NHS Highland are required to prepare and publish the Children and Young People's Services plan as directed within the Children and Young People (Scotland) Act 2014, set out within the supporting Statutory Guidance (second edition) published in January 2020.

6.4 **HR:** None

6.5 **Equalities:** The Children and Young People's Services Plan identifies how health and social care services contribute to reducing health inequalities.

- 6.6 **Risk:** There are potential reputational risks for the Council should they fail to deliver the legislative requirements as set out within the Children and Young People (Scotland) Act 2014, Statutory Guidance (second edition) January 2020.
- 6.7 **Customer Service:** The publication of the Children and Young People's Services Plan will inform our young people, parents, carers, volunteers and practitioners of the outcomes and actions that all partner agencies have committed to deliver in order to ensure that children and young people living in Argyll and Bute get the possible start in life.

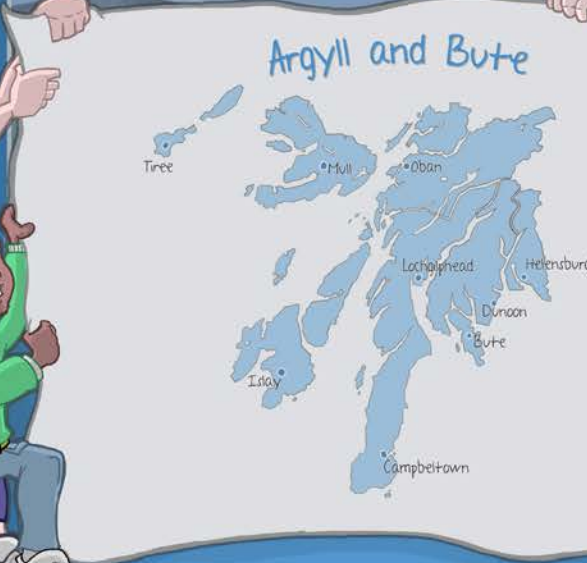
Joanna MacDonald
Chief Officer Argyll and Bute HSCP

7th October 2020

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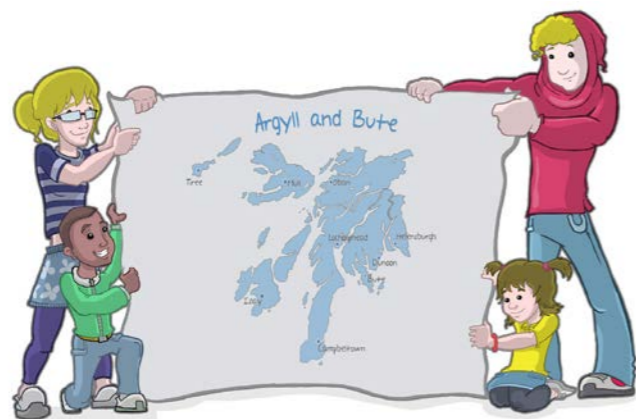
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Argyll & Bute CHILDREN & YOUNG PEOPLE'S SERVICE PLAN 2020-2023

Our Vision

Working together to achieve the best for children, young people and families



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We want our children and young people to have the best possible start in life and for Argyll and Bute to be one of the best places in Scotland to grow up.

The Argyll and Bute 2020 - 2023 Children and Young People's Service Plan builds on the work we have undertaken in the previous plan which commenced in 2017 and has been developed by our understanding of the needs of our children and young people.

Within our new plan the main focus is on promoting children and young people's wellbeing underpinned by Getting it Right for Every Child (GIRFEC) and by adopting preventative approaches dedicated to the needs of children and young people at the earliest possible time. Recognising the importance of children and young people achieving and maintaining good physical and mental health and wellbeing is also paramount.

The Children and Young People's Service Plan has links to a number of other plans, including the Local Outcome Improvement Plan (LOIP). The Joint Strategic Needs Assessment provides the foundation for this work and also underpins the Children and Young People's Service Plan and the Argyll and Bute Corporate Parenting and Child Protection Plans.

We also want to make sure children's rights are respected and promoted and are at the centre of what we do. That's why a big part of this plan will be about the United Nations Convention on the Rights of the Child becoming fully a part of Scots law. We want to make things better for children who are care experienced and for young people who are helping to care for family members.

This work will also be reflected in our Outcome 4 of the Single Outcome Agreement (SOA) for the period 2020-23 which sets out the agreed priorities for the Community Planning Partnership (CPP) for this period.

We recognise that investment in our children and young people is one of the most valuable long-term investments that we can make. By investing our shared resources in the delivery and development of services that focus on prevention and early intervention, we can ensure that children and young people's needs are met at the earliest opportunity and they are supported to achieve their full potential.

The plan provides a framework for professionals, parents, carers and volunteers working with our children and young people helping to shape and improve the services we offer.

The partnership is fully committed to delivering the Children and Young People's Services Plan. We thank all partners for their contributions to the plan and for their ongoing commitment to working together to achieve the best possible outcomes for our children and young people.



Pippa Milne
Pippa Milne
 Chief Executive
 Argyll & Bute Council



P. Dudek
Pamela Dudek
 Chief Executive
 NHS Highland



Argyll and Bute Children and Young People's Service Plan 2020-2023

The Children and Young People's Service Plan 2020 -23 sets out our joint vision, our priorities and the outcomes we will strive to achieve for Argyll and Bute's children and young people over the next three years. It has been developed collaboratively with partners involved in the delivery of services for children and young people across Argyll and Bute and has been informed by input from the most important partners to the plan, our children and young people.

Vision for Argyll and Bute

In our vision we state what we want the future to look like for children, young people and their families, for all those who use services as well as all those who work in the services or who come into contact with service users in Argyll and Bute.

The shared language of GIRFEC and the promotion of wellbeing has been adopted by all partners. This approach ensures delivery of real improvements and provides opportunities for all children to "grow up loved, safe and respected so that they realise their full potential", which is reflected in the National Performance Framework. This approach firmly puts the child at the centre and recognises that every child grows up to become healthy, happy and part of the local community (Appendix 1 provides more detailed information on our vision)



Our vision aligns with our aim of making Argyll and Bute the best place to grown up by:

- Providing children and young people with the opportunity to have a good quality of life including good mental and physical wellbeing
- Delivering high quality universal services for everyone
- Delivering better targeted services for vulnerable children
- Respecting, protecting and fulfilling children and young people's rights
- Tackling child poverty and inequality
- Supporting family wellbeing
- Understanding and addressing the influence and impact of trauma and adverse childhood experiences
- Improving outcomes for care experienced children, young people and adults

Children's Rights - United Nations Convention on the Rights of the Child (UNCRC).

The Scottish Government are taking steps to ensure that children enjoy their rights, which includes implementing the UNCRC and incorporating it into Scots law.

The United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill was introduced to the Scottish Parliament on 1 September 2020.

The Bill will transform the way we listen to children and take their rights into account. By directly incorporating the UNCRC into Scots law will mean children and young people are involved in the decisions that affect their lives and that children's rights are always respected, protected and fulfilled by public authorities. Where necessary, children will be able to go to courts to enforce their rights.

By adopting the GIRFEC approach we already use the UNCRC as a framework to ensure that we consider children's rights whenever we take decisions, and to help provide every child with a good start in life and a safe, healthy and happy childhood.

Argyll and Bute's vision commits partners to 'work together to achieve the best for children, young people and families'. In order to realise this vision this Children and Young People's Services Plan is underpinned by the Getting it Right for Every Child (GIRFEC) framework. The strategic priorities also firmly align with Outcome 4 in the local Single Outcome Agreement (SOA) and the National Performance Framework (NPF).

National Performance Framework (NPF)



- We are healthy and active
- We are well educated, skilled and able to contribute to society
- We tackle poverty by sharing opportunities, wealth and power more equally
- We grow up loved, safe and respected so that we realise our full potential
- We respect and fulfil human rights and live free from discrimination
- We live in communities that are inclusive, empowered, resilient and safe
- We are creative and our vibrant and diverse cultures are expressed and enjoyed widely.

The NPF sets out the Government’s vision for Scotland and its overarching approaches and priorities that apply across all of the GIRFEC Wellbeing Indicators and outcomes for children, young people and families.

The 11 national outcomes are all interlinked and actions taken to drive progress on the NPF are crucial to improving the lives of children and young people. Focusing on the national wellbeing outcomes for children, young people and families will provide clarity about what we need to do to make Argyll and Bute the best place to grow up and help achieve the Government’s vision.

The wellbeing indicators and outcomes for children, young people and families relate to the articles set out in the UN Convention on the Rights of the Child (UNCRC) and incorporate the eight aspects of wellbeing set out in the GIRFEC approach, summarised as SHANARRI (Safe, Healthy, Achieving, Nurtured, Active, Respected, Responsible, Included).



Where are we now?



An understanding of the needs of our children and young people within the context of their local community has informed this plan through consultation with several groups and the use of specific documents as follows:

- **Joint Strategic Needs Assessment**
- **SALSUS and the Health and Wellbeing Survey**
- **Consultation with families**
- **Consultation with groups of children and young people**
- **Participation in GIRFEC focus groups**
- **Building on actions and performance from the 2017 – 20 Children and Young People’s service plan**
- **Findings from the Independent Care Review**

This process has enabled the strategic children’s services group to make an appraisal of the current needs of the children, young people and their families, what achievements we have made, what we need to do now and in the future. The exercise has been critical in identifying the key strategic priorities required to focus on over the next 3 years.

Community Planning Partnership (CPP) - area profile and local context

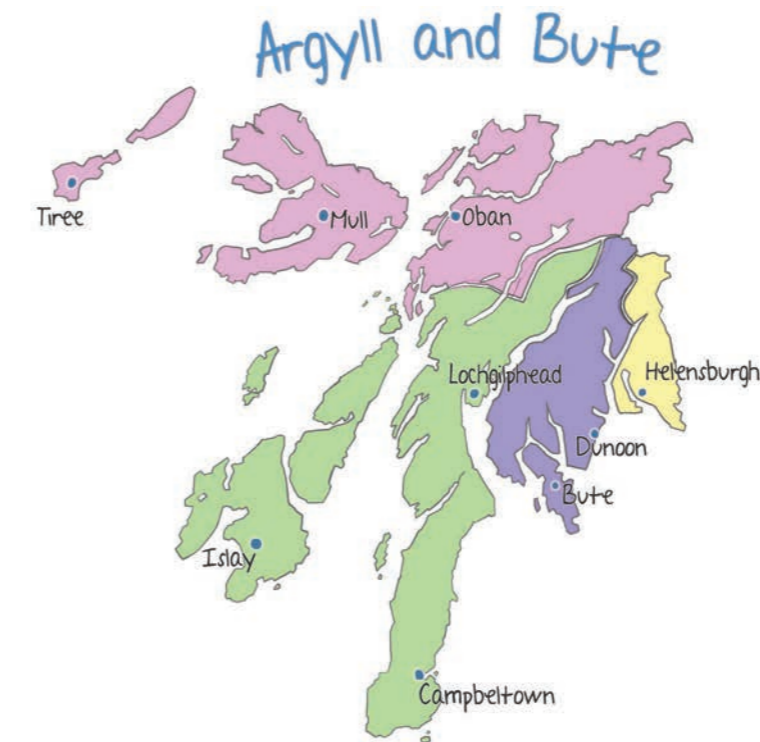
Covering a land area of 690,899 hectares, Argyll and Bute is the second largest local authority by area in Scotland after Highland. Argyll and Bute has the third sparsest population of Scotland’s 32 local authorities, averaging just 13 persons per square kilometre. We have 23 inhabited islands, more than any other Scottish local authority and around 4% of Argyll and Bute’s population live on these islands. One in five of the population is aged between 0 and 19 years.

Community Planning Partnership (CPP) - area profile and local context

The size of the local authority area and our population dispersion means that multiple facilities for service delivery are needed to ensure services are delivered close to users and communities. The distance between main settlements and use of ferry services create challenges in terms of reliability, time and the cost of travel.

Services are directed through four main areas:

- Helensburgh and Lomond
- Mid Argyll, Kintyre and Islay
- Oban, Lorn and the Isles
- Bute and Cowal



Population

- Total population 85,900 (2020)
- Male 42,700
- Female 43,100
- 25% of population is 65+
- Under 18 years population 14,566

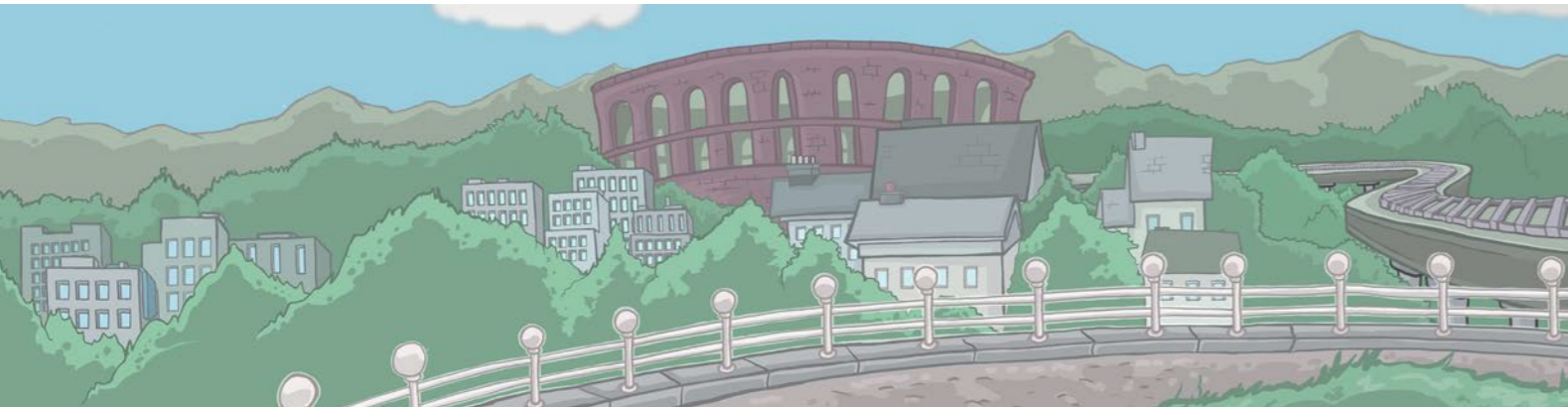
(Source: NOMIS official labour market statistics 2020)

Key Facts

How do we compare to the rest of Scotland:

- Less children looked after by the local authority
- Higher rate of looked after children at home.
- More babies being breastfed at 6-8 weeks
- Below the comparator for children at a healthy weight in primary 1
- Above for our immunisation for MMR at 24 months
- Higher number of children referred to the Children’s Reporter for offences
- Less women smoking during pregnancy
- Good child dental health in Primary 1 and 7

Child poverty



The latest statistics for child poverty in Argyll and Bute (Source: End Child Poverty) that 20.4% of children in our area are in low income households – a total of 3,176 in 2015. This is measured after housing costs. The Child Poverty (Scotland) Act 2017 received royal assent on 18 December 2017. It sets targets for child poverty for Scotland for 2030 to have less than 10% in relative poverty (measured as in a household with less than 60% median UK equivalised income for the year), and less than 5% in absolute poverty, combined low income and material deprivation or persistent poverty.

The results for Argyll and Bute from the SIMD 2016 shows

- 41,738 people live in the 53 data zones (38%) that are amongst the 15% most access deprived data zones
- 13 of Argyll and Bute's data zones – more than 10% – are in the 1% most access deprived data zones.

The most access deprived data zone in Scotland covers the islands of Coll and Tiree. All of the data zones that are in the 15% most Overall, Income, Employment and Health deprived data zones in Scotland are in our main towns. Conversely, Access Deprivation is most pronounced in our rural areas.

As a result of COVID 19:

- Children already living in poverty are likely to experience a greater impact with potential for child poverty to become more ingrained. For already vulnerable families, the situation is likely to further compound family stress and trauma
- The number of children now likely to experience poverty will increase as a result of either temporary or longer term loss of family income. This in turn will create additional demand on a range of public services including housing, childcare, rights and advice services



Joint Strategic Needs Assessment (JSNA)

<http://healthyargyllandbute.co.uk/local-information/local-area-data/>

<http://healthyargyllandbute.co.uk/needs-assessments-2/>

Gathering the views of children, young people and families about their experiences of using services is paramount in children's service planning. Partners also share a wealth of data and performance management information about provision, need and impact of the services, all of this provided the strategic children's service group with evidence of the current and future needs across the different age ranges and localities and this supported us to identify the strategic priorities for the plan. These priorities are fluid and can be modified over the three year period ensuring resources are directed with the aim of achieving measurable change and reducing any outcome gaps. The plan has also been structured to ensure the priorities align clearly with the SOA – Outcome 4 and the NPF, ensuring we have an all encompassing and comprehensive Children's and Young People's Service Plan.

Summary - Scottish Schools Adolescent Lifestyle and Substance Use and Well-being Survey (SALSUS-2018)

In 2018 a total of 1,568, 13 and 15 year old pupils were eligible to take part in the Scottish Schools Adolescent Lifestyle and Substance Use Survey (SALSUS) which informs progress towards Scottish Government policies to reduce the harms from smoking, drinking and drug use among children and young people. Argyll and Bute also modified the survey to include additional lifestyle behaviour questions with a particular focus on mental health and well-being.

Smoking	Alcohol
Reduction noted in the number of 13yr olds reporting 81% they had never smoked - down against the national trend. This is offset with an 11% increase in the number at this age who said that they had ever smoked - up locally and against the national data across the same population.	44% of the 13yr old respondents noted that "they had had an alcoholic drink (a 'proper alcoholic drink – a whole drink, not just a sip') increase of 13% locally and a 8% increase against the national data
Increase 10% locally and nationally 5% with regards to the number of 13yr olds who felt it was 'okay' for someone their age to 'try smoking to see what it's like'	78% of 15yr olds respondents noted that "they had had an alcoholic drink (a 'proper alcoholic drink –a whole drink, not just a sip') increase of 8% locally and 7% against the national data
Increase in the number of 13 (14%) and 15 year olds (13%) trying e-cigarettes locally	11% increase in the number of 15 year olds said they had drunk alcohol in the week prior to the survey, this was accompanied by a 9% increase against the national data
With an associated 3% increase in the number of 13yr olds using e-cigarettes once a week or more and 4% increase in 15yr olds	A 15% reduction on the number of 13yr old respondents reporting that they had never been drunk is offset by a 15% increase in this population who say that they had ever been drunk
	There was a combined 19% increase in the number of 15yr olds reporting that they had been drunk more than ten times and that they had managed to buy alcohol

Drugs

- 90% of 13yr old respondents had never tried any drugs
- 37% of 15 year olds felt it was 'okay' for someone their age to 'try taking cannabis to see what it's like', this is a substantial increase locally of 21%
- 12% of 13 year olds felt it was 'okay' for someone their age to 'try taking cannabis to see what it's like', this is a local increase of 10%
- A 15% increase locally of 13 year olds reported they had been offered drugs, equating to 26% of the respondent population
- A general increase in the number of 13 (13%) and 15yr old (12%) respondents noting they had been offered cannabis [the most commonly offered drug]
- 26% of 13 year olds reported they had been offered drugs
- 19% of 15 year olds obtained their drugs from an older friend on the last occasion they took them a substantial reduction of 32% locally from 2013

Mental Health

- 37% of 13yr olds and 45% of 15yr olds had an overall borderline / abnormal score
- 29% increase in both 13 and 15yr olds had a borderline/abnormal score for emotional symptoms



Feedback from Young People

As part of developing our plan we asked young people what mattered to them, the following key areas were identified:

What Matters To Me

- Being respected and treated equally
- Our voice being listened to
- We have opportunities to be healthy, both our physical and mental health

What We Are Doing Well...

Even Better If...

- | | |
|--|---|
| <ul style="list-style-type: none"> ● Providing clubs and opportunities to take part in different activities ● Working to ensure young people have a voice ● Providing support for young people ● Providing young people with education | <ul style="list-style-type: none"> ● We had opportunities to access good support for mental and emotional health ● People act on the feedback we provide ● Increased youth opportunities ● We made sure children and young people's rights are upheld |
|--|---|

Key Achievements to date



The following section highlights a selection of key achievements across the children's services partnership throughout the 2017 – 20 Children and Young People's Service Plan.

Early Intervention and Support

Implementation of the 3-18 Numeracy and Mathematics strategy and Stages of Early Arithmetical Learning (SEAL) approach have progressed well and schools trained in SEAL have recorded a notable increase in attainment and this has been reflected in the National Improvement Framework (NIF) data.

Implementation of the 3-18 Literacy strategy and P1 guidance and training has developed confidence and increased understanding in practitioners' ability to approach early literacy in a way that has a positive impact on pupils' achievement and wellbeing.

Breastfeeding rates at 6-8 weeks are continuing to improve with the percentage of children exclusively breastfed at 6-8 weeks sitting at 37%, this exceeds the national target of 32%.

Mental Health and Well-being

The blending together of two programmes has resulted in a higher number of families attending Incredible Years (IY) parenting programmes.

The Psychology of Parenting Programme (POPP) involves delivery of two evidence-based parenting programmes for families with young children who have elevated levels of behaviour problems.

Argyll and Bute have been fortunate enough to be involved in the Changing Lives Initiative (CLI), a community-based research project creating a better understanding about ADHD and providing an intervention programme for families with children (age 3-7) experiencing behaviours consistent with ADHD.

CLI and POPP have provided an opportunity for staff across the partnership to be trained to deliver either the IY or Triple P parenting programmes.

CLI have also developed an innovative app on ADHD to support families. The app helps families understand what ADHD is and provides practical strategies and tools for parents to use with their children. The app is particularly relevant for parents who have concerns about their child's behaviour but are not yet sure if their child has ADHD. The app is also extremely useful for those working with children in helping them understand ADHD and how they might support children who have issues with inattention, hyperactivity or impulsivity.

Children and Young People's Voice

Argyll and Bute were successful in obtaining the Top Team Award for Quality Improvement (QI) at the National QI Awards in November 2019. The award was obtained as a direct result of two tests of change to promote innovative practice; one test involved developing a GIRFEC infomercial with children and young people and the other was the development of a tool to gather the views of parents following Child's Planning Meetings.

Substance Misuse

In partnership with the Alcohol and Drugs Partnership (ADP) we have been successful in reaching 90% of secondary schools delivering drugs awareness programmes.

The annual S3 Health Drama was delivered for the third year running to all S3 pupils and addressed a number of health topics relevant to young people. It included 3 lesson plans, a resilience workbook, workshops, a touring drama production and a question and answer session with service providers.

90% of pupils said they found the drama informative, with 86% reporting they are now more aware of young people's services across Argyll and Bute.

Priorities

Our CYPSP and the CPP Outcome 4 priorities are underpinned by GIRFEC and supported by a number of key delivery plans and performance measures relating to improvement activities that are likely to make the most positive difference to the wellbeing and life chances of our children and young people.

CYPSP Priority 1: By ensuring strong, respectful collaborative leadership and communication through the GIRFEC approach we are *getting it right* for our children and young people

Children's services are delivered through integrated systems and strong, respectful collaborative leadership is an essential component of this. Getting it right for every child (GIRFEC) is the golden thread that encompasses all our partnership working, it provides a shared approach and framework for professional standards.

The GIRFEC collective leadership approach supports a coordinated leadership method of working, underpinned by the GIRFEC multi-agency practice model.

The following high level multi-agency objectives support this:

- The GIRFEC collective leadership approach will facilitate transformational change across children's services ensuring partners have increased knowledge and understanding of collective leadership
- Improved partnership approach to service delivery will result in better outcomes for children, young people and their families
- Children's services workforce plans reflect the collective leadership approach
- Ensure that children and their families are fully engaged with collective decision making and able to contribute to their support and learning

CYPSP Priority 2 - Our children and young people have access to early help and support.
Outcome 4 priority – Child Poverty

Effective early help is essential to improve the life chances of children, young people and their families. The aim of the early help and support priority is to build capacity in communities that will prevent crime, support education, and keep children, young people and their families healthy and safe.

The following high level multi-agency objectives support this

- Children and young people are supported with dietary choice to maintain a healthy weight and increase physical activity
- Families are supported and signposted to ensure uptake of welfare benefits and healthy start vitamins and vouchers
- Pre-school children meet their developmental milestones before starting school
- Children and families are provided with effective support to maximise income and help reduce the adverse impacts of growing up in poverty
- Children and young people are supported to make informed choices about sexual health
- Partners work together and actively seek out and listen to the views and experiences of children, young people and their families. The feedback identifies key areas for improvement to ensure their health and wellbeing needs are focused on
- Partners work together to ensure Breast Feeding Communities are developed and sustained in the community.

CYPSP Priority 3 – We improve the mental health and well-being of our children and young people.
Outcome 4 priority – Engagement

Our key focus is to improve the lives of children and young people by supporting them to achieve the best possible outcomes for their emotional wellbeing and mental health. Developing a new culture around children and young people's emotional wellbeing and mental health that supports and enables resilience, whilst ensuring access to specialist services, when needed, is fundamental.

The following high level multi-agency objectives support this:

- The development of additional support for new mums where we know many experience a range of mental health needs and challenges that can be supported in universal services while some mums will benefit or require specialist help and intervention. These to be informed by attachment led practice and trauma informed approaches to understanding need
- Ensure that children and young people are able to access early mental health, wellbeing and counselling support at school and communities
- Argyll and Bute have a trauma informed children and young people's workforce with consideration of needs at the point of transition into adult services
- The partnership will improve assessment pathways for children, young people and their families with neuro-developmental conditions
- Children and young people will have access to mental health and wellbeing programmes and supports to enhance prevention and early intervention while providing more specialist support where required
- Through access to advocacy services children and young people will be supported to build healthy relationships embedding trauma informed principles across our services

CYPSP Priority 4 – We ensure our children and young people’s voice is heard.
Outcome 4 priority - Children’s Rights

“Every child has the right to express their views, feelings and wishes in all matters affecting them, and to have their views considered and taken seriously”

(UN Convention on the Rights of the Child Article 12)

Not only do children and young people have a basic human right to express their views on matters which are important to them, but also that their views are actively sought out, listened to, and acted on to make a difference to improve children and young people’s lives.

The following high level multi-agency objectives support this:

- The Young People’s Advisory Panel will work to ensure that all children and young people are actively engaged and involved in the development of future services
- The multi-agency focus across schools and communities for children and young people will ensure maximum impact in key areas such as; good mental health and wellbeing, personal skills, leadership, team building and communication
- Partners will ensure that children and young people have equal and equitable access to real and meaningful outcomes
- Feedback from children and young people will ensure multiagency service delivery and support is focussed on what really matters to them



GIRFEC - Leadership and Communication
Partners will embrace transformational change to improve service delivery resulting in better outcomes for children, young people and their families

Objectives (High Level/ Multi-agency)

- The GIRFEC collective leadership approach will continue to drive forward our commitment to transformational change across children’s services ensuring partners have increased knowledge and understanding of their roles and responsibilities in delivering collective leadership.
- Further developing our partnership approach to service delivery will result in better outcomes for children, young people and their families.
- Children’s services workforce plans are immersed in the collective leadership approach
- Ensure that children and their families are fully engaged with collective decision making and able to contribute to their support and learning

Multi-Agency Requirements (Expectation of key multi-agency partners)

- Partners design and deliver services in line with local priorities and systems
- Partners are fully engaged in GIRFEC collective leadership
- Partners continue to develop our GIRFEC practice to ensure it meets local needs and priorities
- Partners promote and celebrate collective successes, ensuring that children, young people and their families are engaged with shared learning and are able to identify what works.

Outputs (What are we going to deliver as multi-agency partners)

- We have a shared understanding of local systems and processes
- We can evidence collective leadership approaches and developments across the partnership
- Partners will work together to deliver transformational change in children’s service practice
- Partners will ensure the rights of the child are embedded in the new leadership culture and future service transformation

Performance and Improvement

Short-term Outcomes expected at 12 months	Mid-term Outcomes expected at 24 months	Long-term Outcomes expected at 36 months
Improvement programmes are designed around key priorities identified in the GIRFEC support evaluation	Evidence of improvements in GIRFEC practice and delivery of services are embedded in children’s services	Transformational change is embedded across children’s services
Partners work collectively to review current systems and processes and reduce bureaucracy	Streamlined systems and process result in partners having the ‘One Child, One Assessment and One Plan’ approach to service delivery	Improved service delivery and better outcomes for children, young people and families
The voices of children and young people are evident in all aspects of children’s service delivery	Feedback on successes and what is not working	Children and young people report they contribute, participate and engaged in children’s services activity

Early Help and Support

Children and young people's views and opinions inform future development and improvements

Objectives (High Level/ Multi-agency)

- Families are supported and signposted to ensure uptake of welfare benefits and health start vitamins and vouchers.
- Pre-school children meet their developmental milestones before starting school
- Children and families are provided with effective support to maximise income and help reduce the adverse impacts of growing up in poverty
- Children and young people are supported to make informed choices about sexual health
- Partners work together and actively seek out and listen to the views and experiences of children, young people and their families. The feedback identifies key areas for improvement to ensure their health and wellbeing needs are focused on
- Partners work together to ensure breast feeding communities are developed and sustained in the community
- Children and young people are supported with dietary choice to maintain a healthy weight and increase physical activity

Multi-Agency Requirements (Expectation of key multi-agency partners)

- Partners need to ensure services for children and young people promote shared ownership
- Partners shift from single agency working to working co-productively in the community
- Partners work together to identify pre-school children requiring support early
- Partners embrace the role of the Named Person and Lead Professional in the Child's Planning process to ensure SMART outcomes are achieved

Outputs (What are we going to deliver as multi-agency partners)

- We aim to develop a 80/20 focus across services to ensure that there is 80% universal general services and 20% for specialist services
- Partners will work together to increase the number of mothers supported to breast feed in their communities
- Increase the number of children 2 years or younger accessing services to support them to reach their developmental milestones
- Partners provide early support with regards to alcohol and drug education and support in primary and secondary schools
- Partners will work together to support children and young people to adopt healthy lifestyles

Performance and Improvement

Short-term Outcomes expected at 12 months	Mid-term Outcomes expected at 24 months	Long-term Outcomes expected at 36 months
Ensuring relevant assessments at key ages and stages are carried out	Ensure early help and support is put in place. Use the Model for Improvement to develop tests of change and ideas to promote and improve child development	85% of pre-school children meet their developmental milestones resulting in better outcomes for children
Ensure the Child Poverty Strategy is rolled out across the partnership	Deliver on key priorities identified in the Child Poverty Strategy	Reduction in the number of children and young people affected by poverty
Children and young people have a better understanding of what safe and healthy relationships look like	Children and young people feel more positive about their health, wellbeing and developing relationships	Children and young people feel supported to adopt healthy lifestyle choices
Raise the profile of breast feeding across communities	Ensure that breast feeding rates are improved and sustained	Argyll and Bute communities are breast feeding friendly
Children and young people are able to make informed choices about their dietary needs	Children and young people are supported to make good choices with respect to maintaining a healthy weight	A reduction in childhood obesity

Mental Health & Wellbeing

Children and young people will enjoy good mental health and wellbeing in their schools and community

Objectives (High Level/ Multi-agency)

- Ensure that children and young people are able to access early mental health, wellbeing and counselling support at school and in communities.
- Argyll and Bute have a trauma informed children and young people's workforce with consideration of needs at the point of transition into adult services.
- The partnership will improve assessment pathways for children, young people and their families with neuro-developmental conditions.
- Children and young people will have access to mental health and wellbeing programmes and supports to enhance prevention and early intervention while providing more specialist support where required.
- Through access to advocacy services children and young people will be supported to build healthy relationships.

Multi-Agency Requirements (Expectation of key multi-agency partners)

- Partners need to work more collaboratively to ensure collective outcomes and ownership
- Services for children and young people need to be supported by the partnership and provide evidence of this happening
- Partners will work collaboratively to review assessment pathways for neuro-developmental conditions in line with national guidance
- Services and support will focus on upstream preventative activities for children and young people's mental health and wellbeing including the provision of counselling through schools for children and young people from 10 years of age
- Children and young people experience better and more robust transitions across services and agencies

Outputs (What are we going to deliver as multi-agency partners)

- Children and young people experience good relationships at school and in the community
- Children and young people will feel supported through safe, nurturing relationships provided by a trauma informed workforce
- Children, young people with neuro-developmental conditions (and their families) will receive the support they require in schools and communities, based on a robust assessment of need, risk and vulnerability
- All children, young people and their families will have equal access to emotional wellbeing support in their communities, through seamless pathways and more targeted support for parents and access to parenting programmes
- Partners will work together to ensure a whole system approach to community wellbeing is embedded in our culture

Performance and Improvement

Short-term Outcomes expected at 12 months	Mid-term Outcomes expected at 24 months	Long-term Outcomes expected at 36 months
Early help and support is readily available and pathways are in place to access school nursing, primary mental health workers and school counselling	Access and support for early help is available and easily accessible for children and young people	Children and young people report they are able to access mental health and wellbeing support
Trauma training is rolled out across the partnership	Partners feel confident in understanding trauma and how it affects children and young people's lives	All partners are trauma informed and can demonstrate this in the actions taken to support children and young people
Partners will work to develop core standards and pathways of care	Implement the standards and pathways of care	Standards are improved and robust pathways are in place for children and young people with neuro-developmental conditions
Advocacy services are easily accessible for children and young people	Children and young people are routinely using advocacy services	Children and young people report they are benefitting from accessing advocacy services

Children and Young People's Voices

Children and young people's views and opinions inform future development and improvements

Objectives (High Level/ Multi-agency)

- The Young People's Advisory Panel work to ensure that children and young people are actively engaged and involved in the development of future services
- The multi-agency focus across schools and communities for children and young people will ensure maximum impact in key areas such as; good mental health and wellbeing, personal skills, leadership, team building and communication.
- Partners will ensure that children and young people have equal and equitable access to real and meaningful outcomes
- Feedback from children and young people will ensure multiagency service delivery and support is focussed on what really matters to them

Multi-Agency Requirements (Expectation of key multi-agency partners)

- Multi-agency awareness training with regards to understanding and applying the UNCRC Children's Rights Plan (Appendix 2)
- There is a partnership approach to building capacity with regards to recruitment, training and commissioning of services
- Individual service planning reflects actions arising from feedback from children and young people

Outputs (What are we going to deliver as multi-agency partners)

- Feedback and engagement for the life of the plan from the Young People's Advisory Panel will build trusting relationships
- Ensure that young people are able to have their voices heard at the Integrated Joint Board (IJB) and CPP through the involvement of representatives such as School Pupil Councils, MSYPs and Youth Forums
- Findings from the SALSUS and Well-being Survey will ensure partners respond to the voices of children and young people

Performance and Improvement

Short-term Outcomes expected at 12 months	Mid-term Outcomes expected at 24 months	Long-term Outcomes expected at 36 months
Young People's Advisory Panel is created	Methods to engage children and young people are designed and tested by the Away Team and the Young People's Advisory Panel	Children and young people are engaged and co-designing the next CYPS Plan (2023/27)
The Young People's Advisory Panel will be invited to attend a Argyll & Bute's Children Strategic Group development session to update them on the work of the Young People's Advisory Group	Invite the Young People's Advisory Panel to present progress at the Community Planning Partnership	Children and young people are involved in creating the new 2023 – 27 CYPS Plan
The findings of the Independent Care Review are taken forward within a multiagency approach	The findings of the Independent Care Review are embedded in practice across the partnership	The lives of care experienced children are improved

Getting it Right for Every Child in Argyll and Bute

Argyll and Bute are fully committed to Getting it Right for Every Child and ensuring the well-being needs of our children, young people and their families are met. Some of the services and actions to deliver services from across the partnership are set out below:

SAFE

Safe: protected from abuse, neglect or harm at home, at school and in the community

- Deliver positive community safety initiatives for young people and their parent/carers
- Develop supports for young people eligible for Throughcare and Continuing Care so that young people can access nurture and care when required to ensure they feel nurtured and cared for when they most need it
- Implement the recommendations from the Independent Care Review (Scotland)
- Support young people in children's houses in their development, well-being and to achieve positive outcomes
- Develop early intervention supports and clear pathways for vulnerable young people experiencing poor mental health
- Through commitment to prevention, early intervention, and effective use of multi-agency Child's Plan meetings, support for individual children can often be put in place on a voluntary basis where families engage positively with services. By implementing this structure we have strengthened our processes and systems for safeguarding and protecting children.
- **Getting it Right Antenatally:** Early intervention and targeted support for parents is provided through the pre-birth pathway and GIRFEC principles. The named midwife co-ordinates a care plan throughout pregnancy with families and involvement of wider team if necessary. The pathway supports the timely completion of assessments and early convening of Antenatal Planning meetings or Child Protection Case Conferences.
- **Adverse Childhood Experiences (ACEs) and Trauma:** A significant amount of work has already been undertaken in relation to ACEs. To support the ACEs agenda and address the barriers that those affected by trauma can experience we are building a trauma informed workforce to enhance understanding and awareness of trauma practice across our children's services workforce.

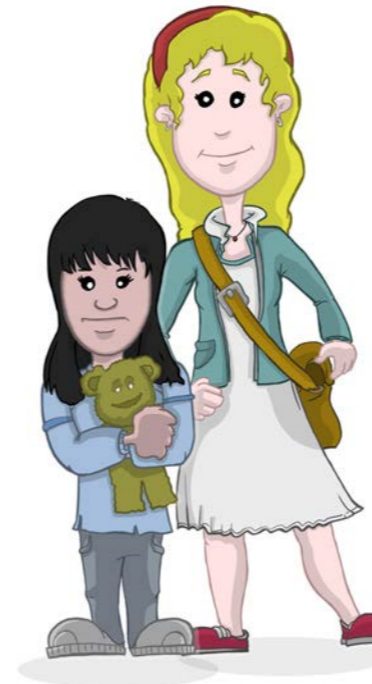
The findings of the Independent Care Review are taken forward within a multiagency approach. The findings of the Independent Care Review are embedded in practice across the partnership. The lives of care experienced children are improved



HEALTHY

Healthy: having the highest attainable standards of physical and mental health, access to suitable healthcare, and support in learning to make healthy, safe choices

- Increase confidence and capacity in the workforce by providing staff development opportunities in nurture, relationship based approaches and low level anxiety management approaches
- Ensure priorities for children's mental health and wellbeing are actioned
- Introduction and implementation of school based counselling services to support mental health and wellbeing
- Ensure appropriate access to health visitors and school nurses and that relevant priorities are implemented
- The Best Start Programme recognises that maternity and neonatal care services are the foundations of health and wellbeing. In line with the principles of GIRFEC, antenatal mothers in Argyll and Bute have a named midwife and buddy midwife which provides them with a continuity of planned antenatal care package
- The blending together of two programmes has resulted in a high number of families attending Incredible Years (IY) Parenting Programmes. The Changing Lives Initiative (CLI) a community-based research project creates a better understanding about ADHD and provides an IY intervention programme for families with children (age 3-7) experiencing behaviours consistent with ADHD. CLI and the Psychology of Parenting Programme (POPP) provide opportunities for staff across the partnership to deliver either the IY or Triple P parenting programmes



ACHIEVING

Achieving: being supported and guided in learning and in the development of skills, confidence and self-esteem, at home, in school and in the community

- Improve early education intervention approaches to support the development of children under 5 years old
- Improve educational attainment for all children and young people
- Work in partnership to improve positive destinations for young people in our most deprived schools and communities
- Work with partners to improve positive destinations for your people who have care experience
- Support all young people to achieve and sustain positive destinations
- Improve outcomes for children and young people with additional support needs

Measuring progress, monitoring and reviewing the plan

Argyll and Bute's Children Strategic group incorporates senior officers from across the CPP with the commitment of working together to deliver the priorities and outcomes identified in the plan. Other key priorities and outcomes identified in the plan are directly linked to the SOA Outcome 4 delivery group.

The Performance, Quality Assurance (PQ&A) subgroup will be responsible for monitoring and reviewing the plan and reporting on its progress delivering to targets using Quality Improvement and the PDSA strategic planning cycle.

Argyll and Bute's Children Strategic group meets every 8 weeks and reports progress to the CPP, Community Services Group and Integrated Joint Board (IJB). Monitoring progress against the Children and Young People's Service Plan is a key function of the group and is set out below.

We will review evidence and learning about children and young people's experiences of services from:

1. Output reports and improvement actions from regulated and partnership inspections of services for children and young people.
2. Feedback from the Young People's Advisory Group.
3. Performance data and trends relating to children and young people's outcomes in respect of education, health, social care and justice.
4. Talking directly to children, young people, parents and carers, listening to what they say and acting on it.

Developing services together to better achieve outcomes by:

- Reviewing the Children and Young People's Service Plan annually, asking 'How good are we now?', 'How do we know?', 'How good can we be?'
- Reporting performance progress against agreed indicators annually
- Conducting planned shared self-evaluation of partnership service delivery using the Care Inspectorate Performance Framework for Children and Young People's Services: "Care Inspectorate Guide to Evaluating Services Using Quality Indicators"
- Developing refreshed priorities and implementation plans on an annual basis

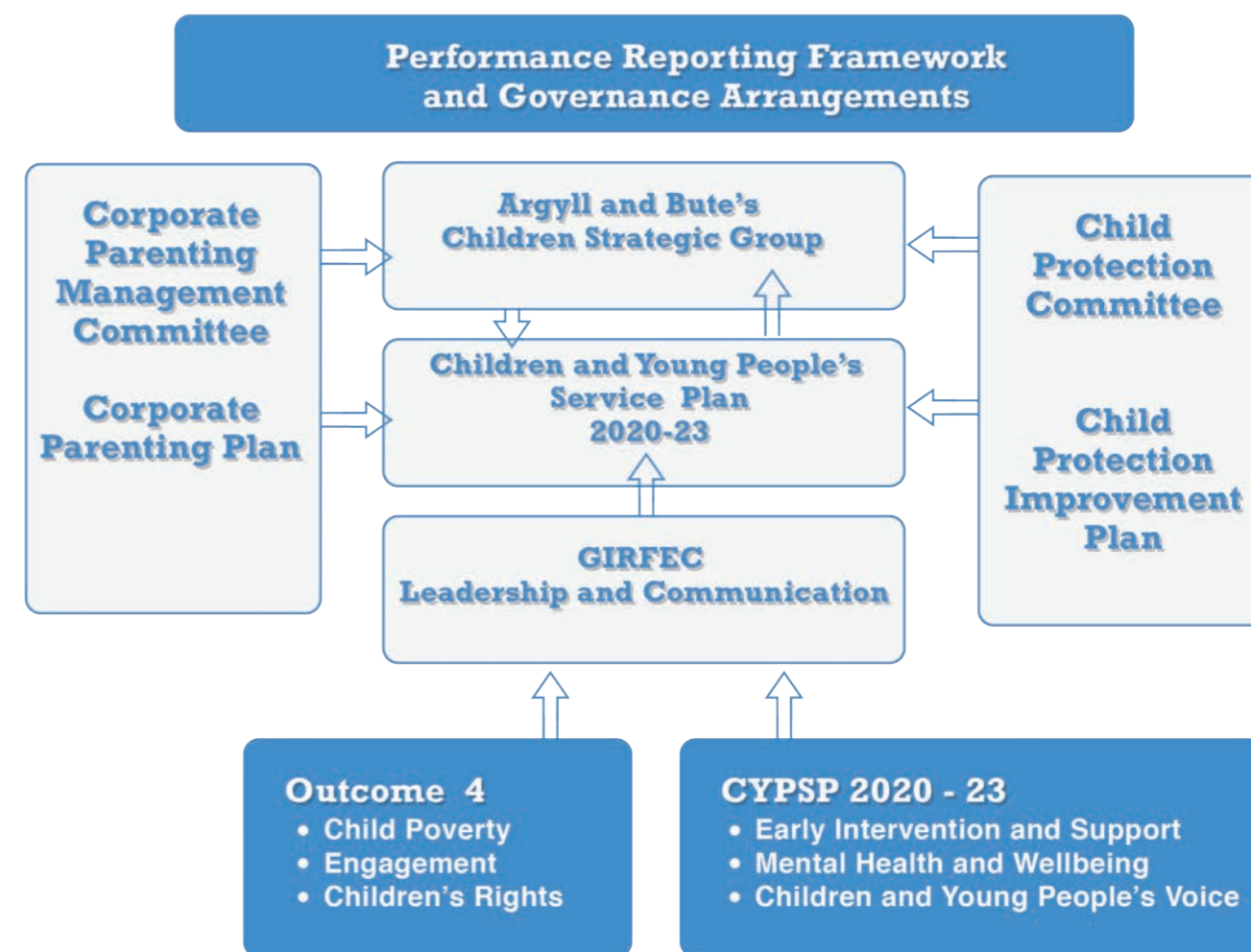
Monitoring achievement of the plan:

By adopting logic modelling and setting clear targets for improvement we will measure progress over the 3 year period of the plan.

Each of the outcomes will be monitored and reviewed using a range of data sources such as health, education, waiting-list times, qualitative feedback, child protection minimum data set, corporate parenting intelligence, self-evaluation and other departmental data sources.

This will be achieved by:

1. Appointing priority leads
2. Assessing progress of plans through quarterly action reporting
3. Challenging progress, especially where it is not on track
4. Self-evaluation of the services for and **with** children and young people
5. Annually reporting on the progress of plans and achievements of outcomes



Children and Young People Improvement Collaborative (CYPIC)

Children and Young People Improvement Collaborative (CYPIC) is supporting the Government's drive to make Scotland the best place to grow up by putting the needs of children and families at the centre in line with GIRFEC and the Early Years Framework. The approach uses the improvement methodology that enables organisations to deliver stronger, more effective services that are built on robust evidence of what works in improving outcomes and life chances and to learn from each other about the approaches that are most effective. This approach supports practitioners to test, measure, implement and spread new and better ways of working to make services more effective and responsive to the needs of children and families.

Quality Improvement (QI)

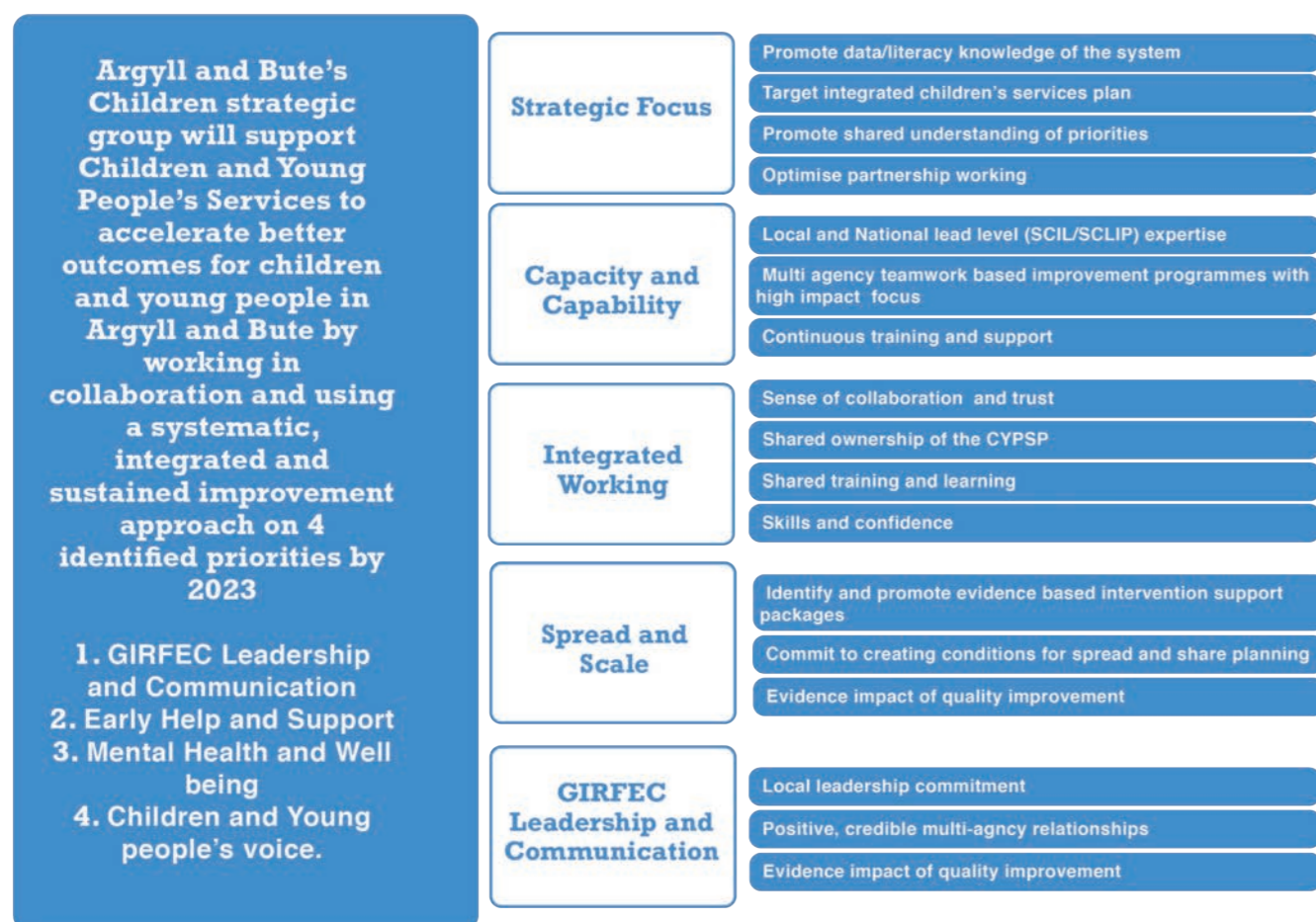
Quality Improvement (QI) provides a proven methodology for making improvements to practice and ways of working to improve outcomes for children and young people. QI involves working towards a defined aim, gathering and reviewing measures and implementing change strategies using rapid cycle improvements. Specific QI tools and processes are used to support testing, implementation and spread to other localities using the improvement methods and models. These include the Model for Improvement (Mfi) which makes use of incremental change and a testing model called Plan-Do-Study-Act (PDSA).

Driver Diagram

A driver diagram is a tool that helps translate a high level improvement goal into a logical set of underpinning goals and projects. It captures an entire change programme in a single diagram and also provides a measurement framework for monitoring progress. It is your 'theory' about how the system you are working in and wanting to improve actually works.

The driver diagrams provide a visual display and theory to support Argyll and Bute to deliver the priorities identified in the plan.

Driver Diagram



Partners to our Children and Young People's Service Plan

There are a range of groups and plans supporting the Children's Services Strategic Planning Partnership including:

- Education services
- Community learning and development
- Children, families and justice
- Third sector representative
- NHS Highland
- Live Argyll

Children's Hearings

In addition to the resources outlined above, the Children's Hearing system plays an important role in child protection, child welfare and justice. Partners work closely with the Scottish Children's Reporter Administration (SCRA) to ensure that those children and young people who require compulsory measures of supervision are referred to the Reporter at the right time with the right supporting information.

Governance, Monitoring and Evaluation

Progress and performance reports will be monitored by the Performance, Quality Assurance Group (PQ&A).

Links to other plans and documents

- Education Annual Plan
- Children and Young People's Services Plan 2017 – 20
- Child Poverty Action Plan
- Children's Rights Plan
- Corporate Parenting Plan
- Child Protection Action Plan
- Integrated Joint Board Strategic Plan
- Local Outcome Improvement Plan
- Independent Care Review
- Community Learning and Development Plan
- Active Schools Plan
- Joint Strategic Needs Assessment 2020 - 23
- Children's Services Commissioning Plan



Appendix 1 – What our vision means

1. We work together with our children and young people

For children and young people:

At some point, you may need different people to work together so that you get the help you need. These people might be nurses, teachers, doctors, social workers, police officers or others. When different people are helping you, you should know who they all are.

As well as knowing who is helping, you must know why they are helping and what they are doing to help you. There will be someone, usually your Named Person, who makes sure you understand what is going on. All these people will work together so that you and your family don't have to keep telling your story over and over again, fill in lots of different forms or attend lots of different meetings.

When people like nurses and teachers and social workers are working together to help you, they will have to tell each other things about you and what is going on in your life. They will usually ask you first if it is alright to do this. Sometimes though, if they are worried about your safety, they might not ask you. If this happens, they will always tell you that they have to share something about you or that they have already done this. Whatever happens, they will only ever tell someone what they need to know in order to help you.

For parents and carers:

When your child needs support from a number of different agencies they will work together in a joined-up way to provide help. You won't have to go around different agencies asking for help and explain your situation over and over again. We will work together so that even if services from a number of agencies are involved, there will still only be a single plan for your child.

This plan will set out everything that each of the services will do to help. The plan will also set out the things that you will do too. When more than one service is helping you, one of the professionals involved will take on the role of Lead Professional. They will work closely with the Named Person to keep you informed about how things are going.

When two or more services are helping your child, a Lead Professional will coordinate everything. They have oversight of your child's plan and ensure that all the professionals are doing the things they said they would do. When we work together like this, different professionals will need to share information. We will usually ask for your consent and/or your child's consent. However, if there are concerns about your child's safety we might share information without asking for your consent. We will consider information very carefully before we share it and we will only share what other professionals need to know.

For those working in children's services:

We need to ensure that our GIRFEC procedures and the Named Person and Lead Professional roles are carried out effectively. We need to maintain our culture of effective professional challenge at all levels to continue to improve outcomes for children, young people and families. We have good multi-agency information sharing guidance for practitioners and those who work with children, young people and families should be aware of this guidance and follow it when sharing information.

Appendix 1 – What our vision means

2. Our children and young people achieve their potential

For children and young people:

We know that some children and young people face more challenges than others.

You might

- Have problems at home
- Be helping to care for a family member
- Have a disability
- Be looked-after by the local authority
- Be in distress
- Have additional support needs

There may be things happening in your life that mean it is more difficult for you to have the kind of life you want. We understand this. We won't always be able to make the challenges you face go away but we will do everything we can to help and support you to overcome them.

For parents and carers:

Families can face all kinds of challenges that make it difficult for their children to achieve their potential. As children and young people grow, they can be affected by poverty, low income, poor housing, domestic abuse, substance misuse, parental ill-health or their own ill-health or disability. These things make them more vulnerable and can affect their ability to achieve their potential.

Many young people will achieve their full potential without any extra help or support. However, the most vulnerable need extra help so we will target resources at vulnerable families.

We know that the most important time for child development is during pregnancy and in a child's early years. We will support pregnant women, babies, young children and their parents. We will provide help as soon as possible for children who might need it in order to meet their potential.

Your child's Named Person is their Health Visitor up to when they start primary school when their Named Person is the Head-teacher. The Named Person is responsible for supporting you with your child's wellbeing. When your child needs additional support, their Named Person will arrange this. When you have worries or concerns about your child you can talk to their Named Person. They will give you advice or arrange more support for your child where necessary.

For those working in children's services:

We need to fully understand the impact of and address the issues arising from vulnerability and inequality. We must provide resources and support for those who are at risk of not meeting their potential. We will use the GIRFEC Practice Model to respond to need and plan support and intervention appropriately and proportionately. Our support planning with children, young people, and their families will be robust and of the highest value in assisting them to overcome any barriers they may face.



Appendix 1 – What our vision means

3. Our children and young people are safe

For children and young people:

When you are a child, being safe means that you are protected and cared for. When you are a young person it also means that you know how to keep yourself safe. You don't feel under pressure from others to do things that are harmful or could put you at risk. Everyone who works with children, young people and families will take action to help you when you may not be safe.

For parents and carers:

Every child and young person should be protected from physical, sexual or emotional harm, abuse, neglect or exploitation. They should have a positive state of mind. As children grow into young adults they should develop confidence and self-esteem. They should feel secure, protected and enjoy relationships where adults listen to them and act in their best interests.

They should learn how to keep themselves safe and never feel under pressure from others to do things that are harmful or could put them at risk. Anyone who works with children, young people or families will take immediate action if they think a child or young person might not be safe. Our aim is to always work together with parents and carers to help them keep their children safe.

For those working in children's services:

Everyone has responsibility for ensuring the safety of children and adopting a child-centred and outcome focused approach. When working with adults you need to be aware of any children they may have and consider the impact of their actions on them.

The needs of the child must always take precedence over those of the adult. The safety of a child must always be your first priority and you must take action immediately if you have any concerns. You should be aware of and follow your own service's child protection procedures and inter-agency procedures.



Appendix 1 – What our vision means

4. We listen to our children, young people and their families

For children and young people:

We will ask you what you think of the services you use and what we need to do to make them better. We will ask you whether the help you get is making things better for you. We will pay attention to what you say, take your views seriously and act on them.

When you need extra help and support you could have a Child's Plan. Your Child's Plan sets out what outcomes you need to achieve, what has to be done and who will do it. If you have a Child's Plan, the people working with you will involve you in talking about what goes in it. You will get to say what you think and the people working with you will listen and include your views in your plan. When there is a meeting to discuss your plan you will be asked whether you want to go to it. You can have someone with you to support and help you make your wishes understood.

For parents and carers:

We will listen to what you tell us about your child and take your views seriously and act on them where appropriate. When your child needs extra help and support and they could have a Child's Plan. You will be involved in helping to draw up the plan and the professionals involved will seek your input.

We want to know what families think about the services that they use and how these could be improved. We will work together with parents, children and young people to develop and improve our services to ensure that they work for those who use them.

For those working in children's services:

We need to actively engage children, young people and families and genuinely listen to them to ensure that their views are reflected in Child's Plans. We need to offer help so that this can happen such as advocacy services or providing additional support to those with communication difficulties.

We need to know whether children and young people's wellbeing is actually improving as a result of our actions. We need to continue to develop ways of effectively engaging with children, young people and families about their experiences and using that feedback to inform what we do to improve our procedures, practice and culture. We need to continue to develop ways to actively promote the involvement of children, young people, families and communities in the development of the services that they use.

Appendix 1 – What our vision means

5. Children, young people and their families get the right help, from the right people at the right time

For children and young people:

This means that we will look out for children, young people and families who need help and do something to help them as soon as we can. We will not wait until someone has major problems before we try to help them. We will help them as soon as we can so they avoid having major problems or before problems get so big it is really hard to fix them easily.

To make sure that children and young people in Argyll and Bute get the right help, from the right people at the right time, all children and young people who live here have a Named Person from before they are born up to the age of 18. Before you start primary school, your Named Person is a Health Visitor. When you are at primary school, your Named Person will be the Head-teacher. When you are at secondary school your Guidance teacher will be your Named Person.

You can go to your Named Person for advice when you are worried or when there are things that could cause problems for you. Your Named Person will do all they can to help you. They may need to arrange for other professionals to support you as well. When you do need extra help, the Named Person will sort this out for you as soon as possible. This means that you won't have to go round lots of different services trying to get help while things get worse for you.

For parents and carers:

When your child needs help, they should get it as soon as possible. We will not wait until families are struggling before doing something to support them. The right help, from the right people, at the right time is help that prevents problems from developing or stops them getting worse.

Sometimes, all that is needed is advice, someone to talk to about the challenges you face, someone who can give you ideas on how to manage things like bed-times, routines or managing behaviour. This kind of support at an early stage can help prevent all kinds of difficulties later on.

Your child's Named Person is the key professional to making sure that your child gets the right help, from the right people at the right time. Having a Named Person means that every parent or carer has someone they know they can go to for support or advice when they are concerned about their child.

For those working in children's services:

Early identification of adverse childhood events and prompt interventions is a feature of our most powerful methodologies in supporting children, young people and their families. This might be intervention in the early years of life or at any stage when problems begin to emerge for a child or young person.

The GIRFEC Practice Model is critical to early intervention and is a driver of positive cultural change. Practitioners need to be confident in their understanding of GIRFEC processes and how they relate to their own role. When Named Persons are taking action to secure help for a child or a young person they need to be child centred, outcome focused and confident of multiagency support in their effort.

Appendix 2 – Our Children and Young People's Rights

The United Nations Convention on the Rights of the Child (UNCRC) and the Children and Young People (Scotland) Act 2014 articulate how agencies need to prioritise prevention and early intervention, particularly focusing on early childhood experiences. It is anticipated this will be developed and embedded through actions identified in this plan, Argyll and Bute's Children and the Young People's Improvement Collaborative.

Partners in Argyll and Bute are committed to embedding the Articles of the UN Convention on the Rights of the Child at every level of service. Each of the 54 articles outlines in detail the basic rights of every child, these are summarised in four core principles

- **Non-discrimination**
- **Devotion to the best interests of the child**
- **The right to life, survival and development**
- **Respect for the views of the child**

The Christie Commission on the Future Delivery of Public Services places emphasis on the importance of moving towards prevention and reinvesting monies from high end services. The next three years present unique challenges and opportunities to look at how we can work differently, reducing duplication and encouraging innovation.

The Children and Young People (Scotland) Act 2014 places significant requirements on partners to deliver services differently, an example of this is the '1140 hours' of early learning and child care commitment for every child. Alongside this is the development of the new Kinship Order, Children's Hearing System and Health and Social Care integration, which brings health and social work services closer together to deliver on outcomes for children, young people and their families.





Argyll & Bute
CHILDREN &
YOUNG PEOPLE'S
PARENTING PLAN
2020-2023



POLICE
SCOTLAND



SCOTTISH
CHILDREN'S REPORTER
ADMINISTRATION



SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland



argyll and bute
community planning partnership

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ARGYLL AND BUTE COUNCIL
LEGAL AND REGULATORY SUPPORT

COUNCIL
26 NOVEMBER 2020

COUNCILLORS' CODE OF CONDUCT - CONSULTATION

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to advise of a consultation which has been launched by the Scottish Government (SG) on a review of the Councillors' Code of Conduct. The consultation period will run from 19th October 2020 until 8th February 2021.
- 1.2 The SG have been working with representatives from COSLA, SOLACE, and SOLAR, along with the Standards Commissioner and the Commissioner for Ethical Standards in Public Life, to produce an updated code and are now consulting on this proposed new Code (copy attached at Appendix 1).

2. RECOMMENDATIONS

Members are asked to:-

- 2.1 Note the arrangements that are in place for a SG led consultation on a review of the Councillors' Code of Conduct, running from 19th October 2020 until 8th February 2021.
- 2.2 Agree that delegation is given to the Executive Director, as Monitoring Officer, to prepare and submit a response, after consultation with the Leader and Depute Leader of the Council and the Leader of the Opposition within the designated timescales.

3. DETAIL

- 3.1 Section 1 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 requires the Scottish Ministers to issue a Code of Conduct for Councillors. The current version of the Code was originally issued in 2010 and amended in 2018.
- 3.2 The 2000 Act states that Ministers shall issue a Councillors' code only after it has been laid before and approved by a resolution of the Scottish Parliament. The same applies to any revision or re-issue of the Code.

- 3.3 The SG have considered that many developments have occurred over the last ten years since the Code was last substantially reviewed and it is important to take account of these changes and to provide users with the opportunity to comment on the review.
- 3.4 The main aim of the review is to make the Code easier to understand, to take account of developments such as the role of social media, and to reinforce the importance of behaving in a respectful manner, making it clear that bullying and harassment is completely unacceptable.
- 3.5 A summary of the key changes being proposed are detailed below:-
- A general rewrite changing the Code to the first person and adopting plain English wherever possible. This makes it easier to understand and encourages councillors to take ownership;
 - A greater emphasis on addressing discrimination and unacceptable behavior;
 - Stronger rules around accepting gifts, both to protect councillors and to build confidence in their impartiality amongst the general public;
 - A substantial rewrite of Section 5 establishing three clear and distinct stages to determine a declaration – Connection – Interest – Participation;
 - Significantly liberalises the guidance/rules around being a council-appointed representative on an outside body. The exceptions to this are for quasi-judicial matters and other situations where such appointments would create a clear conflict of interest;
 - Makes more clear the rules around access and lobbying;
 - Section 7 has been substantially reworked in order to provide a more generic approach that can cover all types of applications and decisions, and not be so heavily focussed on planning matters.
- 3.6 Further detail on the proposed changes can be found in the revised Code (attached at appendix), which includes explanatory notes to assist in understanding the revisions.
- 3.7 Although not part of this consultation, the Standards Commission also proposes to issue new guidance alongside the revised Code, which will be made available on the Commission's website.
- 3.8 Responses to the consultation are invited by 8th February 2021 using the Scottish Government's consultation hub, Citizen Space at <http://consult.gov.scot/>. Details of the consultation questions are provided on pages 43 to 45 of appendix 1. It is open to any individual Member to submit a response.
- 3.9 It is proposed that an Officer response is prepared and submitted on behalf of the Council by the Monitoring Officer, after consultation with the Leader and Depute Leader of the Council and the Leader of the Opposition.

- 3.10 If the recommendation at paragraph 3.9 is accepted, the Monitoring Officer will write to all Members, inviting them to submit comments to him by Friday 15th January 2021 for possible inclusion in the overall response.

4. CONCLUSION

- 4.1 A consultation has been launched by the Scottish Government on a review of the Councillors' Code of Conduct. The consultation period will run from 19th October 2020 until 8th February 2021. Members are asked to agree that delegation is given to the Executive Director, as Monitoring Officer, to prepare and submit a response within the designated timescales.

5. IMPLICATIONS

- 5.1 Policy – Compliance with the Code of Conduct
5.2 Financial – none arising from this report
5.3 Legal – Review undertaken in line with the Ethical Standards in Public Life etc. (Scotland) Act 2000
5.4 HR – none arising from this report
5.5 Equalities/Fairer Scotland Duty/Islands – none arising from this report
5.6 Risk – none arising from this report
5.7 Customer Services – none arising from this report

6.0 APPENDICES

- 6.1 Appendix 1 – The Councillor's Code of Conduct – Consultation on possible revision of the Code

Policy Lead – Councillor Mary Jean Devon – Support Services

Douglas Hendry - Executive Director with responsibility for Legal and Regulatory Support

29th October 2020

For further information, please contact:

Laura Blackwood
Directorate Support Officer
Customer Services
01546 604325

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The Councillors' Code of Conduct

Consultation on possible revision of the Code



Background

Section 1 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 requires the Scottish Ministers to issue a Code of Conduct for Councillors (the Code). The current version of the Code was originally issued in 2010 and amended in 2018. It can be found at:

<https://www.standardscommissionscotland.org.uk/uploads/files/1531127491CllrsCodeofConductJuly2018.pdf>

The current version of the Code was originally issued following a limited review of the Code that the Scottish Government carried out in 2009. A further amendment was published in 2018 which addressed the specific issue of councillors' membership on regional transport partnerships.

The 2000 Act states that Ministers shall issue a councillors' code only after it has been laid before and approved by a resolution of the Scottish Parliament. The same applies to any revision or re-issue of the Code.

The aim of the Code is to set out clearly and openly the standards that councillors must comply with when carrying out their council duties. All local authority councillors in Scotland are obliged to comply with the Code and with any guidance on the Code issued by the Standards Commission for Scotland. The current guidance was issued in 2015 and can be found at:

<https://www.standardscommissionscotland.org.uk/uploads/files/1545151725181218CCfCouncillorsGuidanceDec2018.pdf>

Purpose of this consultation

The Scottish Government considered that many developments have occurred over the last ten years since the Code was last substantially reviewed and it was important to take account of such changes and to provide users with the opportunity to comment on the review. We are looking to make the Code easier to understand, to take account of developments in our society such as the role of social media. We also aim to strengthen the Code to reinforce the importance of behaving in a respectful manner and to make it clear that bullying and harassment is completely unacceptable and should not be tolerated. We aim to produce a Code that is fit for purpose and will ensure the highest standards of conduct by our councillors to maintain and strengthen the trust of those they are elected to serve.

The proposal

The proposal is to amend the Councillors' Code of Conduct to bring it up to date and make it more user friendly.

A copy of the Code is included below. The key changes to note are:

- A general rewrite changing the Code to the first person and adopting plain English wherever possible. This makes it easier to understand and encourages councillors to take ownership.

- A greater emphasis on addressing discrimination and unacceptable behaviour.
- Stronger rules around accepting gifts, both to protect councillors and to build confidence in their impartiality amongst the general public.
- A substantial rewrite of Section 5 establishing three clear and distinct stages to determine a declaration – Connection – Interest – Participation.
- Significantly liberalises the guidance/rules around being a council-appointed representative on an outside body. The exceptions to this are for quasi-judicial matters and other situations where such appointments would create a clear conflict of interest
- Makes more clear the rules around access and lobbying.
- Section 7 has been substantially reworked in order to provide a more generic approach that can cover all types of applications and decisions, and not be so heavily focussed on planning matters.

Standards Commission Guidance

Whilst not forming part of this consultation, the Standards Commission proposes to issue new guidance along with the revised Code. Details of this revised guidance will be available on the Commission's website.

Responding to this consultation

We are inviting responses to this consultation by 08 February 2020.

Please respond to this consultation using the Scottish Government's consultation hub, Citizen Space (<http://consult.gov.scot>). Access and respond to this consultation online at <https://consult.gov.scot/housing-and-social-justice/the-councillors-code-of-conduct>. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 08 February 2020.

If you are unable to respond using our consultation hub, please complete and send the Respondent Information Form to:

Councillor Code of Conduct Consultation
Local Government Policy and Relationships
Local Government and Analytical Services Division
The Scottish Government
Area 3G North
Victoria Quay
Edinburgh. EH6 6QQ

Handling your response

If you respond using the consultation hub, you will be directed to the “About You” page before submitting your response. Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document.

To find out how we handle your personal data, please see our privacy policy: <https://beta.gov.scot/privacy/>

Next steps in the process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at (<http://consult.gov.scot>). If you use the consultation hub to respond, you will receive a copy of your response via email. Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. An analysis report will also be made available.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or to: CCCReview@gov.scot.

Scottish Government consultation process

Consultation is an essential part of the policymaking process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work. You can find all our consultations online: (<http://consult.gov.scot>). Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.

For Information

Due to the current pandemic, Brexit negotiations and the fact that the current Scottish Parliament will require to close down next year to allow for the election of new MSPs it seems very likely that we will be unable to secure Parliamentary time for scrutiny and approval of the Code. If this is the case then the Scottish Government will take the required actions to ensure the Code and related Regulations are laid before a new Parliament at the earliest possible time.

Code of Conduct for Councillors

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Code of Conduct for Councillors

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Section 1: Introduction to the Code of Conduct

1.1 The public has a high expectation of councillors and the way in which they should conduct themselves in undertaking their duties in the Council.

1.2 [The Ethical Standards in Public Life etc. \(Scotland\) Act 2000](#) (the “Act”):

- a) provides for the introduction of new codes of conduct for local authority councillors and members of relevant public bodies;
- b) imposes on Councils and relevant public bodies a duty to help their members to comply with the relevant code; and
- c) established an independent body to oversee the new framework and deal with alleged breaches of the codes.

1.3 The first Councillors’ Code of Conduct came into force in 2003. The Code has since been reviewed, and re-issued in 2010 to reflect legislative changes. The 2020 Code has been issued by the Scottish Ministers following consultation, and with the approval of the Scottish Parliament, as required by the Act. This Code applies to every elected member of a local authority in Scotland. It is also directed at co-opted members of committees and sub committees who are not elected councillors.

1.4 The provisions of the Code which follow have been developed in line with the key principles listed in Section 2 and set out how the principles should be interpreted and applied in practice.

Explanatory Note: (These are to help you for the consultation and will not appear in the final version.)

Attempts have been made to ensure the provisions in the Code are in plain English so that they are easier to understand.

Where possible, any unnecessary content (including any duplication and any information that is only there for guidance, as an explanation or to provide context), has been removed from Sections 3 - 7. This is to ensure the Code is as succinct and as easy to understand as possible. It is hoped that the changes will also make it easier to interpret the Code and for complaints about any potential breach to be investigated and adjudicated upon.

Any guidance, explanatory and background information removed from the existing Code will be included in the Standards Commission’s guidance on the revised Code.

My Responsibilities

1.5 I will comply with the provisions of this Code in all situations where I am acting as a councillor, have referred to myself as a councillor or could reasonably be perceived as acting as a councillor.

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1.6 I will comply with the provisions of this Code in all my dealings with the public, employees and fellow councillors, whether formal or informal.

1.7 I understand that it is my personal responsibility to be familiar with the provisions of the Code and that I must also comply with the law and my Council's rules, standing orders and regulations. I will also ensure that I am familiar with any guidance issued by the Standards Commission.

1.8 I will not, at any time, advocate or encourage any action contrary to the Code. I will meet the public's expectations by ensuring that my conduct is above reproach.

1.9 I understand that no written information whether, in the Code itself or the associated Guidance, can provide for all circumstances and if I am uncertain about how the rules apply, I will seek advice from senior Council employees. I note that I may also choose to seek external legal advice on how to interpret the provisions of the Code.

Explanatory Note: The Code is now presented in the first person to encourage councillors to accept and endorse its content and to emphasise that it is their personal responsibility to be aware of, and comply with, its provisions.

All the general responsibilities previously outlined in Sections 1 and 2 of the existing Code now appear in this version in the 'My Responsibilities' section above to give the more prominence and to distinguish them from any background or introductory information about the Code.

The statement outlining when the Code applies has been moved to this section (it is at paragraph 3.1 in the existing version). This is to make it clear that **all** provisions in the Code, and not just the rules of good conduct in Section 3, apply in the circumstances outlined.

Enforcement

1.10 Part 2 of the [Act](#) sets out the provisions for dealing with alleged breaches of the Code, including the sanctions that can be applied if the Standards Commission for Scotland finds that there has been a breach of the Code. More information on how complaints are dealt with and the sanctions available can be found at Annex C.

Section 2: Key principles of the Code of Conduct

2.1 The key principles upon which this Code of Conduct is based should be used for guidance and interpretation only. These key principles are:

Duty

I have a duty to uphold the law and act in accordance with the law and the public trust placed in me. I have a duty to act in the interests of the Council as a whole and all the communities served by it and a duty to be accessible to all the people of the area for which I have been elected to serve, and to represent their interests conscientiously.

Selflessness

I have a duty to take decisions solely in terms of the public interest. I must not act in order to gain financial or other material benefit for myself, family or friends.

Integrity

I must not place myself under any financial or other obligation to any individual or organisation that might reasonably be thought to influence me in the performance of my duties.

Objectivity

I must make decisions solely on merit when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

Accountability and Stewardship

I am accountable to the public for my decisions and actions. I have a duty to consider issues on their merits, taking account of the views of others, and I must ensure that the Council uses its resources prudently and in accordance with the law.

Openness

I have a duty to be as open as possible about my decisions and actions, giving reasons for my decisions and restricting information only when the wider public interest clearly demands.

Honesty

I have a duty to act honestly. I must declare any private interests relating to my public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

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Leadership

I have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of the Council and its councillors in conducting public business.

Respect

I must respect all other councillors and all Council employees and the role they play, treating them with courtesy at all times. Similarly I must respect members of the public when performing my duties as a Councillor.

Section 3: General Conduct

Respect and Courtesy

3.1 I will treat everyone with courtesy and respect. This includes in person, in writing, at meetings, when I am representing the Council and when I am online and using social media.

Explanatory Note: The respect provision has been extended to everyone a councillor could come into contact or engage with when acting as such including, for example, contractors and employees of other bodies as well as other elected members, Council employees and members of the public.

3.2 I will advance equality of opportunity; not discriminate unlawfully on the basis of race, age, sex, sexual orientation, gender reassignment, disability, religion or belief, marital status or pregnancy/maternity; and will seek to foster good relations between different people.

3.3 I will not engage in any conduct that could amount to bullying or harassment (including sexual harassment). I accept that such conduct is completely unacceptable and will be considered to be a breach of this Code.

3.4 I accept that disrespect, bullying and harassment can be a one-off incident, part of a cumulative course of conduct, or a pattern of behaviour. I understand that how, and in what context, I exhibit certain behaviours can be as important as what I communicate, given that disrespect, bullying and harassment can be physical, verbal and non-verbal conduct.

3.5 I accept that it is my responsibility to understand what constitutes bullying and harassment (including sexual harassment) and will utilise resources, including the Standards Commission's guidance and advice notes, Council policies and training material (where appropriate) to ensure that my knowledge and understanding is up to date.

Explanatory Note: The provisions concerning respect, bullying and harassment have been extended to make it clear that such behaviour can be a one-off or a course of conduct, and can be physical and non-verbal in nature.

3.6 I will not become involved in operational management of the Council's services as I acknowledge and understand that is the responsibility of its employees.

3.7 I will not undermine any individual employee or group of employees, or raise concerns about their performance, conduct or capability in public.

3.8 I will not take, or seek to take, unfair advantage of my position in my dealing with employees or bringing any undue influence to bear on

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employees to take a certain action. I will not ask or direct employees to do something which I know, or should reasonably know, could compromise them or prevent them from undertaking their duties properly and appropriately.

Explanatory Note: These provisions have been moved from the Protocol on Relations Between Employees and Councillors, that is at Annex C in the existing Code (now Annex A), to increase awareness and to emphasise that a breach of them will be treated as a contravention of the Code.

3.9 I will follow the Protocol for Relations between Councillors and Employees at Annex A and note that a breach of the Protocol will be considered a breach of this Code. I will also comply with any internal protocol my Council has on councillor / employee relations.

3.10 I will respect and comply with rulings from the chair or convener during meetings of:

- a) the Council, its committees or sub-committees; and
- b) any outside organisations that I have been appointed or nominated to by the Council or that I represent the Council on.

Explanatory Note: The provision requiring a councillor to respect the chair / convener and to comply with their rulings has been extended to apply to the chair / convener of any outside body the councillor has been nominated or appointed to by the Council.

Remuneration, Allowances and Expenses

3.11 I will comply with the rules, and my Council's policies, on the payment of remuneration, allowances and expenses.

Gifts & Hospitality

3.12 I will never ask for any gifts or hospitality.

3.13 I will never accept any gifts (including money raised via crowdfunding or sponsorship), hospitality, material benefits or services that are offered which might place me, or which would reasonably be regarded by a member of the public with knowledge of the relevant facts as placing me, under an improper obligation or which might influence, or might reasonably appear to influence, my judgement.

3.14 I will consider whether there could be a reasonable perception that any gift or hospitality received by a person or body connected to me could or would influence my judgement.

3.15 I will not allow the promise of money or other financial advantage to induce me to improperly perform any Council function. I accept that the money or advantage (including gifts or hospitality) does not have to be given to me. The offer of monies to

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others, including community groups, may amount to bribery, if the intention is to induce me to improperly perform a function.

3.16 I will never accept any gifts or hospitality from any individual or applicant who is awaiting a decision from, or seeking to do business with, the Council.

3.17 I will refuse any gifts offered unless it is:
a) a minor item or token of modest intrinsic value offered on an infrequent basis; or
b) a civic gift being offered to the Council.

3.18 If I consider that declining an offer of a gift would cause offence, I will accept it and hand it over to the Council at the earliest possible opportunity and ask for it to be registered.

3.19 I will refuse any hospitality offered other than that which would normally be associated with my duties as a councillor.

3.20 I will advise the Council's Monitoring Officer if I am offered (but refuse) any gifts or hospitality of any significant value and / or if I am offered any gifts or hospitality from the same source on a repeated basis, so that the Council can monitor this.

Explanatory Note: The provisions concerning gifts and hospitality have been amended to make it clear that they should not be sought or accepted unless it is a minor gift (such as a pen or notepad), or is hospitality that a councillor would normally be expected to be offered in their everyday role (such as tea or coffee at a local event, or a sandwich lunch included as part of a daily rate charged and provided to all delegates at a training event or conference).

Councillors will no longer be allowed to accept gifts and hospitality that members of the public would otherwise have to pay for, such as tickets to the theatre or sporting events, unless such an invitation has been made to the council and they have been asked by the council to attend on its behalf. The intention is to avoid any perception that councillors are using their role to obtain access to benefits that members of the public would otherwise be expected to pay for, and also to prevent them from being influenced (inadvertently or otherwise) into making decisions for reasons other than the public interest (for example, by serious organised crime gangs seeking to obtain contracts and licences to facilitate money laundering).

The requirement for councillors to advise their Council's Monitoring Officer of any offers of any gifts or hospitality of significant value or gifts and hospitality from the same source on a repeated basis is intended to ensure the council can take action if it appears the same individual or organisation is attempting to influence its elected members and decision-making.

Confidentiality

3.21 I will not disclose confidential information or information which should reasonably be regarded as being of a confidential or private nature, without the

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express consent of a person authorised to give such consent, or unless required to do so by law. I note that if I cannot obtain consent, I will assume it is not given.

3.22 I accept that confidential information can include discussions, documents, information which is not yet public or never intended to be public, and information deemed confidential by statute.

3.23 I will only use confidential information to undertake my duties as a councillor. I will not use it in any way for personal or party political advantage or to discredit the Council (even if my personal view is that the information should be publicly available).

Explanatory Note: The provisions concerning the obligation to keep certain information confidential have been clarified and amended to make it clear they apply to all confidential information, not just information deemed to be confidential by statute. The amended version also makes it clear that the onus is on the councillor to check whether they have consent to disclose such information and that they cannot assume it can be disclosed if they are unable to obtain such consent.

Dealings with and Responsibilities to the Council

3.24 I will only use Council resources, including employee assistance, facilities, stationery and IT equipment for carrying out Council duties in accordance with all my Council's relevant policies.

3.25 I will not use, or in any way enable others to use, council resources:

- a) imprudently;
- b) unlawfully;
- c) for any party political or campaigning activities or matters relating to these;
or
- d) improperly for private purposes.

3.26 I will not use, or attempt to use, my position or influence as a councillor to:

- a) improperly confer on or secure for myself, or others, an advantage;
- b) create or avoid for myself, or others, a disadvantage; or
- c) improperly seek preferential treatment or access for myself or others.

3.27 I will avoid any action which could lead members of the public to believe that preferential treatment or access is being sought.

Explanatory Note: The provisions on using council resources have been extended to cover their imprudent and unlawful use. Provisions preventing councillors from using their position as an elected member for their own advantage have been moved from the Protocol on Relations Between Employees and Councillors that is at Annex C in the existing Code (now Annex A) into the main body of the Code. These provisions have also been extended to state that councillors should not use their position to obtain a benefit for themselves or others and that they should also avoid doing anything that could lead the public to reasonably consider they were doing so, in

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order to maintain the public's confidence in the role of elected members and the Council as a whole.

3.28 I will advise employees of any connection I may have to a matter, when seeking information or advice from them.

Explanatory Note: This provision has been included to ensure that there is an onus on councillors to advise officers of any potential conflict of interest they may have in a matter when seeking advice or information out with any formal Council meeting.

3.29 I will not participate in certain decisions concerning Council tax issues if I am in two months arrears in respect of the payment of Council tax.

Explanatory Note: The requirement in the existing Code for councillors to repay any debts they owe to the Council at the earliest possible opportunity has been removed on the basis that it was unfair for councillors to be treated differently to other members of the public in this regard. It was considered, in any event, that it would be very difficult to establish what was 'the earliest possible opportunity'. The requirement in the existing Code that immediately followed on from that (for councillors to avoid situations that might lead members of the public to consider preferential treatment to be sought), has been moved to paragraph 3.26 above.

Appointments to Outside Organisations

3.30 If I am appointed or nominated by the Council as a member of another body or organisation, I will abide by the rules of conduct, and will act in the best interests of, that organisation while acting as a member of it. I will also continue to observe the rules of this Code when carrying out the duties of the body or organisation.

3.31 I accept that if I am a director of a company or charitable trust, as a nominee of the Council, I will be responsible for identifying, and taking advice on, any conflict of interests that may arise between the company or charitable trust and the Council.

Section 4: Registration of Interests

Explanatory Note: This section has been amended to reflect changes made elsewhere in the Code.

4.1 The following paragraphs set out what I have to register, when I am elected and whenever my circumstances change. The register will cover the period commencing from 12 months prior to and including my current term of office.

4.2 I understand that regulations made by Scottish Ministers describe the detail and timescale for registering interests; including a requirement that a councillor must register their registerable interests within one month of becoming a councillor, and register any changes to those interests within one month of those changes having occurred.

Explanatory Note: This paragraph has been amended to ensure it reflects the requirement in the Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003 for any changes to registrable interests to be made within one month (and not just once a year).

4.3 Annex B contains key definitions and explanatory notes to help me decide what is required when registering my interests under any particular category. The interests which I am required to register are those set out in the following paragraphs and relate to me. I understand it is not necessary to register the interests of my spouse, or cohabitee.

Category One: Remuneration

4.4 I will register any work for which I receive, or expect to receive, payment or reward. I have a registrable interest where I receive remuneration by virtue of being:

- a) employed;
- b) self-employed;
- c) the holder of an office;
- d) a director of an undertaking;
- e) a partner in a firm;
- f) appointed or nominated by the Council to another body; or
- g) engaged in a trade, profession or vocation, or any other work.

4.5 I do not have to register any work I carry out on behalf of the Council in my capacity as a councillor.

Explanatory Note: This provision has been extended to cover all work undertaken as a councillor, not just being a member of a statutory board or joint committee composed exclusively of councillors.

4.6 I understand that if a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under category two "Other Roles".

4.7 I must register any allowances I receive in relation to membership of any organisation under category one.

4.8 When registering employment, I must give the name of my employer, the nature of its business and the nature of the post I hold in the organisation.

4.9 When registering remuneration from the categories listed in paragraph 4.4 (b) to (g) above, I must provide the name and give details of the nature of the business, organisation, undertaking, partnership or other body, as appropriate.

4.10 Where I otherwise undertake a trade, profession or vocation, or any other work, I must include information about the nature of the work and its regularity.

4.11 When registering a directorship, I must provide the registered name and number of the undertaking in which the directorship is held and provide information about the nature of its business.

4.12 I understand that registration of a pension is not required as this falls outside the scope of the category.

Category Two: Other Roles

4.13 I will register any unremunerated directorships where the body in question is a subsidiary of an undertaking in which I hold a remunerated directorship.

4.14 I will register the name and number of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which I am a director and for which I receive remuneration.

Explanatory Note: The title of this category has been amended, to provide clarity.

Category Three: Contracts

4.15 I have a registrable interest where I (or a firm in which I am a partner, or an undertaking in which I am a director or in which I have shares of a value as described in paragraph 4.20 below) have made a contract with my Council:

Explanatory Note: The requirement to publicly register a specific address has been removed due to concerns that it could compromise a councillor's personal safety.

- a) under which goods or services are to be provided, or works are to be executed; and
- b) which has not been fully discharged.

4.16 I will register a description of the contract, including its duration, but excluding the value.

Category Four: Election Expenses

4.17 I will register any single donation of more than £50, or any donations from the same source that amount to more than £50, towards election expenses received within the period commencing from 12 months prior to, and including, my current term of office.

Explanatory Note: This provision has been extended to cover situations where a number of small donations that cumulatively amount to more than £50 are made.

Category Five: Houses, Land and Buildings

4.18 I have a registrable interest where I own or have any other right or interest in houses, land and buildings in Scotland, such as being an owner or a tenant, including council tenant.

4.19 I understand I am only required to provide details of the Council ward in which the property sits for the publicly available Register of Interests. I will, however, provide the full address of the property to the Council's Monitoring Officer, but understand this will be kept confidential.

Category Six: Interest in Shares and Securities

4.20 I have a registrable interest where I:

- a) own or have an interest in more than 1% of the issued share capital of the company or body; or
- b) where the nominal value of any shares and securities I own or have an interest in is greater than £25,000.

Category Seven: Gifts and Hospitality

4.23 I understand the requirements of paragraphs 3.12 to 3.20 regarding gifts and hospitality. As I will not accept any gifts or hospitality, other than under the limited circumstances allowed, I understand there is no longer the need to register any.

Explanatory Note: This section has been amended in light of the changes to the 'Gifts and Hospitality' provisions in Section 3.

Category Eight: Non-Financial Interests

4.24 I may also have other interests and I understand it is equally important that relevant interests such as membership or holding office in public bodies, companies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described. In this context, I understand non-financial interests are those which members of the public might reasonably think could influence my actions, speeches or votes in the Council which could include appointments to Committees or memberships of other organisations.

Section 5: Declaration of Interests

5.1 For each particular matter I am involved in as a councillor, I will first consider whether I have a connection to that matter.

5.2 I understand that a connection is any link between the matter being considered and me, or a person or body I am associated with. This could be a family relationship or a social or professional contact.

5.3 A connection includes anything that I have registered as an Interest.

A connection does not include:

- a) Being a council tax payer when the council tax is being set
- b) Being a rate payer when that rate is being set
- c) Being a Council House Tenant when Council house matters generally are being considered
- d) Being a Council Tax/Rate Payer, Council House Tenant or member of the public when Services delivered to the public generally are being considered or when the council's budget is being set
- e) Being a Councillor when Councillors remuneration, allowances, expenses, support services or pensions are being considered
- f) Being a member of a body to which I have been appointed or nominated by the Council as a Councillor representative unless:
 - the matter is quasi-judicial or regulatory; or
 - I have a personal conflict by reason of my actions or my legal obligations.

5.4 I will declare my connection as an interest at the earliest stage possible in meetings where the objective test is met – that is where a member of the public with knowledge of the relevant facts would reasonably regard my connection to a particular matter as being so significant that it would be considered as being likely to prejudice the discussion or decision-making.

5.5 I will not remain in the room (if physically present) or meeting (if online) nor participate in any way in those parts of meetings where I have declared an interest.

5.6 I will consider whether it is appropriate for transparency reasons to state publicly where I have a connection.

5.7 I note that I can apply to the Standards Commission and ask it to grant a dispensation to allow me to take part in the discussion and decision-making on a matter where I would otherwise have to declare an interest and withdraw (as a result of having a connection to the matter that would fall within the objective test). I note that such an application must be made in advance of any meetings where the dispensation is sought and that I cannot take no part any discussion or decision-making on the matter in question unless, and until, the application is granted.

Explanatory Note: The proposed revised section:

Establishes three clear and distinct stages – Connection – Interest – Participation

The general exemptions are contained at Stage 1 – connection...where it is stated what is NOT a connection

Significantly liberalises being a council appointed representative on an outside body except for quasi-judicial matters or for times when duties as a director etc or other reasons create an actual conflict. This can even include when making funding decisions about the outside body.

Use Guidance to elaborate on what a connection might be

The Objective Test is contained at Stage 2 and is allowed to remain central- a connection only becomes an interest if it meets the objective test

Participation is unconditionally linked to declaring at Stage 2 – i.e. if you have an interest there is no participation

Remove Council Appointments to Outside Bodies from the Register of Interests and provide a separate List of Council Appointments to Outside Bodies

Transparency Statements to be made for connections which are not interests

Use Guidance to offer advice on other aspects currently contained in the code

There is no Gifts & Hospitality register anymore – elsewhere in section 3 of the code a shift has been made so that gifts and hospitality is either reasonable and modest and therefore allowed/no need to declare it OR simply can't be accepted if it's not reasonable and modest

Put reference to Section 20(3) of the Housing (Scotland) Act 1987 in Guidance and, specifically, while it precludes a member of a local authority from a decision on the allocation of local authority housing, or of housing in respect of which the local authority may nominate the tenant, where-

(a) the house in question is situated; or

(b) the applicant for the house in question resides, in the electoral division or ward for which that member is elected

that neither this provision, nor the amended Code would, in situations where members are asked to consider houses in multiple wards for a particular applicant, preclude members from the other wards from taking part in the decision because it is not known at that point which of those wards the individual will actually move to (i.e. would not be connection and / or fall within objective test)

Section 6: Lobbying and Access

6.1 I understand that I may be lobbied by a wide range of people including individuals, organisations, companies and developers and that I must distinguish between:-

- a) my representative role in dealing with constituent enquiries;
- b) any community engagement where I am working with local individuals and organisations to encourage their participation and involvement; and
- c) lobbying, which is where I am approached by any individual or organisation who is seeking to influence me for financial gain or advantage, particularly those who are seeking to do business with the Council (for example contracts/procurement) or who are applying for a consent from the Council.

6.2 In deciding whether to respond to such lobbying, I will always have regard to the objective test, which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard my conduct as being likely to prejudice my, or the Council's, decision-making role.

6.3 **Constituent enquiries-** I will comply with data protection legislation, which includes keeping the personal information of any constituent secure and only, in general, using it for the purpose of assisting with the enquiry. I will seek the constituent's consent in advance if I am in a multi-member ward and feel it is more appropriate for another councillor to handle the enquiry. I note that there may be circumstances in which it is best not to respond to a constituent, and that I am not obliged by the Code to respond to every contact.

6.4 **Community engagement** - I will only undertake such work in public and will not express an opinion on a quasi-judicial or regulatory application that I might later be asked to determine. I accept that if I do express such an opinion, I will have to declare an interest and will not be able to take part in the decision-making.

6.5 **Lobbying** - If I am approached directly by an individual or organisation who is seeking to do business with the Council or who is involved in a quasi-judicial or regulatory matter (such as an applicant or an objector), I will either:

- a) decline to meet the individual or organisation and instead will advise them to send their representations to employees; or
- b) ask an appropriate Council employee, such as a planning officer, to attend any meeting with me. I will advise the individual or organisation that while I can meet and listen to their representations (with or without an employee being present), I cannot formulate an opinion or support their position if I am going to take part in the decision-making on the matter; or
- c) meet with the individual or organisation and publicly support their position but will thereafter declare an interest and take no part in the decision-making on the matter.

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6.6 I will not formulate an opinion or support a position if I am going to take part in the decision-making on the matter. I will direct any representations I receive to the appropriate Council employee or department.

6.7 I accept that if I choose to be an advocate for or against a particular cause or application, whether in response to lobbying or otherwise, I will forfeit my right to be a decision-maker in a regulatory or quasi-judicial decisions regarding that cause or application.

6.8 I will not lobby or otherwise exert pressure or influence on employees, other councillors, or members of a quasi-judicial or regulatory committee, to recommend or make a specific decision in respect of a quasi-judicial or regulatory matter. I understand that I am entitled to seek information from employees but that I must not to lobby them, to either make or recommend a particular decision.

6.9 I accept that political group meetings should not be used to decide how councillors should vote on such applications or on individual staffing matters, such as the appointment or discipline of employees. I will not comply with political group decisions on such matters if these differ from my own views.

Explanatory Note: Note in Guidance that lobbying refers to contact by those who are seeking to do business with the Council (for example contracts/procurement) or who are applying for a consent (or opposing a grant), from the Council. And that, as a general rule, it is unwise to engage with such lobbyists for the following reasons:-

- Direct discussions between applicants/agents and Councillors about matters which should be handled by employees, breaches the rule about not engaging in operational management. This is particularly the case where an application would normally be determined under delegated powers.
- The aim of such lobbying may be to get them to exert pressure or influence on employees, other Councillors, or on Members of a Regulatory Committee, to achieve a specific decision. This would be a breach of the Code of Conduct duty not to lobby such employees or Members of a Regulatory Committee.
- Developers and their agents may give you selective information in favour of their proposals. Regulatory processes such as planning, licensing and appeals have legal rules on how such applications must be determined. There is a danger of these rules not being followed, by only having regard to incomplete information, or by considering irrelevant considerations;

Further explain that;

- If information is given privately to Members, it may not get to employees and may not be fully addressed in the report to Committee;
- councillors need to be aware that while commercial developers and their agents are motivated by financial gain, a councillor's priority should always be what is good for the Council area as a whole, in the long-term public interest;
- Private meetings with developers or their agents can undermine the integrity of the planning or licensing process, which relies on everything being above board, out in the open and transparent. They can also undermine public trust

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in the Members involved, and confidence that applications will be dealt with fairly in future;

- If someone bidding for a Council contract seeks to influence a councillor, it is likely this will disqualify them from the tender process;
 - Having a meeting may involve the offer of hospitality, which would be hard to justify against the Code's rules on acceptance of gifts and hospitality; and
 - Community benefits which are not required to enable a proposal to proceed cannot be taken into account in determining an application. In particular, the promise of money to the local community (e.g. from wind turbines) can never be a consideration in deciding a planning application. This runs contrary to the principle that planning permission can never be bought or sold. Granting an application contrary to policy because of the money on offer can also result in Councillors being subject to criminal charges for bribery.
-

Section 7: Taking decisions on quasi-judicial or regulatory applications

Explanatory Note: Section 7 has been substantially reworked in order to provide a more generic approach that can cover all types of applications and decisions, and not be so heavily focussed on Planning matters. The detail of different planning scenarios provided previously within this section of the Code has been removed and can be provided for in associated Guidance. The forthcoming changes within the new Planning Act in any event made parts of this Section obsolete eg “Full Council Decisions”.

The core principles of fairness, equity and impartiality required when Councillors are performing a quasi-judicial, regulatory decision-making role are retained. Repetition is a feature of the current Code that has been removed and condensed in this section. All of the existing expectations largely remain but the format of “I Will” and “I will not” is intended to provide clarity and simplicity of presentation within the Code to promote better understanding and adherence to the provisions of the Code.

Introduction

7.1 I need to be especially vigilant when I am making a decision on a quasi-judicial or regulatory applications. For these applications, I need to ensure there is a proper and fair hearing of the application and I must avoid any impression of bias in the whole decision-making process.

7.2 I will deal with many types of quasi-judicial or regulatory applications. Depending on the type of application that is made, there will be often be a formal, statutory decision-making process for its consideration and outcome. There may also be formal legal routes to challenge decisions made on these applications and for this reason I must be aware that my own personal responsibility to ensure a proper and fair hearing has wider consequences for my Council’s reputation and financial liabilities in the event of any successful challenge.

7.3 The types of decisions which involve quasi-judicial or regulatory decisions typically involve:-

- a) Planning or other applications in terms of planning legislation;
- b) Applications for alcohol licensing matters;
- c) Applications for betting and gaming premises;
- d) Applications for taxi licences and all other forms of civic licensing;
- e) Actions where my Council is involved in any form of statutory enforcement procedure;
- f) Any actions where my Council is an Employer and is involved in any disciplinary issues that I may have a remit to deal with;
- g) Any procedures for statutory approval or consent involving my Council and where I have a remit to deal with the matter;

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- h) Any appeal procedure where my Council has a role and where I am expected to adjudicate on applications, e.g., Education Appeals Committee for school placements or for school exclusions.

The above list is provided to me only for guidance and is not exhaustive. If I have any doubt as to whether or not my involvement involves a quasi-judicial or regulatory application I will seek the advice of my Council's Monitoring Officer.

7.4 In dealing with these applications I Will:

- a) throughout my involvement with the entire application process act fairly and be seen to act fairly;
- b) declare interests where required in terms of Section 5 of this Code and leave the room (if physically present) or meeting (if online) until the matter has been determined;
- c) deal fairly and impartially with all parties involved in the application;
- d) tell those who may be seeking to influence me out with the proper decision-making process that I will not formulate an opinion on any particular application until all information is available to all decision-makers and has been duly considered at the relevant meeting;
- e) take into account professional advice from Council Officers that is given to me;
- f) seek advice from the relevant Council Officer if I am in doubt as to any material or relevant considerations

7.5 In dealing with such applications I Will Not:

- a) act improperly or do anything which could reasonably create a perception that I have acted improperly;
- b) pre-judge or demonstrate bias or be seen to pre-judge or demonstrate bias;
- c) indicate or imply support or opposition to an application nor to indicate my voting intention prior to the appropriate meeting where the application will be considered;
- d) in advance of the decision-making meeting, attempt to influence Officers to adopt a particular position as that would imply that I am prejudiced in my decision-making;
- e) lobby other Councillors who may be dealing with the application;
- f) express any view on the application before the appropriate meeting where the application will be considered. If I do so I will not participate in any aspect of the decision-making nor vote on the application;
- g) formulate my conclusions on an application until all available information is to hand and has been duly considered by me at the meeting where the application will be considered; and,
- h) express any indicative or provisional views in the course of my involvement in any aspect of the application.

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Policy & Strategy

Explanatory Note: Previously this section related only to Planning Matters when clearly there are Policy & Strategic elements in all kinds of Quasi-Judicial and Regulatory applications that Councillors are called upon to decide.

7.6 My role in policy and strategic issues may have a very wide relevance to my Council's area. For example, I have a key role in establishing policies for the benefit of my Council's area and I am fully entitled to express my genuinely held views or to advocate proposals for the adoption of key guidance. It is entirely appropriate that I can express my views on matters of such general importance to my Council area.

7.7 When I am being asked to develop a policy and set a strategy that forms the framework under which individual applications may subsequently be decided, I understand that I can discuss or debate these items of policy or strategy but I will only take into account material considerations affecting the policy or strategic issue and I will have regard to the evidence-base that is required to demonstrate the basis for the adoption of the policy or strategy.

7.8 For policy and strategic issues under which individual applications may subsequently be decided, I Will:

- a) be able to express my views;
- b) be able to advocate proposals that I consider to be of benefit to my Council area;
- c) have regard to the evidence-base behind the formulation of the policy or strategy in question.

I Will Not:

- a) do anything or be motivated to do anything that is connected or linked in any way with my personal involvement in a policy or strategic matter;
- b) express any view that suggests I have a closed mind on the policy or strategic issue.

Representation

Explanatory Note: Clarity provided in the "I will " and "I will not" format has reduced a lengthier narrative into simplified wording to promote better understanding and adherence to the provisions of the Code. Clarification is also offered of the position of a Cllr presenting a case on behalf of a constituent to enable them to remain for the whole duration of the application rather than artificially having to withdraw from the leave the room (if physically present) or meeting (if online) before the whole application had been decided.

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7.9 If I intend to be involved in the decision-making for any quasi-judicial or regulatory application I Will Not:

- a) Organise support for or opposition to the application in any way;
- b) Represent or appear to represent individuals or groups who are seeking to make representations for or against an application; or
- c) Compromise myself or the Council by creating a perception of a conflict of interest.

7.10 In circumstances where I am a member of a Committee etc as a decision-maker but have been involved in organising support for or opposition to an application, I Will

- a) declare an interest in the matter, and
- b) withdraw from the room (if physically present) or meeting (if online) without participating in the consideration of the matter.

7.11 In circumstances where I am a member of a Committee etc. as a decision-maker but wish to represent individuals or groups who are seeking to make representations for or against an application, I Will:

- a) Follow procedures agreed by my Council which afford equal opportunity to any parties wishing to make representations to do so
- b) Declare an interest in the matter; and
- c) Only remain in the room (if physically present) or meeting (if online) for that item for the purposes of acting as the representative of the individual or group throughout the duration of their participation
- d) I Will Not:
 - a) participate or attempt to participate as a decision-maker in that application;
 - b) attempt to influence Officers to adopt any particular position relative to the matter;
 - c) lobby other Councillors who may be involved in the decision-making process; and

Site Visits

Explanatory Note: Generalised to cover more than just Planning applications and expanded to reflect the formal nature of this activity in judicious decision-making.

7.12 In respect of any site visits that have been decided upon or agreed by the Committee as a stage in the consideration of the application I WILL:

- a) follow the Council's procedures for such visits as set out by my Council and that with regard to any legislative requirements or notes of guidance or practice;
- b) remember that such site visits are part of the decision-making process and as such are formal in nature and may have procedures as set out by my Council.

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Enforcement

Explanatory Note: “Unauthorised developments”, as this part is headed in the current Code has been changed to “Enforcement” which has a wider application than just planning matters and can be more easily understood.

In my role, I may become aware whether by complaint or by direct knowledge of the need for Council intervention by way of appropriate enforcement action. In this event, I will refer the matter for investigation to the appropriate service of my Council.

I Will Also:

- a) advise all subsequent enquirers to deal directly with the relevant Officer of the Council department;
- b) be able to request factual information about the progress of the matter from the relevant Officer.

I Will Not

- a) lobby for a particular outcome;
- b) get involved in the operational detail of any enforcement actions which are subsequently taken by the Council.

Annex A

Protocol for relations between Councillors and Employees

Explanatory Note: The protocol has been moved from its place at Annex C in the existing Code to Annex A, to give it more prominence. Any unnecessary information in the existing protocol that is provided by way of a background has been removed to make it as concise as possible.

Definitions

The reference to ‘employees’ below covers all employees and officers of Councils and all officers and employees of any other body or organisation to which a councillor is appointed or nominated by the Council.

The reference to ‘Convener’ below covers all committee chairs and portfolio leads.

The reference to ‘chief officers’ covers all Chief Executives, Directors and Heads of Service.

The reference to ‘committee’ also covers all forms of executive and scrutiny operating models.

Explanatory Note: The definitions above have been included for clarity and to make it clear the protocol applies regardless of any variations in the terminology and operating models used and adopted by different councils.

Principles

1. This protocol outlines the way in which councillors and employees should behave towards one another. It should be noted that while some scenarios are included, these are not exhaustive. The protocol should be treated, therefore, as applying in all situations where there is interaction between councillors and employees.
2. Councillors and employees should work in an atmosphere of mutual trust and respect, with neither party seeking to take unfair advantage of their position or influence.

Roles

3. Councillors are required to provide strategic leadership and oversight. This involves setting strategy, planning, scrutinising and making major, complex decisions that concern the Council as a whole. Councillors are not, however, responsible for operational management (being the planning, organising and execution involved in day to day activities) as this is the role of employees. Chief

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Executives and senior employees have ultimate responsibility to ensure that the Council's meets its responsibilities.

4. Legally, employees are employed by the Council / other body and are accountable to it as an entity. Employees are responsible for serving the Council / other body as a whole, and not any particular political group, combination of groups or individual councillor. It is nevertheless appropriate for employees to be called upon to assist any political group in its deliberations or to help individual councillors fulfil their different roles (see the section on political groups below).

Explanatory Note: More information has been provided on the respective roles of councillors and employees, to assist councillors to distinguish between strategic and scrutiny matters and operational issues.

Office bearers

5. For the Council to perform effectively, it is important that there is a close professional working relationship between a committee convener and the director and other senior employees of any service reporting to that committee. However, such relationships should never be allowed to become so close, or appear to be so close, as to bring into question an employee's ability to deal with other councillors impartially, or the ability of a convener to deal with other employees impartially.
6. Conveners will have many dealings with employees. While employees should always seek to assist committee chairs, they are ultimately responsible to the relevant chief officer and not to any convener.
7. Conveners will often be consulted on the preparation of agendas and reports. Employees will always be fully responsible, however, for the contents of any report submitted in their name and will always have the right to submit reports to councillors on their areas of professional competence. The Convener does not have a right to veto this course of action.
8. Conveners are recognised as the legitimate elected spokesperson on their committee's area of responsibility. Where authority is delegated to employees, they may choose to consult the relevant convener about any action they propose to take. The employee nevertheless retains responsibility for the final decision (as long as the delegated authority remains in place).

Political groups

9. Most Councils operate through a system of groups of councillors, many of them based on political affiliation. All employees must treat all political groups and individual councillors in a fair and even-handed manner and must maintain political neutrality at all times.

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10. Employees can provide political groups with support (such as discussing matters with the convener and vice-convener before a committee meeting or presenting information to a group meeting). While, in practice, such support is likely to be most in demand from whichever political group is in control of the Council, it nevertheless should be available to all political groups. The advice given by employees to different party or political groups should be consistent.
11. Councillors and employees must act in accordance with their Council's rules about the access and support to be provided to political groups (for example, that all requests must be approved by the Chief Executive).
12. Employee support for political groups must not extend beyond providing information and advice in relation to matters of Council business. Employees should not be asked, or be expected, to be present at meetings or parts of meetings when matters concerning party business are being discussed. It is the responsibility of the convener of the political group meeting to ensure that all attending are clear on the status of the meeting and the basis on which any employees are present.
13. Councillors and employees must note that while political group meetings may form part of the preliminaries to Council decision-making, political groups are not empowered to make decisions on behalf of the Council. Conclusions reached at such meetings are not Council decisions and it is essential that they are not interpreted or treated as such.
14. Employees can provide information and advice in relation to matters of Council business to political groups. Employees are nevertheless responsible for ensuring that all necessary information and advice is still provided to the relevant committee or sub-committee when the matter in question is considered.
15. Political groups must recognise that information and advice given by employees should be used to enhance discussion and debate at Council and committee meetings. Such information or advice should not be used for political advantage (for example by issuing media briefings before a decision is made), as doing so could devalue the decision-making process and can place employees in a difficult position.
16. Employees should take special care when providing information and advice to a meeting of a political group where other individuals who are not elected members of the Council are in attendance, as such individuals will not be bound by the Councillors' Code (and, in particular, the provisions concerning the declaration of interests and confidentiality).
17. Employees must treat any discussions with a political group or individual councillor as being strictly confidential.
18. Any difficulties or uncertainty about the extent of advice and information that can be provided to political groups should be raised with the Chief Executive (who should then discuss the matter with the group leader).

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Councillors as local representatives

19. Councillors should ensure they act in accordance with the provisions of the Councillors' Code and this protocol when performing such a role. Elected members must recognise that, when performing their local representative role, they are representing the Council. Employees must treat all councillors fairly and openly in their role as local representatives.

Communications

- 20 Employees should not normally copy any communications they have with an individual councillor to any other councillor, unless they have been clear in advance that they intend to do so (or this has been agreed).

Human resource issues

21. Where councillors are involved in the appointments of employees they must act fairly and openly, and make decisions solely on merit.
22. Councillors should not become involved in issues relating to any individual employee's pay or terms and conditions of appointment, except while serving on a committee tasked with dealing with such matters.

Explanatory Note: The provisions in the section entitled 'Appointments' under the existing Code have been extended to make it clear that councillors should only become involved in any human resources related issues concerning an individual employee when serving on a committee with formal delegated powers to deal with such matters.

Social relationships

23. The relationship between councillors and employees depends upon trust, which will be enhanced by the development of positive and professional relationships. While councillors and employees may often find themselves in the same social situations, they should take care to avoid close personal familiarity as this can damage the relationship of mutual respect and the belief that employees can undertake their role in an impartial and objective manner. Councillors and employees should, therefore, be cautious in developing close personal friendships while they have an official relationship.

Public comment

24. Councillors and employees both have a responsibility to project a positive image of the Council and should avoid making any public comments that could bring it into disrepute.

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25. Councillors should not raise any adverse matters relating to the performance, conduct or capability of employees in public. Employees must ensure they treat councillors with similar respect and courtesy.

Employees supporting councillors

26. Where Councils arrange for employees to provide direct administrative or practical support for individual councillors to help them undertake their duties, particular considerations will apply. While councillors may ask employees to provide such support in a particular way, they must nevertheless remember that the employee is accountable to their line manager. Any issues about conflicting priorities, conduct or performance must be referred to the line manager.

Annex B

Definitions

1. "Employee"; This includes individuals employed:
 - a) directly by the Council;
 - b) by any arms' length external organisation;
 - c) by any other public body;
 - d) as contractors by the Council, any arms' length external organisation or public body; and
 - e) by a contractor to work on any Council premises.

2. "Chair": This includes Committee Conveners or any other individual discharging a similar function to that of a Chair or Convener under alternative decision-making structures.

3. "Committee": This includes all forms of executive and scrutiny operating models.

4. "Gifts": A gift could be any item or service I receive free of charge, or which may be offered to me at a discounted rate or on terms not available to the general public. The category covers benefits such as relief from indebtedness, loan concessions, or provision of property, services or facilities at a cost below that generally charged to members of the public. This will include gifts I may receive directly or gifts received by any company in which I hold a controlling interest in, or by a partnership of which I am a partner.

5. "Hospitality": Can include the offer of food, drink, accommodation or entertainment or the opportunity to attend any cultural or sporting event on terms not available to the general public.

6. "Confidential Information": This is:
 - a) any information passed on to the Council by a Government department (even if it is not clearly marked as confidential) which does not allow the disclosure of that information to the public;
 - b) information the which the law prohibits disclosure (under statute or by the order of a Court);
 - c) any legal advice provided to the Council; and
 - d) any other information which is reasonably considered would be a breach of confidence should it be made public.

7. "Remuneration": includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.

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8. "Outside Organisation": Includes all bodies, organisations, charities and community groups to which a councillor has been nominated, appointed or otherwise formally asked by the Council to be a member of or to attend.
9. "Securities": A security is a certificate or other financial instrument that has monetary value and can be traded. Securities includes equity and debt securities, such as stocks bonds and debentures.
10. "Undertaking" means:
 - a) a body corporate or partnership; or
 - b) an unincorporated association carrying on a trade or business, with or without a view to a profit.
11. "Election expenses" means expenses incurred, whether before, during or after the election, on account of, or in respect of, the conduct or management of the election.
12. "A person" means a single individual or legal person.
13. "Spouse" does not include a former spouse. It also does not include any individual from whom you have separated and no longer live with, even if you remain married.
14. "Cohabitee" includes any person, whether of the same sex or not, who is living with you in a relationship similar to that of a partner or spouse.

Annex C

Breaches of the Code

The information in this Annex (which is Annex A in the existing Code) has been extended to include information about:

- the role of the Ethical Standards Commissioner (ESC) in receiving and investigating complaints;
 - the different sanctions available to the Standards Commission, following a finding of a breach of the Code, and what these mean; and
 - the power available to the Standards Commission to impose an interim suspension while any an investigation by the ESC into a complaint about a councillor is ongoing.
-

Introduction

1. The Ethical Standards in Public Life etc. (Scotland) Act 2000 (the 2000 Act) provided for a framework to encourage and, where necessary enforce, high ethical standards in public life. The 2000 Act and the subsequent Scottish Parliamentary Commissions and Commissioners etc. Act 2010 established the Standards Commission for Scotland (Standards Commission) and the post of Commissioner for Ethical Standards in Public Life in Scotland (ESC).
2. The Standards Commission and ESC are separate and independent, each with distinct functions. Complaints of breaches of the Councillors' Code of Conduct are investigated by the ESC and adjudicated upon by the Standards Commission.

Investigation of Complaints

3. The ESC is responsible for investigating complaints about Councillors. It is not, however, mandatory to report a complaint about a potential breach of the Code to the ESC. It may be more appropriate in some circumstances for attempts to be made to resolve the matter informally at a local level.
4. Following investigation, the ESC will report the matter to the Standards Commission if it is considered that a breach of the Councillors' Code of Conduct has occurred.

Hearings

5. On receipt of a report from the ESC, the Standards Commission can choose to:
 - Do nothing;
 - Direct the ESC to carry out further investigations; or
 - Hold a Hearing.
6. Hearings are held (usually in public) to determine whether the Councillor concerned has breached the Councillors' Code of Conduct. The Hearing Panel comprises of three members of the Standards Commission. The ESC will

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present evidence and/or make submissions at the Hearing about why it is considered that the councillor has contravened the Code. The councillor is entitled to attend or be represented at the Hearing and can also present evidence and make submissions. Both parties can call witnesses. Once it has heard all the evidence and submissions, the Hearing Panel will make a determination about whether or not it is satisfied, on the balance of probabilities, that there has been a contravention of the Code by the councillor. If the Hearing Panel decides that a councillor has breached the Councillors' Code of Conduct, it is obliged to impose a sanction.

Sanctions

7. The sanctions that can be imposed following a finding of a breach of the Councillors' Code of Conduct are as follows:
 - **Censure:** A censure is a formal record of the Standards Commission's severe and public disapproval of the councillor concerned.
 - **Suspension:** This can be a full or partial suspension (for up to one year). A full suspension means that the councillor is suspended from attending all meetings of the Council. Partial suspension means that the councillor is suspended from attending some of the meetings of the Council.
 - **Disqualification:** Disqualification means that the councillor is disqualified for the period determined (of up to 5 years) from being a councillor (which has the effect of removing them from office. Where a councillor is also a member of a devolved public body (as defined in the Ethical Standards in Public Life etc. (Scotland) Act 2000), other than as a representative or nominee of the Council, the Commission may also remove or disqualify that person in respect of that membership. Full details of the sanctions are set out in section 19 of the 2000 Act.

Interim Suspensions

8. Section 21 of the 2000 Act provides the Standards Commission with the power to impose an interim suspension on a councillor on receipt of an interim report from the ESC about an ongoing investigation. In making a decision about whether or not to impose an interim suspension, a Panel comprising of three Members of the Standards Commission will review the interim report and any representations received from the councillor and will consider whether it is satisfied:
 - That the further conduct of the ESC's investigation is likely to be prejudiced if such an action is not taken (for example if there are concerns that the councillor or member may try to interfere with evidence or witnesses); or
 - That it is otherwise in the public interest to take such a measure. A policy outlining how the Standards Commission makes any decision under Section 21 and the procedures it will follow in doing so, should any such a report be received from the ESC can be found here.

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9. The decision to impose an interim suspension is not, and should not be seen as, a finding on the merits of any complaint or the validity of any allegations against a councillor, nor should it be viewed as a disciplinary measure.

Councillors' Code of Conduct Revision



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RESPONDENT INFORMATION FORM

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:

<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

- Individual
 Organisation

Full name or organisation's name

Phone number

Address

Postcode

Email

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
 Publish response only (without name)
 Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again

in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Yes

No

Councillors' Code of Conduct Revision

Consultation questions

We are specifically seeking your views on the amendments that have been made to the Code, which are highlighted in the accompanying draft document. However, your views on any aspect of the revised Code are welcome.

We ask for your comments on the changes made in each section of the Code. If you wish to comment on a specific provision, rather than on a section as a whole, please provide a reference to that provision(s) as part of your response i.e. (Provision 3.10).

1. Do you agree that there is a need to revise the Councillors' Code of Conduct?

Yes No

Please provide information to support your response:

2. Do you have any comments on the changes proposed for Section 1: Introduction to the Code of Conduct?

Yes No

Please provide your comment:

3. Do you have any comments on the changes proposed for Section 2: Key Principles of the Code of Conduct?

Yes No

Please provide your comment:

4. Do you have any comments on the changes proposed for Section 3: General Conduct?

Yes No

Please provide your comment:

5. Do you have any comments on the changes proposed for Section 4: Registration of Interests?

Yes No

Please provide your comment:

6. Do you have any comments on the changes proposed for Section 5: Declaration of Interests?

Yes No

Please provide your comment:

7. Do you have any comments on the changes proposed for Section 6: Lobbying and Access?

- Yes No

Please provide your comment:

8. Do you agree to the changes proposed for Section 7: Taking Decisions on Quasi-Judicial or Regulatory Applications?

- Yes No

Please provide your comment:

9. Overall, how clear do you find the proposed revised Code?

- Very clear
 Mostly clear
 Sometimes unclear
 Very unclear

Please tell us where you think the clarity of the Code could be improved, and how:

10. Do you have any other comments or suggestions about any aspect of the revised Code?



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Consultation Paper on Ethical Standards in Public Life:

Proposals for amendments to be made to the Model Code of Conduct for members of devolved public bodies

**CONSULTATION PAPER ON ETHICAL STANDARDS
IN PUBLIC LIFE: PROPOSALS FOR AMENDMENTS
TO BE MADE TO THE MODEL CODE OF CONDUCT
FOR MEMBERS OF DEVOLVED PUBLIC BODIES**

OCTOBER 2020

Consultation Paper on Ethical Standards in Public Life: Proposals for amendments to be made to the Model Code of Conduct for members of devolved public bodies

Background

This consultation presents proposals which will bring about amendments to the Model Code of Conduct for Members of devolved public bodies.

Section 1 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 (the Act) requires Scottish Ministers to issue a Code of Conduct for Councillors (Councillors' Code) and a Model Code of Conduct for members of devolved public bodies (Members' Code) for those organisations listed in Schedule 3 to the Act, as amended. The current version of the Model Code was originally issued in 2010 and amended in 2014. It can be found on the Scottish Government website at: <https://www.gov.scot/publications/model-code-conduct-members-devolved-public-bodies/>

The Act states that Ministers shall issue a Model Code only after it has been laid before and approved by a resolution of the Scottish Parliament. The same applies to any revision or re-issue of the Model Code.

The aim of the Model Code is to set out clearly and openly the standards that Board Members of listed organisations in Schedule 3 of the Act must comply with when carrying out their duties. The Model Code is supported by independent guidance which is published separately by the Standards Commission for Scotland. The Commission's current guidance can be found at: <https://www.standardscommissionscotland.org.uk/guidance/guidance-notes>

The Standards Commission intends to revise its guidance to reflect any changes made to the Model Code. The revised guidance will be published on the Standards Commission's website in due course.

Purpose of this consultation

The Scottish Government recognises that a number of new developments have occurred since the Model Code was last reviewed in 2014, and that it is important to take account of such changes and provide users with an opportunity to contribute. We want to make the Model Code easier to understand and to take account of developments in our society, such as the role of social media. We also want to strengthen the Model Code to reinforce the importance of behaving in a respectful manner and to make it clear that bullying and harassment is completely unacceptable and should not be tolerated. We want to produce a Model Code that is fit for purpose and to ensure the highest standards of conduct are maintained.

The proposal

We propose to amend the Model Code to bring it up to date and make it more user friendly. The Councillors' Code of Conduct is similarly going through a public consultation and, where appropriate, both the Model Code and the Councillors' Code will be aligned. The Councillors' Code consultation can be viewed on the Scottish Government consultation hub at <https://consult.gov.scot/>

A copy of the proposed Model Code is attached. The key changes are:

- A general rewrite in first person to encourage Board Members to take ownership of their behaviour.
- Raising awareness of the need for careful consideration when a Board Member uses social media.
- Removing unnecessary information.
- Rewriting in plain English to make the Model Code easier to understand.
- Increased emphasis on addressing discrimination and unacceptable behaviour.
- Strengthening obligations regarding bullying and harassment.
- Strengthening rules around accepting gifts, both to protect Board Members and to build confidence in their impartiality.
- Section 5 has been redrafted to make it easier to follow and to apply the "objective" test.
- Section 6 has been amended to make the rules around access and lobbying clearer.
- Annex A has been amended to outline how complaints about potential breaches of the Code are investigated and adjudicated upon. It contains information about the sanctions available to the Standards Commission following a breach of the Code.

On approval of the Scottish Parliament, the revised Model Code will be re-issued by the Scottish Government and published on the Scottish Government website. All listed organisations will need to produce their own Code of Conduct based on the Model Code.

Responding to this consultation

We are inviting responses to this consultation by 8 February 2021.

Please respond to this consultation using the Scottish Government's consultation hub, Citizen Space (<http://consult.gov.scot>). Access and respond to this consultation online at <https://consult.gov.scot/public-bodies-unit/ethical-standards-in-public-life>. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 8 February 2021.

If you are unable to respond using our consultation hub, please complete and send the Respondent Information Form to:

Members Model Code of Conduct Consultation
Public Bodies Unit
The Scottish Government
Area 3F North
Victoria Quay
Edinburgh. EH6 6QQ

Handling your response

If you respond using the consultation hub, you will be directed to the About You page before submitting your response. Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document.

To find out how we handle your personal data, please see our privacy policy: <https://beta.gov.scot/privacy/>

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document.

Next steps

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at (<http://consult.gov.scot>). If you use the consultation hub to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. A report analysing responses will also be made available.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or to: mmccreview@gov.scot

Scottish Government consultation process

Consultation is an essential part of the policymaking process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work. You can find all our consultations online: (<http://consult.gov.scot>). Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments. These should be directed to the relevant public body.

For Information

Due to the pandemic, Brexit negotiations and the fact that the Scottish Parliament will close down next year to allow for the election of new MSPs, it is unlikely that we will be able to secure Parliamentary time for scrutiny and approval of the Model Code. If this is the case, then the Scottish Government will take the required actions to ensure the Model Code and related Regulations are laid before a new Parliament at the earliest possible time.

Proposed amendments to the Model Code of Conduct for Members of Devolved Public Bodies

RESPONDENT INFORMATION FORM

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy: <https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

- Individual
- Organisation

Full name or organisation's name

Phone number

Address

Postcode

Email

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
- Publish response only (without name)
- Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Yes

No

CONSULTATION QUESTIONS

The consultation questions set out below focus on changes that have been made to the Model Code.

We are specifically seeking your views on the amendments that have been made to the Model Code. However, your views on any aspect of the revised Model Code are welcome. When making general comments please specify which sections of the Model Code you are commenting on. If your response refers to a particular paragraph, rather than the section as a whole, please provide a reference to that paragraph(s) following your response i.e. (paragraph 3.10).

General questions

1. Have you used the Code before?

Yes No

Comments

2. If Yes, in what capacity have you/do you use the Code? If you used the Code as a Board Member could you please name the public body?

Please provide your comment

3. Do you agree that there is a need to review and update the current Model Code?

Yes No

Could you provide information to support your response?

4. In Section 1, and throughout the Model Code, we have removed unnecessary information to make it easier to understand. Do you have any comments on the changes proposed for Section 1: Introduction to the Code?

Yes No

Please provide your comment

5. In Section 2, the Model Code has a new heading “My Responsibilities” which aims to ensure that members accept and endorse that it is their personal responsibility to be aware and comply with the provisions in their Board’s Code of Conduct. Do you have any comments on this change in Section 2: Key Principles?

Yes No

Please provide your comment

6. In Section 3, General Conduct, the respect provision has been extended to everyone that a member could come into contact or engage with when acting as such, e.g. employees of other public bodies as well as other board members and the general public. We have also included information relating to the use of social media and highlighted that bullying and harassment is totally unacceptable.

This section also cover Gifts and Hospitality. These provisions have been amended to make it clear that they should not be sought or accepted with the exception of minor gifts or hospitality that a member would normally be expected to be offered in their everyday role.

Do you have any comments on the proposed changes in Section 3?

Yes No

Please provide your comment

7. Section 4 has been amended to reflect the changes made throughout the Model Code and to make clearer what kind of information needs to be registered. Do you have any comments on the changes proposed for Section 4: Registration of Interests?

Yes No

Please provide your comment

8. Do you have any comments on the changes proposed for Section 5: Declaration of Interests? The changes have been made to make it clearer that members need to take responsibility for declaring matters of interest.

Yes No

Please provide your comment

9. Public bodies aim to be open and accessible to the views and opinions of others, and to make their decisions based on the widest possible evidence and arguments. As a Member you will probably be approached by those wishing to make their views known. This is perfectly legitimate but care is needed. We have looked to simplify the Model Code in Section 6 covering Lobbying and Access. Do you think the proposed changes achieve this aim?

Yes No

Please provide your comment

10. The information in Annex A has been extended to include information about the role of the Ethical Standards Commissioner and the sanctions available to the Standards Commission following a finding of a breach of the Code and what these mean. Do you have any comments on the changes proposed to Annex A?

Yes No

Please provide your comment

11. Overall, how clear and easy to understand do you find the revised Model Code?

- Very clear
- Mostly clear
- Sometimes unclear
- Very unclear

Please tell us where you think the clarity of the code could be improved, and how?

12. Do you have any other comments on the proposed revisions to the Model Code?

Yes No

Please provide your comment

Model Code of Conduct for Members of Devolved Public Bodies

October 2020

MODEL CODE OF CONDUCT FOR MEMBERS OF DEVOLVED PUBLIC BODIES**CONTENTS**

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SECTION 1: INTRODUCTION TO THE MODEL CODE OF CONDUCT

1.1 The Ethical Standards in Public Life etc. (Scotland) Act 2000, “the Act”:

- provided for the introduction of new codes of conduct for local authority councillors and members of relevant public bodies;
- imposed a duty on Councils and relevant public bodies to help their members to comply with the relevant code; and
- established an independent body to oversee the new framework and deal with alleged breaches of the codes.

1.2 The Act requires Scottish Ministers to lay a Code of Conduct for Councillors and a Model Code for Members of Devolved Public Bodies before Parliament. This Model Code was first introduced in 2002 and has now been revised following consultation and the approval of the Scottish Parliament. These revisions will make it consistent with the relevant parts of the Code of Conduct for Councillors, which was also revised in 2020 following the approval of the Scottish Parliament.

1.3 The provisions of this Model Code have been developed in line with the key principles listed in Section 2 and set out how the principles should be interpreted and applied in practice.

My Responsibilities

1.4 The public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. I will meet those expectations by ensuring that my conduct is above reproach.

1.5 I will comply with the provisions of this Code in all situations where I am acting as a board member of my public body, have referred to myself as a board member or could reasonably be perceived as acting as a board member.

1.6 I will comply with the provisions of this Code in all my dealings with the public, employees and fellow board members, whether formal or informal.

1.7 I understand that it is my personal responsibility to be familiar with the provisions of this Code and that I must also comply with the law and my public body’s rules, standing orders and regulations. I will also ensure that I am familiar with any guidance issued by the Standards Commission.

1.8 I will not, at any time, advocate or encourage any action contrary to this Code. I will meet the public’s expectations by ensuring that my conduct is above reproach.

1.9 I understand that no written information can provide for all circumstances. If I am uncertain about how the Code applies, I will seek advice from the Chair, Chief Executive or Standards Officer of my public body. I note that I can also seek external legal advice or advice from the Standards Commission on how to interpret the provisions of the Code.

1.10 I will familiarise myself with the Standards Commission's guidance and the Scottish Government publication "On Board – a guide for members of statutory boards". I will take advantage of any training and continuing professional development offered, either by my organisation or otherwise, on this area.

Enforcement

1.11 Part 2 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 sets out the provisions for dealing with alleged breaches of this Code of Conduct, including the sanctions, up to and including suspension or disqualification, that can be applied if the Standards Commission finds that there has been a breach of the Code. More information on how complaints are dealt with and the sanctions available can be found at Annex A.

SECTION 2: KEY PRINCIPLES OF THE MODEL CODE OF CONDUCT

2.1 The key principles upon which this Code is based should be used for guidance and interpretation. These key principles are:

Duty

I have a duty to uphold the law and act in accordance with the law and the public trust placed in me. I have a duty to act in the interests of the public body of which I am a member and in accordance with the core functions and duties of that body.

Selflessness

I have a duty to take decisions solely in terms of public interest. I must not act in order to gain financial or other material benefit for myself, family or friends.

Integrity

I must not place myself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence me in the performance of my duties.

Objectivity

I must make decisions solely on merit and in a way that is consistent with the functions of the public body when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

Accountability and Stewardship

I am accountable for my decisions and actions. I have a duty to consider issues on their merits, taking account of the views of others and I must ensure that the public body uses its resources prudently and in accordance with the law.

Openness

I have a duty to be as open as possible about my decisions and actions, giving reasons for my decisions and restricting information only when the wider public interest clearly demands.

Honesty

I have a duty to act honestly. I must declare any private interests relating to my public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

I have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of the public body and its members in conducting public business.

Respect

I must respect all other board members and all employees of my public body and the role they play, treating them with courtesy at all times. Similarly, I must respect members of the public when performing my duties as a board member.

SECTION 3: GENERAL CONDUCT

Respect and Courtesy

3.1 I will treat everyone with courtesy and respect. This can include in person, in writing, when at meetings, when I am representing my public body and when I am online using social media.

3.2 I will not discriminate unlawfully on the basis of race, age, sex, sexual orientation, gender reassignment, disability, religion or belief, marital status or pregnancy/maternity; I will advance equality of opportunity; and will seek to foster good relations between different people.

3.3 I accept that disrespect, bullying and harassment can be a one-off incident, part of a cumulative course of conduct, or a pattern of behaviour. I understand that how, and in what context, I exhibit certain behaviours can be as important as what I communicate, given that disrespect, bullying and harassment can be physical, verbal and non-verbal conduct.

3.4 I accept that it is my responsibility to understand what constitutes bullying and harassment (including sexual harassment) and I will utilise resources, including the Standards Commission's guidance and advice notes, my public body's policies and training material (where appropriate) to ensure that my knowledge and understanding is up to date.

3.5 I will not engage in any conduct that could amount to bullying or harassment (including sexual harassment). I accept that such conduct is completely unacceptable and will be considered to be a breach of this Code.

3.6 Except where it is written into my role as Board member, I will not become involved in operational management of my public body. I acknowledge and understand that operational management is the responsibility of the Chief Executive and Executive Team.

3.7 I will not undermine any individual employee or group of employees, or raise concerns about their performance, conduct or capability in public. I will raise any concerns I have on such matters in private with senior management as appropriate.

3.8 I will not take, or seek to take, unfair advantage of my position in my dealings with employees of my public body or bring any undue influence to bear on employees to take certain action. I will avoid asking or directing employees to do something which could compromise them or prevent them from undertaking their duties properly and appropriately.

3.9 I will respect and comply with rulings from the Chair during meetings of:

(a) my public body, its committees and

- (b) any outside organisations that I have been appointed or nominated to by my public body or on which I represent my public body.

3.10 I will respect the principle of collective decision-making and corporate responsibility. This means that once the Board has made a decision, I will support that decision, even if I did not agree with it or vote for it.

Remuneration, Allowances and Expenses

3.11 I will comply with the rules, and the policies of my public body, on the payment of remuneration, allowances and expenses.

Gifts and Hospitality

3.12 I will never ask for any gifts or hospitality including money raised via crowdfunding or sponsorship, material benefits or services.

3.13 I will never accept any gifts or hospitality which might place me, or which would reasonably be regarded by a member of the public with knowledge of the relevant facts

- (a) as placing me, under an improper obligation or
- (b) which might influence, or might reasonably appear to influence, my judgement.

3.14 I will consider whether there could be a reasonable perception that any gift or hospitality received by a person or body connected to me could or would influence my judgement.

3.15 I will not allow the promise of money or other financial advantage to induce me to perform improperly any function while acting as a member of my public body. I accept that the money or advantage (including gifts or hospitality) does not have to be given to me. The offer of monies to others may amount to bribery, if the intention is to induce me to perform a function improperly.

3.16 I will never accept any gifts or hospitality from any individual who is seeking to do business with my public body.

3.17 I will refuse any gifts offered unless it is:

- (a) a minor item or token of modest intrinsic value offered on an infrequent basis; or
- (b) a gift being offered to my public body.

3.18 If I consider that declining an offer of a gift would cause offence, I will accept it and hand it over to my public body at the earliest possible opportunity and ask for it to be registered.

3.19 I will refuse any hospitality offered other than that which would normally be associated with my duties as a board member.

3.20 I will advise my public body's Standards Officer if I am offered (but refuse) any gifts or hospitality of any significant value and / or if I am offered any gifts or hospitality from the same source on a repeated basis, so that my public body can monitor this.

3.21 I will familiarise myself with the terms of the Bribery Act 2010, which provides for offences of bribing another person and offences relating to being bribed.

Confidentiality

3.22 I will not disclose confidential information or information which should reasonably be regarded as being of a confidential or private nature, without the express consent of a person authorised to give such consent, or unless required to do so by law. I note that if I cannot obtain consent, I should assume it is not given.

3.23 I accept that confidential information can include discussions, documents, and information (electronic or otherwise) which is not yet public or never intended to be public.

3.24 I will only use confidential information to undertake my duties as a board member. I will not use it in any way for personal advantage or to discredit my public body (even if my personal view is that the information should be publicly available).

Dealings with and Responsibilities to my Public Body

3.25 I will only use my public body's resources, including employee assistance, facilities, stationery and IT equipment for carrying out duties on behalf of the public body, in accordance with its relevant policies.

3.26 I will not use, or in any way enable others to use, my public body's resources:

- (a) imprudently (without thinking about the implications or consequences);
- (b) unlawfully;
- (c) for any political activities or matters relating to these; or
- (d) improperly for private purposes.

3.27 I will avoid any action which could lead members of the public to believe that preferential treatment or access is being sought.

Appointments to Outside Organisations

3.28 If I am appointed, or nominated by my public body, as a member of another public body or organisation, I will abide by their rules of conduct and will act in its best interests while acting as a member of it. I will also continue to observe the rules of my public body's Code of Conduct in carrying out the duties of that body or organisation.

3.29 I accept that if I am a director of a company or registered charity, as a board member of a devolved public body, I will be responsible for identifying, and taking advice on, any conflict of interest that may arise between the company or registered charity and my public body.

SECTION 4: REGISTRATION OF INTERESTS

4.1 The following paragraphs set out what I have to register when I am appointed and whenever my circumstances change. The register covers my current term of appointment.

4.2 I understand that Regulations as amended and made by Scottish Ministers describe the detail and timescale for registering interests; including a requirement that a board member must register their interests within one month of becoming a board member, and register any changes to those interests within one month of those changes having occurred.

4.3 Annex B contains key definitions and explanatory notes to help me decide what is required when registering my interests under any particular category. The interests which require to be registered are those set out in the following paragraphs and relate to me. I understand it is not necessary to register the interests of my spouse or cohabitee.

Category One: Remuneration

4.4 I will register any work for which I receive, or expect to receive payment. I have a registerable interest where I receive remuneration by virtue of being:

- employed;
- self-employed;
- the holder of an office;
- a director of an undertaking;
- a partner in a firm;
- appointed or nominated by my public body to another body; or
- engaged in a trade, profession or vocation or any other work.

4.5 I understand that in relation to 4.4 above, the amount of remuneration does not require to be registered and remuneration received as a board member does not have to be registered.

4.6 I understand that if a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under category two, "Other Roles".

4.7 I must register any allowances I receive in relation to membership of any organisation, the fact that I receive such an allowance must be registered under category one.

4.8 When registering employment, I must give the name of the employer, the nature of its business, and the nature of the post I hold in the organisation.

4.9 When registering remuneration from the categories listed in paragraph 4.4 above, I must provide the name and give details of the nature of the business, organisation, undertaking, partnership or other body, as appropriate. I recognise that

some other employments may be incompatible with my role as board member of my public body in terms of paragraph 6.7 of this Code.

4.10 Where I otherwise undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity.

4.11 When registering a directorship, it is necessary to provide the registered name and number of the undertaking in which the directorship is held and the nature of its business.

4.12 I understand that registration of a pension is not required as this falls outside the scope of the category.

Category Two: Other Roles

4.13 I will register any unremunerated directorships where the body in question is a subsidiary of an undertaking in which I hold a remunerated directorship.

4.14 I will register the name and number of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which I am a director and from which I receive remuneration.

Category Three: Contracts

4.15 I have a registerable interest where I (or a firm in which I am a partner, or an undertaking in which I am a director or in which I have shares of a value as described in paragraph 4.19 below) have made a contract with my public body:

- (a) under which goods or services are to be provided, or works are to be executed; and
- (b) which has not been fully discharged.

4.16 I will register a description of the contract, including its duration, but excluding the value.

Category Four: Houses, Land and Buildings

4.17 I have a registerable interest where I own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of my public body.

4.18 I accept that, when deciding whether or not I need register any interest I have in houses, land or buildings, the test to be applied is whether a member of the public, with knowledge of the relevant facts and acting reasonably, might consider the interest could potentially affect my responsibilities to my public body and to the public, or could influence my actions, speeches or decision making.

Category Five: Interest in Shares and Securities

4.19 I have a registerable interest where I:

- (a) own or have an interest in more than 1% of the issued share capital of the company or other body; or
- (b) where the nominal value of any shares and securities I own or have an interest in is greater than £25,000.

Category Six: Gifts and Hospitality

4.20 I understand the requirements of paragraphs 3.12 to 3.21 regarding gifts and hospitality. As I will not accept any gifts or hospitality, other than under the limited circumstances allowed, I understand there is no longer the need to register any.

Category Seven: Non-Financial Interests

4.21 I may also have significant non-financial interests and I understand it is equally important that relevant interests such as membership or holding office in other public bodies, companies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described. In this context, I understand non-financial interests are those which members of the public might reasonably think could influence my actions, speeches or votes in my public body which could include appointments to Committees or memberships of other organisations.

SECTION 5: DECLARATION OF INTERESTS

5.1 For each particular matter I am involved in as a board member, I will first consider whether I have a connection to that matter.

5.2 I understand that a connection is any link between the matter being considered and me, or a person or body I am associated with. This could be a family relationship or a social or professional contact.

5.3 A connection includes anything that I have registered as an interest.

5.4 I will declare my connection as an interest at the earliest stage possible in meetings where the objective test is met – that is where a member of the public with knowledge of the relevant facts would reasonably regard my connection to a particular matter as being so significant that it would be considered as being likely to prejudice the discussion or decision-making.

5.5 I will not remain in the meeting nor participate in any way in those parts of meetings where I have declared an interest.

5.6 I will consider whether it is appropriate for transparency reasons to state publicly where I have a connection, which I do not consider amounts to an interest.

5.7 I note that I can apply to the Standards Commission and ask it to grant a dispensation to allow me to take part in the discussion and decision-making on a matter where I would otherwise have to declare an interest and withdraw (as a result of having a connection to the matter that would fall within the objective test). I note that such an application must be made in advance of any meetings where the dispensation is sought and that I can take no part in any discussion or decision-making on the matter in question unless, and until, the application is granted.

5.8 I note that public confidence in a public body is damaged by perception that decisions taken by that body are substantially influenced by factors other than the public interest. I will not accept a role or appointment if doing so means I will have to declare interests frequently at meetings in respect of my role as a board member. Similarly, if any appointment or nomination to another body would give rise to objective concern because of my existing personal involvement or affiliations, I will not accept the appointment or nomination.

SECTION 6: LOBBYING AND ACCESS

6.1 I understand that I may be lobbied by a wide range of people including individuals, organisations and companies and that I must distinguish between:-

- a) any role I have in dealing with enquiries from the public;
- b) any community engagement where I am working with local individuals and organisations to encourage their participation and involvement, and;
- c) lobbying, which is where I am approached by any individual or organisation who is seeking to influence me for financial gain or advantage, particularly those who are seeking to do business with my public body for example contracts/procurement.

6.2 In deciding whether to respond to such lobbying, I will always have regard to the objective test, which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard my conduct as being likely to prejudice my, or my public body's decision-making role.

6.3 I must not, in relation to contact with any person or organisation that lobbies, do anything which contravenes this Code or any other relevant rule of the public body or any statutory provision.

6.4 I must not, in relation to contact with any person or organisation that lobbies, act in any way which could bring discredit upon my public body.

6.5 The public must be assured that no person or organisation will gain better access to, or treatment by, me as a result of employing a company or individual to lobby on a fee basis on their behalf. I will not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which I accord any other person or organisation who lobbies or approaches me. I will ensure that those lobbying on a fee basis on behalf of clients are not given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming.

6.6 Before taking any action as a result of being lobbied, I will seek to satisfy myself about the identity of the person or organisation that is lobbying and the motive for lobbying. I understand I may choose to act in response to a person or organisation lobbying on a fee basis on behalf of clients but it is important that I understand the basis on which I am being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code and the Lobbying (Scotland) Act 2016.

6.7 I will not accept any paid work:-

- (a) which would involve me lobbying on behalf of any person or organisation or any clients of a person or organisation.

(b) to provide services as a strategist, adviser or consultant, for example, advising on how to influence the public body and its members. This does not prohibit me from being remunerated for activity which may arise because of, or relate to, membership of the public body, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.

6.8 If I have concerns about the approach or methods used by any person or organisation in their contacts with me, I will seek the guidance of the Chair, Chief Executive or Standards Officer of my public body.

ANNEX A: BREACHES OF THE CODE

Introduction

1. The Ethical Standards in Public Life etc. (Scotland) Act 2000 (the 2000 Act) provided for a framework to encourage and, where necessary enforce, high ethical standards in public life. The 2000 Act, as amended, established the Standards Commission for Scotland (Standards Commission) and also gave a Public Standards Commissioner powers to investigate and report to the Commission. The Commissioner for Ethical Standards (ESC) was established by the Scottish Parliamentary Commission and Commissioners Act 2010 and took over the functions of the Public Standards Commissioner.

2. The Standards Commission and ESC are separate and independent, each with distinct functions. Complaints of breaches of a public body's Code of Conduct are investigated by the ESC and adjudicated upon by the Standards Commission.

Investigation of Complaints

3. The ESC is responsible for investigating complaints about members of devolved public bodies. It is not, however, mandatory to report a complaint about a potential breach of the Code to the ESC. It may be more appropriate in some circumstances for attempts to be made to resolve the matter informally at a local level. Further guidance on how alleged breaches can be dealt with informally as well as formally can be found here [insert link]

4. Following investigation, the ESC will report the matter to the Standards Commission if it is considered that a breach of a Code of Conduct has occurred.

Hearings

5. On receipt of a report from the ESC, the Standards Commission can choose to:

- Do nothing;
- Direct the ESC to carry out further investigations; or
- Hold a Hearing.

6. Hearings are held (usually in public) to determine whether the member concerned has breached their public body's Code of Conduct. The Hearing Panel comprises of three members of the Standards Commission. The ESC will present evidence and/or make submissions at the Hearing about why it is considered that the member has contravened the Code. The member is entitled to attend or be represented at the Hearing and can also present evidence and make submissions. Both parties can call witnesses. Once it has heard all the evidence and submissions, the Hearing Panel will make a determination about whether or not it is satisfied, on the balance of probabilities, that there has been a contravention of the Code by the member. If the Hearing Panel decides that a member has breached their public body's Code of Conduct, it is obliged to impose a sanction.

Sanctions

7. The sanctions that can be imposed following a finding of a breach of a Code of Conduct are as follows:

- **Censure:** A censure is a formal record of the Standards Commission's severe and public disapproval of the member concerned.
- **Suspension:** This can be a full or partial suspension (for up to one year). A full suspension means that the member is suspended from attending all meetings of the public body. Partial suspension means that the member is suspended from attending some of the meetings of the public body. The Commission can direct that any remuneration or allowance the member receives as a result of their membership of the public body be reduced or not paid during a period of suspension.
- **Disqualification:** Disqualification means that the member is removed from membership of the body and disqualified (for a period not exceeding five years), from membership of the body. Where a member is also a member of another devolved public body (as defined in the Ethical Standards in Public Life etc. (Scotland) Act 2000), the Commission may also remove or disqualify that person in respect of that membership. Full details of the sanctions are set out in section 19 of the 2000 Act.

Interim Suspensions

8. Section 21 of the 2000 Act provides the Standards Commission with the power to impose an interim suspension on a member on receipt of an interim report from the ESC about an ongoing investigation. In making a decision about whether or not to impose an interim suspension, a Panel comprising of three Members of the Standards Commission will review the interim report and any representations received from the member and will consider whether it is satisfied:

- That the further conduct of the ESC's investigation is likely to be prejudiced if such an action is not taken (for example if there are concerns that the member may try to interfere with evidence or witnesses); or
- That it is otherwise in the public interest to take such a measure. A policy outlining how the Standards Commission makes any decision under Section 21 and the procedures it will follow in doing so, should any such a report be received from the ESC can be found [here](#).

9. The decision to impose an interim suspension is not, and should not be seen as, a finding on the merits of any complaint or the validity of any allegations against a member of a devolved public body, nor should it be viewed as a disciplinary measure.

ANNEX B: DEFINITIONS

“**Chair**” includes Board Convener or any person discharging similar functions under alternative decision making structures.

“**Code**” code of conduct for members of devolved public bodies

“**Cohabitee**” includes a person, whether of the opposite sex or not, who is living with you in a relationship similar to that of husband and wife.

“**Group of companies**” has the same meaning as "group" in section 474 of the Companies Act 2006, namely a parent undertaking and its subsidiary undertakings.

“**Parent Undertaking**” is an undertaking in relation to another undertaking, a subsidiary undertaking, if a) it holds a majority of the rights in the undertaking; or b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; or c) it has the right to exercise a dominant influence over the undertaking (i) by virtue of provisions contained in the undertaking’s memorandum or articles or (ii) by virtue of a control contract; or d) it is a member of the undertaking and controls alone, pursuant to an agreement with other shareholders, a majority of the rights in the undertaking.

“**A person**” means a single individual or legal person and includes a group of companies.

“**Any person**” includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations.

“**Public body**” means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

“**Related Undertaking**” is a parent or subsidiary company of a principal undertaking of which you are also a director. You will receive remuneration for the principal undertaking though you will not receive remuneration as director of the related undertaking.

“**Remuneration**” includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.

“**Spouse**” does not include a former spouse or a spouse who is living separately and apart from you.

“**Undertaking**” means:

- a) a body corporate or partnership; or
- b) an unincorporated association carrying on a trade or business, with or without a view to a profit.



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ARGYLL AND BUTE COUNCIL
LEGAL AND REGULATORY SUPPORT

COUNCIL
26 NOVEMBER 2020

REVIEW OF THE HEALTH AND SOCIAL CARE INTEGRATION SCHEME

1. EXECUTIVE SUMMARY

- 1.1 The Business Continuity Committee and NHS Highland Board, at their meetings held on 16th April and 26th March 2020 respectively, approved revisions made to the Health and Social Care Integration Scheme following a 6 week joint consultation process, which ran from 9th December 2019 to 17 January 2020.
- 1.2 The revised Scheme was subsequently submitted to the Scottish Government for their review. This report provides details of the changes proposed by the SG and seeks approval of the revised Scheme (attached at appendix 1), which has been updated accordingly.

2. RECOMMENDATIONS

Members are asked to:-

- 2.1 Agree the revised Integration Scheme (Appendix 1), which has been further updated to take account of feedback received from the SG as part of their review.
- 2.2 Note that a similar report is being tabled at the NHS Highland Board on 24th November for their approval.
- 2.3 Agree that the Chief Executives of the two parent bodies jointly submit the revised Scheme to the Scottish Government for final approval.

3. DETAIL

- 3.1 The legal requirement to complete a review of an Integration Scheme is set out in Section 44 of the Public Bodies (Joint Working) (Scotland) Act 2014 (the Act). The Scheme must be reviewed each subsequent period of 5 years beginning with the day on which the Scheme was approved, in the case of Argyll and Bute, 27 June 2015. On this basis the review of the Scheme in Argyll and Bute was required by law to be completed by 27 June 2020. The statutory responsibility to review the Scheme sits with the Board of NHS Highland and Argyll and Bute Council.

- 3.2 Following a joint consultation exercise, which ran from 9th December 2019 to 17 January 2020, a number of revisions were made to the Scheme to take account of the feedback received and approved by NHS Highland Board and the Business Continuity Committee at their respective meetings in March and April this year.
- 3.3 It was the intention to submit the revised Scheme to Scottish Ministers in April for review, but due to Covid-19 the SG advised the parent bodies that due to other priorities they did not wish to receive any updated Integration Schemes until the situation had subsided. On this basis, the Scheme was not submitted to the SG until July 2020.
- 3.4 The SG have now completed their review of the Argyll and Bute Integration Scheme and provided both verbal and written feedback on 7th and 28th October 2020 respectively. The Scheme has been further updated to take account of the SG comments, which are summarised below and highlighted in appendix 1. The majority of the revisions are technical in nature and do not alter anything of substance or policy.
- i. Pages 37 – 40 – Health Board functions delegated by virtue of s.1(6) and s.1(8) of the 2014 Act listed separately to provide clarity on those functions that “can” and “must” be delegated.
 - ii. Page 38 – year changed from 2004 to 2018 in respect of The National Health Service (Primary Medical Services Section 17C Agreements) (Scotland) Regulations 2004.
 - iii. Page 49 – title of the Social Care (Self-directed Support) (Scotland) Act 2013 has been written in full.
 - iv. Page 52 – The column header “enactment conferring function” updated to “functions conferred by virtue of enactments”.
 - v. Page 53 – section 19 (Local authority plans for services for children) of The Children (Scotland) Act 1995 removed as these functions are repealed from the Public Bodies (Joint Working) (Scotland) Act 2014.
 - vi. Page 54 – reference to section 24 and 24A of The Children (Scotland) Act 1995 removed as these functions are repealed and have been removed from the 2014 Act. This does not create a gap in integration planning as both the relevant new functions for carer planning (sections 6 and 12 of the Carer’s (Scotland) Act 2016) are included in the Scheme.
 - vii. Page 55 – Section 4 (local authority plan) of the Adoption and Children (Scotland) Act 2007 removed as these functions are repealed from the Public Bodies (Joint Working) (Scotland) Act 2014.
- 3.5 With regard to (v) and (vii) above the SG have advised that a legislative piece of work is being carried out to remove the repealed legislation from the Public Bodies (Joint Working) (Scotland) Act 2014 Schedule. This should not be an onerous piece of work however, due to the pressures of Covid and Brexit it has

been agreed that the SG shall delay carrying out this work until the next parliamentary term, and look to secure an appropriate legislative vehicle at the earliest opportunity to make the amendment.

- 3.6 In light of the further changes, Members are asked to approve the Integration Scheme detailed at Appendix 1. A report will also be submitted to the NHS Highland Board scheduled for 24th November 2020 to obtain their approval. If agreeable, both parent bodies will then arrange for the revised Scheme to be jointly submitted to Scottish Ministers for final sign off.
- 3.7 Thereafter, the Council and NHS Highland will arrange for the final Integration Scheme to be published as soon as practicable after it takes effect.

4. CONCLUSION

- 4.1 Following review by the SG, the Argyll and Bute Integration Scheme has been further updated to take account of the comments received, as detailed at section 3.4 of the paper. Members are asked to approve the revised Scheme as set out at Appendix 1 and agree that the parent bodies re-submit the Scheme to the SG for final sign off.

5. IMPLICATIONS

- 5.1 Policy - In line with Scottish Government Legislation to improve health and social care outcomes for customers
- 5.2 Financial – none arising from this report
- 5.3 Legal - Meets the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014
- 5.4 HR – none arising from this report
- 5.5 Equalities/Fairer Scotland Duty – none arising from this report
- 5.6 Risk – non compliance with statutory measures under the Public Bodies (Joint Working) (Scotland) Act 2014
- 5.7 Customer Services – improved outcomes for customers at core of legislation

6. APPENDICES

- 6.1 Appendix 1 – Revised Integration Scheme as at November 2020

Policy Lead – Councillor Kieron Green - Health and Social Care

Douglas Hendry

Executive Director with responsibility for Legal and Regulatory Support

3 November 2020

For further information, please contact:

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INTEGRATION SCHEME
BETWEEN
ARGYLL AND BUTE COUNCIL
AND
NHS HIGHLAND

~~Revised February~~ November 2020

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Introduction

1. Vision and Values:

The vision of Argyll and Bute Council and NHS Highland is that the people in Argyll and Bute will live longer, healthier, happier, independent lives.

The core values of Argyll and Bute Council and NHS Highland are: caring; creative; committed; collaborative; teamwork; excellence; and integrity.

The core values of the Health and Social Care Partnership are: compassion; integrity; respect; continuous learning; leadership; and excellence.

2. Aims and Outcomes:

The main purpose of integration is to improve the wellbeing of people who use health and social care services, particularly those whose needs are complex and involve support from health and social care at the same time. The Integration Scheme is intended to achieve the National Health and Wellbeing Outcomes.

Argyll and Bute Integration Joint Board (IJB) will plan for and deliver high quality health and social care services to, and in partnership with, the communities of Argyll and Bute.

The IJB will set out within its Strategic Plan how it will effectively use allocated resources to deliver the National Health and Wellbeing Outcomes prescribed by the Scottish Ministers in regulations under section 5(1) of the Public Bodies (Joint Working) (Scotland) Act 2014, namely that:

- People are able to look after, and improve, their own health and wellbeing and live in good health for longer.
- People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
- People who use health and social care services have positive experiences of those services, and have their dignity respected.

- Health and social care services are centered on helping to maintain or improve the quality of life of people who use those services.
- Health and social care services contribute to reducing health inequalities.
- People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.
- People using health and social care services are safe from harm.
- People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
- Resources are used effectively and efficiently in the provision of health and social care services.
- Any other National Health and Well Being outcome prescribed in the future will also be adopted.

Argyll and Bute Council and NHS Highland have agreed that Social Care services for Children & Families and Justice Services should be included within the functions and services to be delegated to the IJB, therefore the specific national outcomes as detailed below for Children & Families and Justice are also included:

The national outcomes for Children & Families are:-

- Our children have the best start in life and are ready to succeed.
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens; and
- We have improved the life chances of children, young people and families at risk.
- Any national outcomes prescribed in the future will also be adopted.

National outcomes and standards for Social Care Services in the Justice System are:-

- Community safety and public protection.
- The reduction of re-offending.
- Social inclusion to support desistance from offending.
- Any national outcomes prescribed in the future will also be adopted

3. Scope of Integration:

Argyll and Bute Council and NHS Highland have agreed to delegate to the IJB the following functions:

- All NHS services that the legislation permits for delegation.
- All Adult social care services.
- All Children & Families social care services.
- All Justice social care services.

4. Finance arrangements:

The general principles are agreed as:

- The Council and NHS Highland recognise that they each have continuing financial governance responsibilities, and have agreed to establish the IJB as a “joint operation” as defined by IFRS 11.
- The Council and NHS Highland will work together in the spirit of partnership, openness and transparency.
- The Council and NHS Highland payments to the IJB derive from a process that recognises that both organisations have expenditure commitments that cannot be avoided in the short to medium term. The Council and NHS Highland will prepare and maintain a record of what those commitments are and provide this to the IJB.
- The IJB will monitor its financial position and make arrangements for the provision of regular, timely, reliable and relevant information on its financial position which will be shared with the Council and NHS Highland. The IJB, the Council and NHS Highland will share financial information to ensure all parties have a full understanding of their current financial information and future financial challenges and funding streams.
- The existing financial regulations of the Council and NHS Highland will apply to resources transferred to the IJB.

Integration Scheme

The Parties:

The Argyll and Bute Council, established under the Local Government (Scotland) Act 1994 and having its principal offices at, Kilmory, Lochgilphead, Argyll, PA31 8RT (herein after referred to as “the Council”);

And

NHS Highland Health Board, established under section 2(1) of the National Health Service (Scotland) Act 1978 (operating as “Argyll and Bute CHP”) and having its principal offices at Assynt House, Beechwood Park, Inverness, IV2 3BW (hereinafter referred to as “NHS Highland”) (together referred to as “the Parties”).

1. Definitions and Interpretation

1.1 “The Act” means the Public Bodies (Joint Working) (Scotland) Act 2014.

1.2 “Argyll and Bute Integration Joint Board” means the Integration Joint Board established by Order under section 9 of the Act.

1.3 “IJB” means Argyll and Bute Integration Joint Board.

1.4 “Outcomes” means the Health and Wellbeing Outcomes prescribed by the Scottish Ministers in Regulations under section 5(1) of the Act.

1.5 “The Integration Scheme Regulations” means The Public Bodies (Joint Working) (Integration Scheme) (Scotland) Regulations 2014.

1.6 “Integration Joint Board Order” means The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014.

1.7 “Scheme” means this Integration Scheme.

1.8 “Strategic Plan” means the plan which the IJB is required to prepare and implement in relation to the delegated provision of health and social care services to adults and children in accordance with section 29 of the Act.

1.9 “Acute Services” means medical and surgical treatment provided mainly in hospitals and minor injury units.

1.10 “Locality Planning Groups” mean local planning groups comprising representatives of local partners and stakeholders who are accountable to the Strategic Planning Group for the planning and partnership delivery of agreed local health and care service priorities. Their specific purpose is to develop a locality plan, influence priorities for their local area, agree mechanisms for the delivery of actions at a local level and review and report on the locality plan annually.

In implementation of their obligations under the Act, the Parties hereby agree as follows:

In accordance with section 1(2) of the Act, the Parties have agreed that the integration model set out in sections 1(4)(a) of the Act will be put in place for the IJB, namely the delegation of functions by the Parties to a body corporate that is to be established by Order under section 9 of the Act. This revised Scheme comes into effect on the date the Parliamentary Order comes into force.

2. Local Governance Arrangements

2.1 The role and constitution of the IJB is established through legislation, with the Parties having agreed that the voting membership will be:

2.1.1 NHS Highland: 4 members of the NHS Highland Health Board.

2.1.2 Council: 4 Elected Members of the Council nominated by the Council.

2.1.3 The Parties have agreed that the first Chair of the IJB will be the nominee of the Council. The term of office of the Chair and the Vice Chair will be a period of two years.

2.2 The IJB sets out within its Strategic Plan how it will effectively use allocated resources to deliver the National Health and Wellbeing Outcomes prescribed by the Scottish Ministers in regulations under section 5(1) of the Act, namely that:

- People are able to look after and improve their own health and wellbeing and live in good health for longer.
- People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
- People who use health and social care services have positive experiences of those services, and have their dignity respected.
- Health and social care services are centered on helping to maintain or improve the quality of life of people who use those services.
- Health and social care services contribute to reducing health inequalities.
- People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.
- People using health and social care services are safe from harm.
- People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
- Resources are used effectively and efficiently in the provision of health and social care services.
- Any other National Health and Well Being outcomes prescribed by the Scottish Ministers.

2.3 The Parties have agreed that Social Care services for Children & Families social care and Justice social care should be included within the functions and services to be delegated to the IJB. Therefore, the specific national outcomes as detailed below for Children & Families and Justice are also included:

The national outcomes for Children & Families are:-

- Our children have the best start in life and are ready to succeed.
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens; and
- We have improved the life chances of children, young people and families at risk.
- Any national outcomes prescribed in the future will also be adopted.

National outcomes and standards for Social Care Services in the Justice System are:-

- Community safety and public protection.
- The reduction of re-offending.
- Social inclusion to support desistance from offending.
- Any national outcomes prescribed in the future will also be adopted

3. Delegation of Functions

3.1 The Parties agree to delegate a comprehensive range of health and social care functions for adults and children to the IJB.

3.2 The functions that are to be delegated by NHS Highland to the IJB are set out in Annex 1.

3.3 The functions that are to be delegated by the Council to the IJB are set out in Annex 2

4. Local Operational Delivery Arrangements

4.1 The local operational arrangements agreed by the Parties are:

4.1.2 The IJB has responsibility for the planning and delivery of services. This will be

achieved through the Strategic Plan.

- 4.1.3 The IJB is responsible for the operational oversight of Integrated Services and, through the Chief Officer, will be responsible for the operational management of Integrated Services.
- 4.1.4 The IJB will be responsible for the operational oversight of the planning, commissioning and contracting of delegated Acute Services and, through the Chief Officer, will be responsible for the operational management, and budget of Acute Services.
- 4.1.5 As the majority of Acute services are contracted from a neighbouring Health Board (NHS Greater Glasgow and Clyde), the IJB will be responsible for the operational oversight of Acute Services. A lead Director for Acute Services in NHS Greater Glasgow and Clyde (GG&C) has been identified as the contract liaison officer who is responsible for the operational management of Acute Services in NHS GG&C.
- 4.1.6 NHS Greater Glasgow and Clyde will provide information as part of the contract monitoring arrangements on a regular basis to the Chief Officer and the IJB on the operational delivery and performance of these services.

4.2 Support for Strategic Plan

4.2.1 The IJB is required under section 29 of the Act to prepare a strategic plan. All Health and Social Care Partnerships' primary responsibility is the achievement of the national health and wellbeing outcomes through the delivery of the principles of integration. A critical element in discharging this responsibility is the production and delivery of a Strategic Plan.

4.2.2 The NHS Board will share with the IJB necessary activity and financial data for services, facilities and resources that relate to the planned use of services by service users within Argyll and Bute for its service and for those provided by other Health Boards.

4.2.3 The Council will share with the IJB necessary activity and financial data for services, facilities and resources that relate to the planned use of services by service users within Argyll and Bute for its services and for those provided by other councils.

4.2.4 The Parties agree to use all reasonable endeavours to ensure that other

Integration Joint Boards and any other relevant Integration Authority will share the necessary activity and financial data for Services, facilities and resources that relate to the planned use by service users within the area of their Integration Authority.

4.2.5 The Parties shall ensure that their Officers acting jointly will consider the Strategic Plans of the other Integration Joint Boards or Authorities to ensure that they do not prevent the Parties and the IJB from carrying out their functions appropriately and in accordance with the Integration Planning and Delivery Principles, and to ensure they contribute to achieving the National Health and Wellbeing Outcomes. The Integration Authorities that are most likely to be affected by the Strategic Plan are:

- West Dumbarton Integration Joint Board
- Inverclyde and Renfrew and East Renfrew Integration Joint Boards share a common acute provider of services (NHS Great Glasgow and Clyde)

4.2.6 The Parties shall advise the IJB where they intend to change service provision of non- Integrated Services that will have a resultant impact on the Strategic Plan.

4.2.7 The NHS Highland Board will consult with the IJB to ensure that any overarching Strategic Plan for Acute Services and any plan setting out the capacity and resource levels required for non- delegated budgets for such Acute Services is appropriately co-ordinated with the delivery of Services across the NHS Highland area. The parties shall ensure that a group including the Chief Operating Officer, NHS Highland and Chief Officer of the IJB will meet regularly to discuss such issues.

4.3 Corporate Support Services

4.3.1 The Parties will continue to provide the corporate support required to fulfil the duties of the IJB. The Parties will:

- Identify and agree on an ongoing basis, the corporate support services required to fully discharge the IJB's duties under the Act.
- The Parties will continue to provide the IJB with the corporate support services it requires to fully discharge its duties under the Act.

4.4 Performance Targets, Improvement Measures and Reporting Arrangements

4.4.1 The Parties will identify a core set of indicators that relate to services, from publicly accountable and national indicators and targets against which the Parties currently report. A list of indicators and measures which relate to integration functions will be collated in a Performance Management Framework and will provide information on the data gathering and reporting requirements for performance targets and improvement measures. The Parties will share all performance information, targets and indicators from the Performance Management Framework with the IJB. The improvement measures will be a combination of existing and new measures that will allow assessment at local level. The performance targets and improvement measures will be linked to the national and local outcomes to assess the timeframe and the scope of change.

4.4.2 The Performance Management Framework will also indicate where the responsibility for each measure lies, whether in full or in part. Where there is an ongoing requirement in respect of organisational accountability for a performance target for the NHS Board or the Council, this will be taken into account by the IJB when preparing the Strategic Plan.

4.4.3 The Performance Management Framework will also be used to prepare a list of any targets, measures and arrangements which relate to functions of the Parties, which are not delegated to the IJB, but which are affected by the performance and funding of integration functions and which are to be taken account of by the IJB when preparing the Strategic Plan.

4.4.4 The Performance Management Framework will be reviewed regularly to ensure the improvement measures it contains continue to be relevant and reflective of the national and local outcomes to which they are aligned.

4.4.5 The Parties will continue to provide support to the IJB for arrangements regarding Performance Targets, Improvement Measures and Reporting, including the effective monitoring and reporting of targets and measures for

adjoining NHS Boards and Integration Joint Boards.

4.4.6 The IJB will receive performance management information for consideration, approval and agreement, and will act appropriately as necessary, in response to all relevant performance management information, including:-

4.4.6.1 Public Health and Wellbeing Status reports including analysis of Argyll and Bute population, at macro, demographic specific and locality level.

4.4.6.2 Clinical and Care Governance reports to be assured of the quality, safety, risk and effectiveness of services.

4.4.6.3 Staff Governance reports to be assured of compliance and best practice in workforce relations, workforce planning and organisational development.

4.4.6.4 Patients and Users of Care Services; Involvement and Community Engagement reports ensuring their involvement in the shaping, delivery and evaluation of service performance.

4.4.6.5 Financial Governance reports including financial management, budget setting recommendation, expenditure reporting, financial recovery plan and cost improvement plans for consideration and approval.

4.4.6.6 Performance Management Framework information, to be assured of the performance of services against targets, indicators and outcomes.

5. Clinical and Care Governance

5.1 The Parties and the IJB are accountable for ensuring appropriate clinical and care governance arrangements in respect of their duties under the Act. The Parties will have regard to the principles of the Scottish Government's Clinical and Care Governance Framework, including the focus on localities and service user and carer feedback.

5.2 The Parties recognise that the establishment and continuous review of the arrangements for Clinical and Care Governance and Professional Governance are essential in delivering their obligations and quality ambitions. The arrangements

described in this section are designed to assure the IJB of the quality and safety of services delivered in Argyll and Bute.

5.3 Explicit lines of professional and operational accountability are essential to assure the IJB and the Parties of the robustness of governance arrangements for their duties under the Act. They underpin delivery of safe, effective and person-centered care in all care settings delivered by employees of the Council, NHS Highland, the third and independent sectors, and by informal carers.

5.4 In relation to existing health and social care services, NHS Highland is accountable for health functions and services, whilst Argyll and Bute Council is responsible for social care services. Professional governance responsibilities are carried out by the professional leads through to the health and social care professional regulatory bodies.

5.5 The Chief Social Work Officer holds professional accountability for social care services. The Chief Social Work Officer reports directly to the Chief Executive and Elected Members of the Council in respect of professional social care matters. He/she is responsible for ensuring that social work and social care services are delivered in accordance with relevant legislation and that staff delivering such services do so in accordance with the requirements of the Scottish Social Services Council.

5.6 Principles of Clinical and Care Governance will be embedded at service user/clinical care/professional interface using the framework outlined below. The IJB will ensure that explicit arrangements are made for professional supervision, learning, support and continuous improvement for all staff.

5.7 The IJB will fulfil its devolved responsibility in terms of overseeing delivery of delegated functions by ensuring that there is evidence of effective performance management systems. Professional and service user networks or groups will inform the agreed Clinical and Care Governance framework directing the focus towards a quality approach and continuous improvement.

5.8 The Clinical and Care Governance and Professional Governance framework will encompass the following:

- Measure the quality of integrated service delivery by measuring delivery of

personal outcomes and seeking feedback from service users and/or carers.

- Professional regulation and workforce development.
- Information governance.
- Safety of integrated service delivery and personal outcomes and quality of registered services

5.9 Each of the four elements, listed at 5.8, will be underpinned by mechanisms to measure quality, clinical and service effectiveness and sustainability. They will be compliant with statutory, legal and policy obligations strongly underpinned by human rights values and social justice. Service delivery will be evidence-based, underpinned by robust mechanisms to integrate professional education, research and development.

5.10 The IJB is responsible for embedding mechanisms for continuous improvement of all services through application of a Clinical and Care Governance and Professional Governance Framework. The IJB will be responsible for ensuring effective mechanisms for service user and carer feedback and for complaints handling.

5.11 NHS Highland Executive Medical Director and Board Nurse Director share accountability for Clinical and Professional Governance across NHS Highland as a duty delegated by NHS Highland. This will include ensuring:

- Quality monitoring and governance arrangements that include compliance with professional codes, legislation, standards, guidance and that these are regularly open to scrutiny.
- Systems and processes to ensure a workforce with the appropriate knowledge and skills to meet the needs of the local population.
- Effective internal systems that provide and publish clear, robust, accurate and timely information on the quality of service performance.
- Systems to support the structured, systematic monitoring, assessment and management of risk.
- Co-ordinated risk management, complaints, feedback and adverse events/incident system, ensuring that this focuses on learning, assurance and improvement.
- Improvement and learning in areas of challenge or risk that are identified through local governance mechanisms and external scrutiny.
- Mechanisms that encourage effective and open engagement with staff on the

design, delivery, monitoring and improvement of the quality of care and services.

- Planned and strategic approaches to learning, improvement, innovation and development, supporting an effective organisational learning culture.

5.12 The Medical Director, or his/her depute, will be a member of the Clinical and Care Governance Committee and will provide professional advice in respect of the overview and consistency of the Clinical and Care Governance and Professional Governance Framework.

5.13 The Board Nurse Director, or his/her depute, will be a member of the Clinical and Care Governance Committee and will provide professional advice in respect of the overview and consistency of the Clinical and Care Governance and Professional Governance Framework.

5.14 The Chief Social Work Officer, through delegated authority holds professional and operational accountability for the delivery of safe and high quality social work and social care services within the Council. An annual report on these matters will be provided to the Council, NHS Highland and the IJB.

5.15 The Chief Social Work Officer will be a member of the Clinical and Care Governance Committee and will provide professional advice in respect of the delivery of social work and social care services by Council staff and commissioned care providers in Argyll and Bute.

5.16 The Parties, in support of the IJB will put in place structures and processes to support clinical and care governance, thus providing assurance on the quality of health and social care in Argyll and Bute. A Clinical and Care Governance Committee, bringing together senior professional leaders across Argyll and Bute, including the Medical Director, Board Nurse Director, Chief Social Work Officer, and the Director of Public Health, will be established. This committee, chaired by one of its members, will ensure that quality monitoring and governance arrangements are in place for safe and effective health and social care service delivery in Argyll and Bute. This will include the following:

- compliance with professional codes, legislation, standards, guidance
- systems and processes to ensure a workforce with the appropriate knowledge and skills to meet the needs of the local population.

- effective internal systems that provide and publish clear, robust, accurate and timely information on the quality of service performance.
- systems to support the structured, systematic monitoring, assessment and management of risk.
- co-ordinated risk management, complaints, feedback and adverse events/incident system, ensuring that this focuses on learning, assurance and improvement.
- improvement and learning in areas of challenge or risk that are identified through local governance mechanisms and external scrutiny.
- mechanisms that encourage effective and open engagement with staff on the design, delivery, monitoring and improvement of the quality of care and services.
- planned and strategic approaches to learning, improvement, innovation and development, supporting an effective organisational learning culture.

5.17 The Clinical and Care Governance Committee will provide advice to the IJB, the Strategic Planning Group and to locality planning groups, all of whom may seek relevant advice directly from the Clinical and Care Governance Committee, as required.

5.18 Arrangements will be put in place so that the Area Clinical Forums, Managed Care networks, other appropriate professional groups, and the Adult and Child Protection Committees are able to directly provide advice to the Clinical and Care Governance Committee.

5.19 The Clinical and Care Governance Committee will report directly to the IJB and will provide clear robust, accurate and timely information on the quality of service performance.

5.20 Information will be used to provide oversight and guidance to the Strategic Planning Group in respect of Clinical and Care Governance and Professional Governance, for the delivery of Health and Social Care Services across localities identified in the Strategic Plan.

5.21 Annex 3 provides a schematic to show the systems governance arrangements.

5.22 Annex 4 provides a schematic to show the clinical and care governance

arrangements.

6. Chief Officer

6.1 The Chief Officer has both strategic and operational responsibility for the delivery of services. The Chief Officer will be directly responsible to and line-managed by the Chief Executive Officers of both Parties, and via the Chief Executive Officers is responsible to NHS Highland and the Council. The Chief Officer is also accountable to the IJB.

6.2 The Chief Officer will be accountable directly to the IJB for the preparation, implementation of, and reporting on, the Strategic Plan. The Chief Officer will also be responsible for operational delivery of services and the appropriate management of staff and resources.

6.3 The Chief Officer will establish a senior management team, equipped to direct and oversee the structures and procedures necessary to carry out all functions in accordance with the Strategic Plan.

6.4 In the event that there is a prolonged period when the Chief Officer is unable or unavailable to fulfil his/her functions, interim arrangements will be required to temporarily replace the Chief Officer. The Parties will nominate suitably qualified and experienced senior officers to carry out the functions of the Chief Officer for the duration of the interim period, and submit the said nominations for approval by the IJB.

6.5 The Chief Officer's objectives will be set annually and performance appraised by the Chief Executive Officers of both Parties, in consultation with the Chair and Vice Chair of the IJB.

6.6 The Chief Officer will be a full member of both the Council and NHS Highland's corporate management teams, as well as a non-voting member of the IJB.

6.7 The Chief Officer will ensure the maintenance of an up to date integrated risk register in respect of all functions delegated to the IJB.

6.8 The Chief Officer will routinely liaise with appropriate officers of NHS Highland in

respect of the IJB's role in contributing to the strategic planning of acute NHS healthcare services and provision (in accordance with the Act) and delivery of agreed targets that have mutual responsibility. Operational management of Integrated Services and acute services will be the responsibility of the Chief Officer, as detailed in sections 4.1.3, 4.1.4 and 4.1.5.

6.9 The Chief Officer will routinely liaise with the appropriate Officer(s) of the Council in respect of the IJB's role in informing strategic planning for local housing and the delivery of housing support services. Housing functions, apart from equipment, adaptations and aspects that relate to personal support, are outside the scope of the IJB; however, close liaison between the Chief Officer and the appropriate Officer(s) will assist in the strategic planning process.

6.10 The Chief Officer will develop close working relationships with Elected Members of the Council and Executive and Non-Executive members of NHS Highland.

6.11 The Chief Officer will establish and maintain effective relationships with a range of key stakeholders across the Scottish Government, NHS Highland, the Council, Independent and Third sectors, service users, Trades Unions, professional organisations and informal carers.

6.12 The Chief Officer will ensure appropriate arrangements are in place in respect of information governance and the requirements of the Information Commissioner's Office.

7. Workforce

7.1 The Parties are committed to producing and maintaining a fully integrated Workforce and Organisational Development Plan, relating to the delegated functions, as prescribed in the Act. This will include engagement and learning and development for all staff, to promote the development of a robust organisational structure and healthy organisational culture. The plan will remain under annual review. Chief Officer, the IJB will be responsible for implementation and review of the plan, in conjunction with the implementation of the Strategic Plan.

7.2 The development of the plan will be remitted to the Human Resources and Workforce Development and Organisational Development work streams already in place, for completion. These workstreams are led by Human Resources and

organisational Development Leads from both Parties and include NHS staff side (Trade Unions representing NHS Highland staff) and Trades Unions representatives (representing Council staff), as well as other key stakeholders.

8. Finance

8.1 Roles and Responsibilities

8.1.1 The IJB will make arrangements for the proper administration of its financial affairs by appointing a Chief Financial Officer to discharge the responsibilities that fall within Section 95 of the Local Government (Scotland) Act 1973.

8.1.2 The Chief Financial Officer is accountable for financial management of delegated budgets and overall financial resources of the IJB.

8.1.3 The Chief Financial Officer of the IJB will be responsible for managing preparation of the annual budget of the IJB, managing the medium term financial planning process to support the strategic plan, and providing financial advice and information to support the planning and delivery of services by the IJB.

8.1.4 The Chief Financial Officer of the IJB will be responsible for producing regular finance reports to the IJB and managers, ensuring that those reports are timely, relevant and reliable.

8.1.5 The Chief Financial Officer of the IJB will be responsible for preparing the IJB's accounts and ensuring compliance with statutory reporting requirements as a body under the relevant legislation.

8.1.6 The Chief Financial Officer of the IJB will work with the Council Section 95 Officer and NHS Highland Director of Finance to ensure the Council and NHS Highland are kept informed on the financial position, performance and plans of the IJB.

8.1.7 The Chief Executive Officers of Argyll and Bute Council and NHS

Highland are responsible for the resources that are allocated by the IJB to their respective organisations for operational delivery.

8.1.8 The Chief Financial Officer will work with the Council Section 95 Officer and NHS Highland Director of Finance to ensure both organisations work together to develop systems which will allow the recording and reporting of the IJB financial transactions.

8.2 Management of Revenue Budget

8.2.1 The IJB's Strategic Plan will incorporate a medium term financial plan for its resources. On an annual basis the annual financial statement will be prepared setting out the amount the IJB intends to spend to implement its Strategic Plan. This will be known as the annual budget. The medium term financial strategy will be prepared for the IJB following discussions with the Council and NHS Highland who will provide a proposed budget based on payment for year 1, indicative payments for year 2 and 3 and outline projections for later years. The medium term financial strategy will be used in conjunction with the Strategic Plan to ensure the commissioned services by the IJB are delivered within the financial resources available.

8.2.2 The IJB is able to hold reserves. There is an expectation that it will deliver the objectives of the Strategic Plan within agreed resources. The IJB cannot approve a budget which exceeds resources available.

8.2.3 The term payment is used to maintain consistency with legislation and does not represent physical cash transfer. As the IJB does not operate a bank account, the net difference between payments into and out of the IJB will result in a balancing cash payment between the Council and NHS Highland. An initial schedule of payments will be agreed within the first 40 working days of each new financial year and may be updated taking into account any additional payments in-year.

8.2.4 The Council and NHS Highland will establish a core baseline budget for each function and service that is delegated to the IJB to form an integrated budget.

8.2.5 The budgets will be based on recurring baseline budgets plus anticipated non-recurring funding for which there is a degree of certainty for each of the functions delegated to the IJB and will take account of any applicable inflationary uplift, planned efficiency savings and any financial strategy assumptions. These budgets will form the basis of the payments to the IJB. These budgets will be reviewed against actual levels of expenditure for the previous 3 financial years. For NHS funding, the starting point will normally be the Argyll & Bute NRAC share of baseline funding.

8.2.6 For each financial year information will be provided by the Parties on the financial performance of the delegated services against budget in their respective areas to enable all parties to undertake due diligence to gain assurance that the delegated resources are sufficient to deliver the delegated functions.

8.2.7 The Parties will each prepare a schedule outlining the detail and total value of the proposed initial payment in each financial year, the underlying assumptions behind that initial payment and the financial performance against budget for the delegated services in the preceding year for their respective areas. These schedules should be prepared and concluded at least one month before the start of the financial year they relate to. The payment will include funding relating to service level agreements for hospital services provided by other Health Boards to Argyll and Bute residents. The schedules will also identify any amounts included in the payments that are subject to separate legislation or subject to restrictions stipulated by third party funders. These documents must be approved by the Director of Finance for NHS Highland and the Section 95 Officer for the Council prior to submission to the IJB.

8.2.8 The IJB Chief Financial Officer will review these documents and reach agreement with both parties on the value of the initial payment. The Chief Financial Officer will then prepare a schedule that describes the agreed value of the payments. The Council's Section 95 Officer, NHS Highland Director of Finance and the IJB Chief Officer must sign this schedule to confirm their agreement.

8.2.9 The process for agreeing the subsequent payments to the IJB will be contingent on the corporate planning and financial planning processes of the

Council and NHS Highland. The funding available to the IJB will be dependent on the funding available to the Council and NHS Highland and the corporate priorities of both. Both parties will provide indicative three year allocations to the IJB subject to annual approval through the respective budget setting processes. These indicative allocations will take account of changes in NHS funding and changes in Council funding.

8.2.10 Each year the Chief Financial Officer and Chief Officer of the IJB should prepare a draft budget for the IJB, based on the agreed funding and present this to the Council and NHS Highland for information within such timescale as may be agreed.

8.2.11 The draft annual budget should be prepared to take account of the matters set out above and uses the previous year payment as a baseline that will be adjusted to take account of:

- Activity Changes arising from the impact on resources in respect of increased demand (e.g. demographic pressures and increased prevalence of long term conditions) and for other planned activity changes.
- Cost inflation on pay and other costs.
- Efficiency savings that can be applied to budgets.
- Performance on outcomes. The potential impact of efficiencies on agreed outcomes must be clearly stated and open to challenge by the Council and NHS Highland.
- Legal requirements that result in additional and unavoidable expenditure commitments.
- Transfers to/from the budget for hospital services set out in the Strategic Plan.
- Budget savings required to ensure budgeted expenditure is in line with funding available including an assessment of the impact and risks associated with these savings.

8.2.12 The Director of Finance of NHS Highland, the Section 95 Officer of the Council and the Chief Financial Officer of the IJB will ensure a consistency of approach and application of processes in considering budget assumptions

and proposals.

8.2.13 Due diligence of the Council and NHS Highland contributions will be undertaken annually and the Chief Financial Officer of the IJB will prepare a schedule outlining the agreed value of the payments. The schedule must be approved by the IJB Chief Officer, the Council Section 95 Officer and the NHS Highland Director of Finance.

8.2.14 The allocations made from the IJB to the Council and NHS Highland for operational delivery of services will be approved by the IJB.

8.2.15 The annual direction from the IJB to the Council and NHS Highland will take the form of a letter from the Chief Officer referring to the arrangements for delivery set out in the Strategic Plan and will include information on:

- The delegated function/(s) that are being directed.
- The outcomes and activity levels to be delivered for those delegated functions.
- The amount and method of determining the payment to carry out the delegated functions.

8.2.16 Once issued, these can be amended or varied by a subsequent direction by the IJB.

8.2.17 Any potential deviation from the planned outturn should be reported to the IJB, the Council and NHS Highland at the earliest opportunity.

8.2.18 Where it is forecast that an overspend will arise, then the Chief Officer and Chief Financial Officer of the IJB will identify the cause of the forecast overspend and prepare a recovery plan setting out how they propose to address the forecast overspend and return to a breakeven position. The Chief Officer and Chief Financial Officer of the IJB should consult the Section 95 Officer of the Council and the Director of Finance of NHS Highland in preparing the recovery plan. The recovery plan should be approved by the IJB. The report setting out the explanation of the forecast overspend and the recovery plan should also be submitted to the Council and NHS Highland.

8.2.19 A recovery plan should aim to bring the forecast expenditure of the IJB

back in line with the budget within the current financial year. Where an in-year recovery cannot be achieved and a recovery plan extends beyond the current year the amount of any shortfall or deficit carried forward cannot exceed the reserves held by the IJB unless there is prior approval of the Council and NHS Highland.

8.2.20 Where recovery plans are unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, the Parties will consider making interim funds available. An analysis will be undertaken to determine the extent to which the overspends relate to either budgets delegated back to or activities managed by the Council or NHS Highland with the allocation of the interim funds being based on the outcome of this analysis. Any interim funds provided by the Council or NHS Highland will be repaid in future years based on a revised recovery plan agreed by both parent bodies, as required by either of the Parties. The NHS and Council will require to be satisfied that the recovery plan provides reasonable assurance that financial balance will be achieved. If the revised recovery plan cannot be agreed by the Parties or is not approved by the IJB, the dispute resolution mechanism in clause 14 hereof, will be followed.

8.2.21 Subject to there being no outstanding payments due to the partner bodies, the IJB may retain any underspend to build up its own reserves and the Chief Financial Officer will maintain a reserves policy for the IJB.

8.2.22 There will be arrangements in place to allow budget managers to vire budgets between different budget heads set out in the financial regulations.

8.2.23 Redeterminations to payments made by the Council and NHS Highland to the IJB would apply under the following circumstances:

- Additional one off funding is provided to Partner bodies by the Scottish Government, or some other body, for expenditure within a service area delegated to the IJB. This would include in year allocations for NHS and redeterminations as part of the local government finance settlement. The payments to the IJB should be adjusted to reflect the full amount of these as they relate to the delegated services. The Parties agree that an adjustment to the payment is required to reflect changes to demand and activity levels.

- Where either Party requires to reduce the payment to the IJB, any proposal requires a justification to be set out and then agreed by both Parties and the IJB.

8.2.24 Where payments by the Council and NHS Highland are agreed under paragraphs 8.2.3 to 8.2.23 above, they should only be varied as a result of the circumstances set out in paragraphs 8.2.16, 8.2.22 and 8.2.23. Any proposal to amend the payments outwith the above, including any proposal to reduce payments as a result of changes in the financial circumstances of either the Council or NHS Highland requires a justification to be set out and the agreement of both Parties.

8.3 Financial Systems

8.3.1 The Chief Financial Officer will work with the Section 95 Officer of the Council and Director of Finance of NHS Highland to ensure appropriate systems and processes are in place to:

- Allow execution of financial transactions.
- Ensure an effective internal control environment over such
- Maintain a record of the income, expenditure, assets and liabilities of the IJB.
- Enable reporting of the financial performance and position of the IJB.
- Maintain records of budgets, budget savings, forecast outturns, variances, variance explanations, proposed remedial actions and financial risks.

8.4 Financial reporting to the IJB:

8.4.1 The Chief Financial Officer will provide comprehensive financial monitoring reports to the IJB. These reports will set out information on actual expenditure and budget for the year to date and forecast outturn against annual budget together with explanations of significant variances and details of any action required. These reports will also set out progress with achievement of any budgetary savings required. The Chief Financial Officer will also report to the IJB as appropriate in relation to:

- Developing a medium and longer term financial strategy to

support delivery of the Strategic Plan.

- Preparation and review of the annual budget.
- Collating and reviewing budget savings proposals.
- Identifying and analysing financial risks.
- Considering the proposals in relation to reserves.

8.4.2 On a monthly basis the Parties will provide comprehensive financial monitoring reports to the Chief Financial Officer. The reports will set out information on actual expenditure and budget for the year to date and forecast outturn against annual budget together with explanations of significant variances and details of any action required. These reports will also set out progress with achievement of any budgetary savings required

8.5 Financial reporting to management:

8.5.1 The Chief Financial Officer will work with the Section 95 Officer of the Council and Director of Finance of NHS Highland to ensure:

- Managers are consulted in preparing the budget of the IJB.
- Managers are supported in identifying budgetary savings.
- Managers are made aware of the budget they have available.
- Managers are provided with information on actual income and expenditure.
- Managers are provided with information on previous forecast outturns.
- Managers are supported to provide up to date information on forecast outturns.
- Managers are supported to provide explanations of significant variances.
- Managers are supported to identify action required.
- Managers are supported to identify and assess financial risks.
- Managers are supported to identify and assess future medium to longer term budget implications.

8.6 Financial Statements:

8.6.1 The Chief Financial Officer of the IJB will supply any information required

to support the development of the year-end financial statements and annual report for both the Council and NHS Highland.

8.6.2 The Section 95 Officer of the Council and the Director of Finance of NHS Highland will supply the Chief Financial Officer of the IJB with any information required to support the development of the year-end financial statements and annual report of the IJB.

8.6.3 Prior to 31 January each year, the Chief Financial Officer of the IJB will agree with the Section 95 Officer of the Council and the Director of Finance of NHS Highland a procedure and timetable for the coming financial year end for reconciling payments and agreeing any balances.

8.7 Capital Expenditure and Non-Current Assets

8.7.1 The IJB will not receive any capital allocations, grants or have the power to invest in capital expenditure nor will it own any property or other non-current assets. The Council and NHS Highland will:

- Continue to own any property or non-current assets used by Argyll and Bute Integration Joint Board.
- Have access to sources of funding for capital expenditure.
- Manage and deliver any capital expenditure on behalf of the IJB.

8.7.2 The Chief Financial Officer of the IJB will be required to work with the relevant officers in the Council and NHS Highland to extract details of the asset registers of property and noncurrent assets used by the IJB.

8.7.3 The Chief Officer of the IJB will work with the relevant officers in the Council and NHS Highland to prepare an asset management plan for the IJB to be approved by the IJB within a timescale to be agreed annually by the Council and NHS Highland (it is expected this would normally be 30 September). The asset management plan will set out suitability, condition, risks, performance and investment needs related to existing property and other non-current assets identifying any new or significant changes to the asset base.

8.7.4 Alongside the asset management plan, the Chief Officer of the IJB will work with the relevant officers in the Council and NHS Highland to prepare a bid for capital funding for property and other non-current assets used by the IJB. This should be approved by the IJB within a timescale to be agreed annually with the Council and NHS Highland. A business case approach should be adopted to set out the need and assess the options for any proposed capital investment. Any business case will set out how the investment will meet the strategic objectives of the IJB and set out the associated revenue costs.

8.7.5 Whilst responsibility for managing and delivery of capital expenditure remains the responsibility of the Council or NHS Highland, the relevant officers in the Council and NHS Highland will work with the Chief Officer of the IJB to report quarterly on progress with capital expenditure related to property or other non-current assets used by the IJB.

8.7.6 The IJB, the Council and NHS Highland will work together to ensure capital expenditure and property or other non-current assets are used as effectively as possible and in compliance with the relevant legislation on use of public assets.

8.7.7 Depreciation of NHS Highland owned property and other non-current assets used in the services within the scope of the IJB will be charged to the accounts of the IJB and incorporated in the budgets and payments to the IJB.

8.7.8 Revenue costs from property and other non-current assets used in the services within the scope of the IJB will be charged to the accounts of the IJB and incorporated in the budgets and payments to the IJB.

8.7.9 Any gains or losses on disposal of property and other non-current assets used in the services within scope of the IJB will be retained within the accounts of the Council or NHS Highland and not charged to the IJB.

8.7.10 Capital receipts will be retained by the Council or NHS Highland.

8.8 VAT

8.8.1 The IJB will not be required to be registered for VAT, on the basis it is not delivering any supplies that fall within the scope of VAT. The actual delivery of functions delegated to the IJB will continue to be the responsibility of the Council and NHS Highland.

8.8.2 Both the Council and NHS Highland will continue to adhere to their respective VAT arrangements which will be accounted for through respective financial ledgers and statements. The IJB will consult HMRC regarding any VAT issues arising from proposed transfer of services between the Parties (e.g. VAT leakage) taking specialist external VAT advice beforehand if necessary.

9 Participation and Engagement

9.1 A joint consultation took place on the revised Integration Scheme during December/January 2019/20. The stakeholders who were consulted in this joint consultation were:

- Local communities / general public
- Health professionals; GPs, management teams, clinical groups including Nursing Staff and Allied Health Professionals
- Social work and social care professionals
- Users of health services
- Carers of users of health care
- Commercial providers of health care
- Non-commercial providers of health care
- Argyll and Bute Council employees
- Staff side / Trades Unions
- Users of social care
- Carers of users of social care
- Commercial providers of social care
- Non-commercial providers of social care
- Non-commercial providers of social housing
- The Highland Council
- Locality Planning Groups Community / voluntary / Third Sector organisations
- Community Councils

- Argyll and Bute Council - local Councillors
- Scottish Ambulance Service
- NHS 24
- Scottish Health Council
- Local MPs / MSPs
- Dentists
- Pharmacists
- NHS Greater Glasgow & Clyde
- Police Scotland
- Scottish Fire & Rescue
- Argyll and Bute Advice Network (ABAN)
- Lomond & Argyll Advocacy Service
- Citizens Advice Bureau / Patient Advice & Support Service (PASS)
- Argyll and Bute Community Planning Partnership
- Health and Wellbeing Networks

9.2 The range of methodologies used to contact these stakeholders included both Parties' websites and intranets, e-mail and postal correspondence.

9.3 The Communication and Engagement Strategy, along with the supporting Engagement Framework and Quality standards provides a platform for stakeholders to have their voices heard, their views considered and acknowledged, as well as strengthening relationships and building capacity. The IJB has adopted the "You Said, We Did" philosophy. A wide range of engagement methods have been adopted.

9.4 The Parties will carry out Equality and Socio-Economic Impact Assessments (EQSEIAs), to ensure that services and policies do not disadvantage communities and staff.

9.5 The Parties will continue to allocate responsibility to senior managers and their teams to support local public and staff involvement and communication.

10 Information Sharing and Data Handling

10.1 The Parties agree to be bound by the Information Sharing Protocol and to continuance of the existing agreement to use the Scottish Information Sharing

Toolkit and guidance from the Information Commissioners Office, in respect of information sharing.

10.2 The Parties have developed an Information Sharing Protocol which covers guidance and procedures for staff for sharing of information.

10.3 All staff managed within the delegated functions will be contractually required to comply and adhere to respective local information security policies and procedures including data confidentiality policies of their employing organisations and the requirements of the IJB's agreed Information Sharing Protocol.

10.4 The Data Protection Officers of NHS Highland and Argyll and Bute Council, acting on behalf of the Parties, will meet annually, or more frequently, if required, to review the Information Sharing Protocol and will provide a report detailing recommendations for amendments, for the consideration of the IJB.

10.5 With regard to individually identifiable material, data will be held in both electronic and paper formats and only be accessed by authorised staff, in order to provide the patient or service user with the appropriate service.

10.6 In order to provide fully integrated services it will be necessary to share personal information between the parties and with external agencies. Where this is the case, the IJB will apply a legal basis contained in Article 6 of the General Data Protection Regulations ('the GDPR'). Generally this will be either public task or legal obligation but, where appropriate, any of the other legal bases contained in Article 6 will be used.

10.7 Where the sharing consists of 'special category' information the legal basis for sharing will be consistent with the requirements of Article 9 of the GDPR and schedule 1 of the Data Protection Act 2018 ('the DPA').

10.8 In order to comply with the requirements of the DPA and the GDPR, the IJB will always ensure that personal data it holds will be processed in line with the Data Protection Principles contained within Article 5 of the GDPR and section 35- 40 of the DPA.

11 Complaints

The Parties agree the following arrangements in respect of complaints on behalf of, or by, service users.

11.1 Both Parties will retain separate complaints policies reflecting the distinct statutory requirements.

11.1.1 There will be a single point of contact for complainants. This will be agreed between the Parties to co-ordinate complaints specific to the delegated functions to ensure that the requirements of existing legal/prescribed elements of health and social care complaints processes are met.

11.1.2 Staff within the delegated functions will apply the complaints policy of the relevant Party, depending on the nature of the complaint made. Where a complaint could be dealt with by the policies of both Parties, the appropriate manager will determine whether both need to be applied separately or a single joint response is appropriate. Where a joint response to such a complaint is not possible or appropriate, the material issues will be separated and progressed through the respective Party's procedures.

11.2 In the first instance all complaints will be handled by front line staff. If they are unresolved, they will then be passed to a relevant senior manager and thereafter to the Chief Officer.

11.3 If the complaint remains unresolved, the complainant may refer the matter to the Scottish Public Services Ombudsman for health or for social care, as appropriate.

11.4 All complaints procedures will be clearly explained, well publicised, accessible, will allow for timely ~~recourse~~ and will sign-post independent advocacy services.

11.5 The person making the complaint will always be informed which policies are being applied to their complaint.

11.6 The Parties will produce a quarterly joint report, outlining the learning from upheld complaints. This will be provided for consideration by the IJB.

12 Claims Handling, Liability & Indemnity

The Parties agree the following arrangements in respect of claims handling, liability and indemnity:

12.1 The IJB, whilst having a legal personality in its own right has neither assumed nor replaced the rights or responsibilities of either NHS Highland or the Council as the employers of staff who are managed within the delegated functions, or for the operation of buildings or services under the operational remit of those staff.

12.2 The Parties will continue to indemnify, insure and accept responsibility for the staff that they employ; their particular capital assets that the IJB uses to deliver services with or from; and the respective services themselves, which each Party has delegated to the IJB.

12.3 Liabilities arising from decisions taken by the IJB will be shared between the Parties.

13 Risk Management

13.1 The Parties will develop a shared risk management strategy that will identify, assess and prioritise risks related to the delivery of services under integration functions, particularly any which are likely to affect the IJB's delivery of the Strategic Plan.

13.2 The risk management strategy will identify and describe processes for mitigating those risks and set out and agree the reporting standard, which will include:

- Risk Management Process
- Escalation of Risks
- Risk Register and Action Plans
- Risk Tolerance
- Training

13.3 The risk management strategy will be approved by both Parties. The risk management strategy will allow for any subsequent changes to the strategy to be approved by the IJB.

13.4 The risk management strategy will include an agreed risk monitoring framework and arrangements for reporting risks and risk information to the relevant parties from the date of inception of the IJB.

13.5 The Parties will develop an integrated risk register that will set out the key risks for the IJB. Risk officers from each of the Parties will review respective procedures and formulate revised procedures which will allow associated risks, scoring and mitigations to be identified for inclusion in the integrated risk register.

13.6 The Integrated Risk Register will be reported to the IJB on a timescale and format agreed by the IJB, but this will not be less than once per year.

13.7 The risk integrated management strategy will set out the process for amending the integrated risk register.

13.8 The Parties will make appropriate resources available to support the IJB in its risk management.

14 Dispute Resolution Mechanism

14.1 Where either of the Parties fails to agree with the other on any issue related to this Scheme, they will follow a process which comprises:

14.1.1 A representative of NHS Highland and the Council will meet to resolve the issue, supported by appropriate Officers.

14.1.2 In the event that the issue remains unresolved, the Chief Executive Officers of NHS Highland and the Council, and the Chief Officer, will meet to resolve the issue, supported by appropriate Officers.

14.1.3 In the event that the issue remains unresolved, the Chair of NHS Highland and the Leader of the Council will meet to resolve the issue, supported by appropriate Officers.

14.1.4 In the event that the issue remains unresolved, NHS Highland and the Council will proceed to mediation with a view to resolving the issue.

14.2 With regard to the process of appointing a mediator, a representative of NHS Highland and a representative of the Council will meet with a view to appointing a suitable independent mediator. If agreement cannot be reached, a referral will be

made to the President of The Law Society of Scotland inviting the President to appoint a mediator. The Parties agree to share the cost of appointing a mediator.

14.3 Where an issue remains unresolved following the process of mediation, the Chief Executive Officers of NHS Highland and the Council will communicate in writing with Scottish Ministers, on behalf of the Parties, informing them of the issue under dispute and that agreement cannot be reached

Annex 1

Part 1

Functions delegated by NHS Highland to the IJB

Functions prescribed for the purposes of Section 1(6) of the Act

<u>Column A</u>	<u>Column B</u>
The National Health Service (Scotland) Act 1978	
All functions of Health Boards conferred by, or by virtue of, the The National Health Service (Scotland) Act 1978	Except functions conferred by or by virtue of— section 2(7) (Health Boards); section 9 ¹ (local consultative committees); section 17A ² (NHS contracts); section 17C ³ (personal medical or dental services); section 17J ⁴ (Health Boards' power to enter into general medical services contracts); section 28A ⁵ (remuneration for Part II services); section 48 ⁶ (residential and practice accommodation); section 57 ⁷ (accommodation and services for private patients); section 64 ⁸ (permission for use of facilities in private practice); section 79 ⁹ (purchase of land and moveable property); section 86 ¹⁰ (accounts of Health Boards and the Agency); section 88 ¹¹ (payment of allowances and remuneration to members of certain bodies connected with the health services);

¹ As relevantly amended by the National Health Service and Community Care Act 1990 (c.19), section 29(5) and the Health Act 1999 (c.8), Schedule 4.

² Section 17A was inserted by the National Health Service and Community Care Act 1990 (c.19) and was relevantly amended by the National Health Service (Primary Care) Act 1997 (c.46), Schedule 2; the Health Act 1999 (c.8), Schedules 4 and 5; the Health and Social Care (Community Health and Standards) Act 2003 (c.43), Schedule 14; the Public Services Reform (Scotland) Act 2010 (asp 8), schedule 17; and the Health and Social Care Act 2012 (c.7), Schedule 21.

³ Section 17C was inserted by the National Health Service (Primary Care) Act 1997 (c.46), section 21 and relevantly amended by the Primary Medical Services (Scotland) Act 2004 (asp 1), section 2.

⁴ Section 17J was inserted by the Primary Medical Services (Scotland) Act 2004 (asp 1), section 4.

⁵ Section 28A was inserted by the Health Act 1999 (c.8), section 57.

⁶ The functions of the Secretary of State under section 48 are conferred on Health Boards by virtue of S.I. 1991/570.

⁷ Section 57 was substituted by the Health and Medicines Act 1988 (c.49), section 7(11), and relevantly amended by the National Health Service and Community Care Act 1990 (c.19), Schedules 9 and 10. The functions of the Secretary of State under section 57 are conferred on Health Boards by virtue of S.I. 1991/570.

⁸ The functions of the Secretary of State under section 64 are conferred on Health Boards by virtue of S.I. 1991/570.

⁹ As relevantly amended by the Health and Social Services and Social Security Adjudications Act 1983 (c.41), Schedule 7. National Health Service and Community Care Act 1990 (c.19), Schedule 9, the Requirements of Writing (Scotland) Act 1995 (c.7), Schedule 5 and the National Health Service Reform (Scotland) Act 2004 (asp 7), schedule 1. The functions of the Secretary of State under section 79 are conferred on Health Boards by virtue of S.I. 1991/570.

¹⁰ As relevantly amended by the National Health Service and Community Care Act 1990 (c.19), section 36(6) and the Public Finance and Accountability (Scotland) Act 2000 (asp 1), schedule 4.

¹¹ The functions of the Secretary of State under section 88(1) (e) and (2) (d) are conferred on Health Boards by virtue of S.I. 1991/570. There are no amendments to section 88 relevant to the exercise of these functions by a Health Board.

paragraphs 4, 5, 11A and 13 of Schedule 1¹²
(Health Boards);

and functions conferred by—

The National Health Service (Clinical Negligence and Other Risks Indemnity Scheme) (Scotland) Regulations 2000¹³;

The Health Boards (Membership and Procedure) (Scotland) Regulations 2001¹⁴,

The National Health Service (Primary Medical Services Performers Lists) (Scotland) Regulations 2004¹⁵;

The National Health Service (Primary Medical Services Section 17C Agreements) (Scotland) Regulations 2018¹⁶

The National Health Service (General Ophthalmic Services) (Scotland) Regulations 2006¹⁷;

The National Health Service (Discipline Committees) (Scotland) Regulations 2006¹⁸;

The National Health Service (Appointment of Consultants) (Scotland) Regulations 2009¹⁹;

The National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009²⁰; and

The National Health Service (General Dental Services) (Scotland) Regulations 2010²¹.

Disabled Persons (Services, Consultation and Representation) Act 1986²²

Section 7 (persons discharged from hospital)

Community Care and Health (Scotland) Act 2002

All functions of Health Boards conferred by, or by virtue of, the Community Care and Health (Scotland) Act 2002.

Mental Health (Care and Treatment) (Scotland) Act 2003

All functions of Health Boards conferred by, or by virtue of, the Mental Health (Care and Treatment) (Scotland) Act 2003.

Except functions conferred by section 22 (approved medical practitioners).

¹² Paragraph 4 of Schedule 4 was substituted by the Health Boards (Membership and Elections) (Scotland) Act 2009 (asp 5), schedule 1. Paragraph 5 of Schedule 1 was amended, and paragraph 11A of Schedule 1 inserted, by the Health Services Act 1980 (c.53), Schedule 6.

¹³ To which there are amendments not relevant to the exercise of a Health Board's functions.

¹⁴ To which there are amendments not relevant to the exercise of a Health Board's functions.

¹⁵ As relevantly amended by S.S.I. 2004/216; S.S.I. 2006/136; S.S.I. 2007/207 and S.S.I. 2011/392.

¹⁶ As relevantly amended by S.S.I. 2004/217; S.S.I. 2010/395; and S.S.I. 2011/55.

¹⁷ As relevantly amended by S.S.I. 2007/193; S.S.I. 2010/86; S.S.I. 2010/378 and S.S.I. 2013/355.

¹⁸ Amended by S.S.I. 2009/183; S.S.I. 2009/308; S.S.I. 2010/226; S.I. 2010/231 and S.S.I. 2012/36.

¹⁹ To which there are amendments not relevant to the exercise of a Health Board's functions.

²⁰ As relevantly amended by S.S.I. 2009/209; S.S.I. 2011/32; and S.S.I. 2014/148.

²¹ As relevantly amended by S.S.I. 2004/292 and S.S.I. 2010/378.

²² Section 7 is relevantly amended by S.I. 2013/2341.

Education (Additional Support for Learning) (Scotland) Act 2004

Section 23 (other agencies etc. to help in exercise of functions under this Act)

Public Services Reform (Scotland) Act 2010

All functions of Health Boards conferred by, or by virtue of, the Public Services Reform (Scotland) Act 2010.

Except functions conferred by—

section 31 (Public functions: duties to provide information on certain expenditure etc.); and
section 32 (Public functions: duty to provide information on exercise of functions).

Patient Rights (Scotland) Act 2011

All functions of Health Boards conferred by, or by virtue of, the Patient Rights (Scotland) Act 2011.

Children and Young People (Scotland) Act 2014

All functions of Health Boards conferred by, or by virtue of, Part 4 (provision of named persons) and Part 5 (child's plan) of the Children and Young People (Scotland) Act 2014.

Carers (Scotland) Act 2016

Section 12 (duty to prepare young carer statement)

Section 31 (duty to prepare local carer strategy)

Functions Prescribed for the purposes of Section 1(8) of the Act

<i>Column A</i>	<i>Column B</i>
The National Health Service (Scotland) Act 1978	<p>Except functions conferred by or by virtue of—</p> <p>section 2(7) (Health Boards); section 2CB²³ (functions of Health Boards outside Scotland); section 9 (local consultative committees); section 17A (NHS contracts); section 17C (personal medical or dental services); section 17I²⁴ (use of accommodation); section 17J (Health Boards' power to enter into general medical services contracts); section 28A (remuneration for Part II services); section 38²⁵ (care of mothers and young children); section 38A²⁶ (breastfeeding); section 39²⁷ (medical and dental inspection, supervision</p>

²³ Section 2CB was inserted by S.S.I. 2010/283, regulation 3(2) (as section 2CA) and re-numbered as section 2CB by S.S.I. 2013/292, regulation 8(2).

²⁴ Section 17I was inserted by the National Health Service (Primary Care) Act 1997 (c.46), Schedule 2 and amended by the Primary Medical Services (Scotland) Act 2004 (asp 1), section 4. The functions of the Scottish Ministers under section 17I are conferred on Health Boards by virtue of S.I. 1991/570, as amended by S.S.I. 2006/132.

²⁵ The functions of the Secretary of State under section 38 are conferred on Health Boards by virtue of S.I. 1991/570.

²⁶ Section 38A was inserted by the Breastfeeding etc. (Scotland) Act 2005 (asp 1), section 4. The functions of the Scottish Ministers under section 38A are conferred on Health Boards by virtue of S.I. 1991/570 as amended by S.S.I. 2006/132.

²⁷ Section 39 was relevantly amended by the Self Governing Schools etc. (Scotland) Act 1989 (c.39) Schedule 11; the Health and Medicines Act 1988 (c.49) section 10 and Schedule 3, and the Standards in Scotland's Schools etc. Act 2000 (asp 6), schedule 3.

and treatment of pupils and young persons);
 section 48 (residential and practice accommodation);
 section 55²⁸ (hospital accommodation on part payment);
 section 57 (accommodation and services for private patients);
 section 64 (permission for use of facilities in private practice);
 section 75A²⁹ (remission and repayment of charges and payment of travelling expenses);
 section 75B³⁰ (reimbursement of the cost of services provided in another EEA state);
 section 75BA³¹ (reimbursement of the cost of services provided in another EEA state where expenditure is incurred on or after 25 October 2013);
 section 79 (purchase of land and moveable property);
 section 82³² use and administration of certain endowments and other property held by Health Boards);
 section 83³³ (power of Health Boards and local health councils to hold property on trust);
 section 84A³⁴ (power to raise money, etc., by appeals, collections etc.);
 section 86 (accounts of Health Boards and the Agency);
 section 88 (payment of allowances and remuneration to members of certain bodies connected with the health services);
 section 98³⁵ (charges in respect of nonresidents); and paragraphs 4, 5, 11A and 13 of Schedule 1 to the Act (Health Boards);

and functions conferred by—

The National Health Service (Charges to Overseas Visitors) (Scotland) Regulations 1989³⁶;
 The Health Boards (Membership and Procedure) (Scotland) Regulations 2001/302;
 The National Health Service (Clinical Negligence and Other Risks Indemnity Scheme) (Scotland) Regulations 2000;
 The National Health Service (Primary Medical Services Performers Lists) (Scotland) Regulations 2004;
 The National Health Service (Primary Medical Services Section 17C Agreements) (Scotland) Regulations 2018;
 The National Health Service (Discipline Committees) (Scotland) Regulations 2006;

²⁸ Section 55 was amended by the Health and Medicines Act 1988 (c.49), section 7(9) and Schedule 3 and the National Health Service and Community Care Act 1990 (c.19), Schedule 9. The functions of the Secretary of State under section 55 are conferred on Health Boards by virtue of S.I. 1991/570.

²⁹ Section 75A was inserted by the Social Security Act 1988 (c.7), section 14, and relevantly amended by S.S.I. 2010/283. The functions of the Scottish Ministers in respect of the payment of expenses under section 75A are conferred on Health Boards by S.I. 1991/570.

³⁰ Section 75B was inserted by S.S.I. 2010/283, regulation 3(3) and amended by S.S.I. 2013/177.

³¹ Section 75BA was inserted by S.S.I. 2013/292, regulation 8(4).

³² Section 82 was amended by the Public Appointments and Public Bodies etc. (Scotland) Act 2003 (asp 4), section 10(2) and the National Health Service Reform (Scotland) Act 2004 (asp 7), schedule 2.

³³ There are amendments to section 83 not relevant to the exercise of a Health Board's functions under that section.

³⁴ Section 84A was inserted by the Health Services Act 1980 (c.53), section 5(2). There are no amendments to section 84A which are relevant to the exercise of a Health Board's functions.

³⁵ Section 98 was amended by the Health and Medicines Act 1988 (c.49), section 7. The functions of the Secretary of State under section 98 in respect of the making, recovering, determination and calculation of charges in accordance with regulations made under that section is conferred on Health Boards by virtue of S.I. 1991/570.

³⁶ As amended by S.I. 1992/411; S.I. 1994/1770; S.S.I. 2004/369; S.S.I. 2005/445; S.S.I. 2005/572; S.S.I. 2006/141; S.S.I. 2008/290; S.S.I. 2011/25 and S.S.I. 2013/177.

The National Health Service (General Ophthalmic Services) (Scotland) Regulations 2006;
 The National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009;
 The National Health Service (General Dental Services) (Scotland) Regulations 2010; and
 The National Health Service (Free Prescriptions and Charges for Drugs and Appliances) (Scotland) Regulations 2011³⁷.

Disabled Persons (Services, Consultation and Representation) Act 1986

Section 7
 (persons discharged from hospital)

Community Care and Health (Scotland) Act 2002

All functions of Health Boards conferred by, or by virtue of, the Community Care and Health (Scotland) Act 2002.

Mental Health (Care and Treatment) (Scotland) Act 2003

All functions of Health Boards conferred by, or by virtue of, the Mental Health (Care and Treatment) (Scotland) Act 2003.

Except functions conferred by—

section 22 (approved medical practitioners);
 section 34 (inquiries under section 33: co-operation)³⁸;
 section 38 (duties on hospital managers: examination, notification etc.)³⁹;
 section 46 (hospital managers' duties: notification)⁴⁰;
 section 124 (transfer to other hospital);
 section 228 (request for assessment of needs: duty on local authorities and Health Boards);
 section 230 (appointment of patient's responsible medical officer);
 section 260 (provision of information to patient);
 section 264 (detention in conditions of excessive security: state hospitals);
 section 267 (orders under sections 264 to 266: recall);
 section 281⁴¹ (correspondence of certain persons detained in hospital);

and functions conferred by—

The Mental Health (Safety and Security) (Scotland) Regulations 2005⁴²;

The Mental Health (Cross border transfer: patients subject

³⁷ To which there are amendments not relevant to the exercise of a Health Board's functions.

³⁸ There are amendments to section 34 not relevant to the exercise of a Health Board's functions under that section.

³⁹ Section 329(1) of the Mental Health (Care and Treatment) (Scotland) Act 2003 ("the 2003 Act") provides a definition of "managers" relevant to the functions of Health Boards under that Act.

⁴⁰ Section 46 is amended by S.S.I. 2005/465.

⁴¹ Section 281 is amended by S.S.I. 2011/211.

⁴² To which there are amendments not relevant to the exercise of the functions of a Health Board. Section 329(1) of the Mental Health (Care and Treatment) (Scotland) Act 2003 provides a definition of "managers" relevant to the functions of Health Boards.

to detention requirement or otherwise in hospital) (Scotland) Regulations 2005⁴³; The Mental Health (Use of Telephones) (Scotland) Regulations 2005; and The Mental Health (England and Wales Cross-border transfer: patients subject to requirements other than detention) (Scotland) Regulations 2008.

Education (Additional Support for Learning) (Scotland) Act 2004

Section 23 (other agencies etc. to help in the exercise of functions under this Act)

Public Services Reform (Scotland) Act 2010

All functions of Health Boards conferred by, or by virtue of, the Public Services Reform (Scotland) Act 2010.

Except functions conferred by—

section 31 (public functions: duties to provide information on certain expenditure etc.); and section 32 (public functions: duty to provide information on exercise of functions).

Patient Rights (Scotland) Act 2011

All functions of Health Boards conferred by, or by virtue of, the Patient Rights (Scotland) Act 2011

Except functions conferred by The Patient Rights (Complaints Procedure and Consequential Provisions) (Scotland) Regulations 2012/36⁴⁴.

⁴³ Section 329(1) of the 2003 Act provides a definition of “managers” relevant to the functions of Health Boards.

⁴⁴ Section 5(2) of the Patient Rights (Scotland) Act 2011 (asp 5) provides a definition of “relevant NHS body” relevant to the exercise of a Health Board's functions.

Part 2

Services currently provided by NHS Highland which are to be integrated

- Hospital inpatient (scheduled and unscheduled)
- Rural General Hospitals
- Mental Health
- Pediatrics
- Community Hospitals
- Hospital Outpatient Services
- NHS Community Services (Nursing, Allied Health Professionals, Mental Health Teams, Specialist End of Life Care, Homeless Service, Older Adult Community Psychiatric Nursing, Re-ablement, Geriatricians Community/Acute, Learning Disability Specialist, Community Midwifery, Speech and Language Therapy, Occupational Therapy, Physiotherapy, Audiology)
- Community Children's Services - Child and Adolescent Mental Health Service, Primary Mental Health workers, Public Health Nursing, Health visiting, School Nursing, Learning Disability Nursing, Child Protection Advisors, Speech and Language Therapy, Occupational Therapy, Physiotherapy and Audiology, Specialist Child Health Doctors and Service Community Pediatricians
- Public Health
- GP Services
- GP Prescribing
- General Dental, Opticians and Community Pharmacy
- Support Services
- Contracts and Service Level agreements with other NHS boards covering adults and children

Annex 2

Part 1

Functions delegated by the Council to the IJB

Functions prescribed for the purposes of section 1(7) of the Public Bodies (Joint Working) (Scotland) Act 2014

<i>Column A</i>	<i>Column B</i>
<i>Enactment conferring function</i>	<i>Limitation</i>

National Assistance Act 1948⁽¹¹⁾

Section 48

(Duty of councils to provide temporary protection for property of persons admitted to hospitals etc.)

The Disabled Persons (Employment) Act 1958⁽¹²⁾

Section 3

(Provision of sheltered employment by local authorities)

(10) 1948 c.29; section 48 was amended by the Local Government etc. (Scotland) Act 1994 (c.39), Schedule 39, paragraph 31(4) and the Adult Support and Protection (Scotland) Act 2007 (asp 10) schedule 2 paragraph 1.

(11) 1958 c.33; section 3 was amended by the Local Government Act 1972 (c.70), section 195(6); the Local Government (Scotland) Act 1973 (c.65), Schedule 27; the National Health Service (Scotland) Act 1978 (c.70), schedule 23; the Local Government Act 1985 (c.51), Schedule 17; the Local Government (Wales) Act 1994 (c.19), Schedules 10 and 18; the Local Government etc. (Scotland) Act 1994 (c.49), Schedule 13; and the National Health Service (Consequential Provisions) Act 2006 (c.43), Schedule 1

<i>Column A</i> <i>Enactment conferring function</i>	<i>Column B</i> <i>Limitation</i>
The Social Work (Scotland) Act 1968⁽¹³⁾	
Section 1 (Local authorities for the administration of the Act.)	So far as it is exercisable in relation to another integration function.
Section 4 (Provisions relating to performance of functions by local authorities.)	So far as it is exercisable in relation to another integration function.
Section 8 (Research.)	So far as it is exercisable in relation to another integration function.
Section 10 (Financial and other assistance to voluntary organisations etc. for social work.)	So far as it is exercisable in relation to another integration function.
Section 12 (General social welfare services of local authorities.)	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 12A (Duty of local authorities to assess needs.)	So far as it is exercisable in relation to another integration function.

(12) 1968 c.49; section 1 was relevantly amended by the National Health Service (Scotland) Act 1972 (c.58), schedule 7; the Children Act 1989 (c.41), Schedule 15; the National Health Service and Community Care Act 1990 (c.19) ("the 1990 Act"), schedule 10; S.S.I. 2005/486 and S.S.I. 2013/211. Section 4 was amended by the 1990 Act, Schedule 9, the Children (Scotland) Act 1995 (c.36) ("the 1995 Act"), schedule 4; the Mental Health (Care and Treatment) (Scotland) Act 2003 (asp 13) ("the 2003 Act"), schedule 4; and S.S.I. 2013/211. Section 10 was relevantly amended by the Children Act 1975 (c.72), Schedule 2; the Local Government etc. (Scotland) Act 1994 (c.39), Schedule 13; the Regulation of Care (Scotland) Act 2001 (asp 8) ("the 2001 Act") schedule 3; S.S.I. 2010/21 and S.S.I. 2011/211. Section 12 was relevantly amended by the 1990 Act, section 66 and Schedule 9; the 1995 Act, Schedule 4; and the Immigration and Asylum Act 1999 (c.33), section 120(2). Section 12A was inserted by the 1990 Act, section 55, and amended by the Carers (Recognition and Services) Act 1995 (c.12), section 2(3) and the Community Care and Health (Scotland) Act 2002 (asp 5) ("the 2002 Act"), sections 8 and 9(1). Section 12AZA was inserted by the Social Care (Self Directed Support) (Scotland) Act 2013 (asp 1), section 17. Section 12AA and 12AB were inserted by the 2002 Act, section 9(2). Section 13 was amended by the Community Care (Direct Payments) Act 1996 (c.30), section 5. Section 13ZA was inserted by the Adult Support and Protection (Scotland) Act 2007 (asp 10), section 64. Section 13A was inserted by the 1990 Act, section 56 and amended by the Immigration and Asylum Act 1999 (c.33), section 102(2); the 2001 Act, section 72 and schedule 3; the 2002 Act, schedule 2 and by S.S.I. 2011/211. Section 13B was inserted by the 1990 Act sections 56 and 67(2) and amended by the Immigration and Asylum Act 1999 (c.33), section 120(3). Section 14 was amended by the Health Services and Public Health Act 1968 (c.46), sections 13, 44 and 45; the National Health Service (Scotland) Act 1972 (c.58), schedule 7; the Guardianship Act 1973 (c.29), section 11(5); the Health and Social Service and Social Security Adjudications Act 1983 (c.41), schedule 10 and the 1990 Act, schedule 9. Section 28 was amended by the Social Security Act 1986 (c.50), Schedule 11 and the 1995 Act, schedule 4. Section 29 was amended by the 1995 Act, schedule 4. Section 59 was amended by the 1990 Act, schedule 9; the 2001 Act, section 72(c); the 2003 Act, section 25(4) and schedule 4 and by S.S.I. 2013/211.

<i>Column A</i> <i>Enactment conferring function</i>	<i>Column B</i> <i>Limitation</i>
Section 12AZA (Assessments under section 12A - assistance)	So far as it is exercisable in relation to another integration function.
Section 13 (Power of local authorities to assist persons in need in disposal of produce of their work.)	
Section 13ZA (Provision of services to incapable adults.)	So far as it is exercisable in relation to another integration function.
Section 13A (Residential accommodation with nursing.)	
Section 13B (Provision of care or aftercare.)	
Section 14 (Home help and laundry facilities.)	
Section 28 (Burial or cremation of the dead.)	So far as it is exercisable in relation to persons cared for or assisted under another integration function.
Section 29 (Power of local authority to defray expenses of parent, etc., visiting persons or attending funerals.)	
Section 59 (Provision of residential and other establishments by local authorities and maximum period for repayment of sums borrowed for such provision.)	So far as it is exercisable in relation to another integration function.
The Local Government and Planning (Scotland) Act 1982⁽¹⁴⁾	
Section 24(1) (The provision of gardening assistance for the disabled and the elderly.)	

Disabled Persons (Services, Consultation and Representation) Act 1986⁽¹⁵⁾

(13) 1982 c.43; section 24(1) was amended by the Local Government etc. (Scotland) Act 1994 (c.39), schedule 13.

<i>Column A</i> <i>Enactment conferring function</i>	<i>Column B</i> <i>Limitation</i>
Section 2 (Rights of authorised representatives of disabled persons.)	
Section 3 (Assessment by local authorities of needs of disabled persons.)	
Section 7 (Persons discharged from hospital.)	In respect of the assessment of need for any services provided under functions contained in welfare enactments within the meaning of section 16 and which have been delegated.
Section 8 (Duty of local authority to take into account abilities of carer.)	In respect of the assessment of need for any services provided under functions contained in welfare enactments (within the meaning set out in section 16 of that Act) which are integration functions.
The Adults with Incapacity (Scotland) Act 2000⁽¹⁶⁾	
Section 10 (Functions of local authorities.)	
Section 12 (Investigations.)	
Section 37 (Residents whose affairs may be managed.)	Only in relation to residents of establishments which are managed under integration functions.
Section 39 (Matters which may be managed.)	Only in relation to residents of establishments which are managed under integration functions.
Section 41 (Duties and functions of managers of authorised establishment.)	Only in relation to residents of establishments which are managed under integration functions
Section 42 (Authorisation of named manager to withdraw from resident's account.)	Only in relation to residents of establishments which are managed under integration functions
Section 43 (Statement of resident's affairs.)	Only in relation to residents of establishments which are managed under integration functions
Section 44 (Resident ceasing to be resident of authorised establishment.)	Only in relation to residents of establishments which are managed under integration functions

(14) 1986 c.33. There are amendments to sections 2 and 7 which are not relevant to the exercise of a local authority's functions under those sections.

(15) 2000 asp 4; section 12 was amended by the Mental Health (Care and Treatment) (Scotland) Act 2003 (asp 13), schedule 5(1). Section 37 was amended by S.S.I. 2005/465. Section 39 was amended by the Adult Support and Protection (Scotland) Act 2007 (asp 10), schedule 1 and by S.S.I. 2013/137. Section 41 was amended by S.S.I. 2005/465; the Adult Support and Protection (Scotland) Act 2007 (asp 10), schedule 1 and S.S.I. 2013/137. Section 45 was amended by the Regulation of Care (Scotland) Act 2001 (asp 8), Schedule 3.

<i>Column A</i> <i>Enactment conferring function</i>	<i>Column B</i> <i>Limitation</i>
Section 45 (Appeal, revocation etc.)	Only in relation to residents of establishments which are managed under integration functions
The Housing (Scotland) Act 2001⁽¹⁷⁾	
Section 92 (Assistance to a registered for housing purposes.)	Only in so far as it relates to an aid or adaptation.
The Community Care and Health (Scotland) Act 2002⁽¹⁸⁾	
Section 5 (Local authority arrangements for residential accommodation outwith Scotland.)	
Section 14 (Payments by local authorities towards expenditure by NHS bodies on prescribed functions.)	
The Mental Health (Care and Treatment) (Scotland) Act 2003⁽¹⁹⁾	
Section 17 (Duties of Scottish Ministers, local authorities and others as respects Commission.)	
Section 25 (Care and support services etc.)	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 26 (Services designed to promote well-being and social development.)	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 27 (Assistance with travel.)	Except in so far as it is exercisable in relation to the provision of housing support services.
Section 33 (Duty to inquire.)	
Section 34 (Inquiries under section 33: Co-operation.)	
Section 228 (Request for assessment of needs: duty on local authorities and Health Boards.)	

(16) 2001 asp 10; section 92 was amended by the Housing (Scotland) Act 2006 (asp 1), schedule 7.

(18) 2002 asp 5.

(19) 2003 asp 13; section 17 was amended by the Public Services Reform (Scotland) Act 2010 (asp 8), section 111(4), and schedules 14 and 17, and by the Police and Fire Reform (Scotland) Act 2012 (asp 8), schedule 7. Section 25 was amended by S.S.I. 2011/211. Section 34 was amended by the Public Services Reform (Scotland) Act 2010 (asp 8), schedules 14 and 17.

<i>Column A</i> <i>Enactment conferring function</i>	<i>Column B</i> <i>Limitation</i>
Section 259 (Advocacy.)	
The Housing (Scotland) Act 2006⁽²⁰⁾	
Section 71(1) (b) (Assistance for housing purposes.)	Only in so far as it relates to an aid or adaptation.
The Adult Support and Protection (Scotland) Act 2007⁽²¹⁾	
Section 4 (Council's duty to make inquiries.)	
Section 5 (Co-operation.)	
Section 6 (Duty to consider importance of providing advocacy and other.)	
Section 11 (Assessment Orders.)	
Section 14 (Removal orders.)	
Section 18 (Protection of moved persons property.)	
Section 22 (Right to apply for a banning order.)	
Section 40 (Urgent cases.)	
Section 42 (Adult Protection Committees.)	
Section 43 (Membership.)	

Social Care (Self-directed Support) (Scotland) Act 2013⁽²²⁾

(20) 2006 asp 1; section 71 was amended by the Housing (Scotland) Act 2010 (asp 17) section 151.

(21) 2007 asp 10; section 5 and section 42 were amended by the Public Services Reform (Scotland) Act 2010 (asp 8), schedules 14 and 17 and by the Police and Fire Reform (Scotland) Act 2012 (asp 8), schedule 7. Section 43 was amended by the Public Services Reform (Scotland) Act 2010 (asp 8), schedule 14.

(22) 2013 asp 1.

<i>Column A</i>	<i>Column B</i>
<i>Enactment conferring function</i>	<i>Limitation</i>

Section 5
(Choice of options: adults.)

Section 6
(Choice of options under section 5:
assistances.)

Section 7
(Choice of options: adult carers.)

Section 9
(Provision of information about self-directed
support.)

Section 11
(Local authority functions.)

Section 12
(Eligibility for direct payment: review.)

Section 13
(Further choice of options on material change
of circumstances.)

Only in relation to a choice under section 5 or 7
of the Social Care (Self-directed Support)
(Scotland) Act 2013.

Section 16
(Misuse of direct payment: recovery.)

Section 19
(Promotion of options for self-directed
support.)

Carers (Scotland) Act 2016 ²³²⁴

Section 6
(Duty to prepare adult carer support plan)

Section 21
(Duty to set local eligibility criteria)

Section 24
(Duty to provide support)

(23) section 21 was inserted into the Schedule of the Public Bodies (Joint Working) (Scotland) Act 2014 by paragraph 6 of the schedule of the Carers (Scotland) Act 2016 (asp 9)

(24) inserted by Public Bodies (Joint Working) (Prescribed Local Authority Functions etc.) (Scotland) Amendment Regulations 2017/190

<i>Column A</i>	<i>Column B</i>
<i>Enactment conferring function</i>	<i>Limitation</i>

Section 25

(Provision of support to carers: breaks from caring)

Section 31

(Duty to prepare local carer strategy)

Section 34

(Information and advice service for carers)

Section 35

(Short breaks services statements)

Functions, conferred by virtue of enactments, prescribed for the purposes of section 1(7) of the Public Bodies (Joint Working) (Scotland) Act 2014

<i>Column A</i>	<i>Column B</i>
<i>Enactment conferring function</i>	<i>Limitation</i>

The Community Care and Health (Scotland) Act 2002

Section 4⁽²⁵⁾

The functions conferred by Regulation 2 of the Community Care (Additional Payments) (Scotland) Regulations 2002⁽²⁶⁾

⁽²⁵⁾ Section 4 was amended by the Mental Health (Care and Treatment) (Scotland) Act 2003 (asp13) schedule 4 and the Adult Support and Protection (Scotland) Act 2007 (asp 10) section 62(3)

⁽²⁶⁾ S.S.I. 2002/265, as amended by S.S.I. 2005/445.

Additional Functions delegated by the Council to Argyll and Bute Integration Joint Board

Column A

Column B

Functions conferred by virtue of enactments

Limitation

National Assistance Act 1948

Section 45

(Recovery in cases of misrepresentation or non-disclosure.)

Matrimonial Proceedings (Children) Act 1958

Section 11

(Reports as to arrangements for future care and upbringing of children.)

The Social Work (Scotland) Act 1968

Section 5

(Powers of Secretary of State.)

Section 6B

(Local authority inquiries into matters affecting children.)

Section 27

(Supervision and care of persons put on probation or released from prisons etc.)

Section 27ZA

(Advice, guidance and assistance to persons arrested or on whom sentence deferred.)

Section 78A

(Recovery of contributions)

Section 80

(Enforcement of duty to make contributions.)

Section 81

(Provisions as to decrees for ailment.)

Section 83

(Variation of trusts.)

Section 86

(Adjustment between authority providing accommodation etc., and authority of area of residence.)

The Children Act 1975

Section 34

(Access and maintenance.)

Section 39

(Reports by local authorities and probation officers.)

Section 40

(Notice of application to be given to local authority.)

Section 50

(Payments towards maintenance of children.)

Health and Social Services and Social Security Adjudications Act 1983

Section 21

Recovery of sums due to local authority where persons in residential accommodation have disposed of assets.)

Section 22

(Arrears of contributions charged on interest in land in England and Wales)

Section 23

(Arrears of contributions secured over interest in land in Scotland)

Foster Children (Scotland) Act 1984

Section 3

(Local authorities to ensure well-being of and to visit foster children.)

Section 5

(Notification by persons maintaining or proposing to maintain foster children.)

Section 6

Notification by persons ceasing to maintain foster children.)

Section 8

(Power to inspect premises.)

Section 9

(Power to impose requirements as to the keeping of foster children.)

Section 10

(Power to prohibit the keeping of foster children.)

The Children (Scotland) Act 1995

Section 17

(Duty of local authority to child looked after by them.)

Section 19

~~(Local authority plans for services for children)~~

Section 20

(Publication of information about services for children)

Section 21

(Co-operation between authorities)

Section 22

(Promotion of welfare of children in need)

Section 23

(Children affected by disability)

Section 24

(Assessment of ability of carers to provide care for disabled children)

Section 24A

(Duty of local authority to provide information to carer of disabled child)

Section 25

(Provision of accommodation for children etc.)

Section 26

(Manner of provision of accommodation to child looked after by local authority)

Section 26A

(Provision of continuing care: looked after children)

Section 27

(Daycare for pre-school and other children)

Section 29

(Aftercare)

Section 30

(Financial assistance towards expenses of education or training and removal of power to guarantee indentures etc.)

Section 31

(Review of case of child looked after by local authority)

Section 32

(Removal of child from residential establishment)

Section 36

(Welfare of certain children in hospitals and nursing homes etc.)

Section 38

(Short term refuges for children at risk of harm.)

Section 76

(Exclusion orders.)

Criminal Procedure (Scotland) Act 1995

Section 51

(Remand and committal of children and young persons.)

Section 203

(Reports.)

Section 234B

(Drug treatment and testing order.)

Section 245A

(Restriction of liberty orders.)

The Adults with Incapacity (Scotland) Act 2000

Section 40

(Supervisory bodies.)

The Community Care and Health (Scotland) Act 2002

Section 4
(Accommodation more expensive than usually provided.)

Section 6
Deferred payment of accommodation costs.)

Management of Offenders etc (Scotland) Act 2005

Sections 10
(Arrangements for assessing and managing risks posed by certain offenders)

Section 11
(Review of arrangements)

(
Adoption and Children (Scotland) Act 2007

Section 1
(Duty of local authority to provide adoption service.)

Section 4
(Local authority plan)

Section 5
(Guidance)

Section 6
(Assistance in carrying out functions under sections 1 and 4)

Section 9
(Assessment of needs for adoption support services)

Section 10
(Provision of services)

Section 11
(Urgent provision)

Section 12
(Power to provide payment to person entitled to adoption support service)

Section 19
(Notice under Section 18 local authorities duties)

Section 26
(Looked after children - adoption is not proceeding.)

Section 45
(Adoption support plans.)

Section 47
(Family member's right to require review of plan)

Section 48
(Other cases where authority under duty to review plan)

Section 49
(Re-assessment of needs for adoption support services)

Section 51
(Guidance)

Section 71

(Adoption allowance schemes.)

Section 80
(Permanence Orders.)

Section 90
(Precedence of certain other orders)

Section 99
(Duty of local authority to apply for variation or revocation.)

Section 101
(Local authority to give notice of certain matters.)

Section 105
(Notification of proposed application for order)

The Adult Support and Protection (Scotland) Act 2007

Section 7
(Visits)

Section 8
(Interviews)

Section 9
(Medical examinations)

Section 10
(Examination of records etc.)

Section 16
(Right to remove adult at risk)

Children's Hearings (Scotland) Act 2011

Section 35
(Child assessment orders.)

Section 37
(Child protection orders.)

Section 42
(Parental responsibilities and rights directions.)

Section 44
(Obligations of local authority.)

Section 48
(Application for variation or termination)

Section 49
(Notice of an application for variation or termination.)

Section 60
(Local authorities duty to provide information to Principal Reporter.)

Section 131
(Duty of implementation authority to require review.)

Section 144

(Implementation of a compulsory supervision order; general duties of implementation authority.)

Section 145

(Duty where order requires child to reside in a certain place.)

Section 153

(Secure accommodation: regulations.)

Section 166

(Review of requirement imposed on local authority)

Section 167

(Appeal to Sheriff Principal: section 166)

Section 180

(Sharing of information: panel members.)

Section 183-

(Mutual Assistance)

Section 184

(Enforcement of obligations of health board under section 183)

Social Care (Self-directed Support) (Scotland) Act 2013

Section 8

(Choice of options; children and family members.)

Section 10

(Provision of information; children under 16.)

Carers (Scotland) Act 2016

Section 12

(Duty to prepare a Young Carer Statement)

Part 2

Services currently provided by the Council which are to be integrated:

All permitted Council functions apart from housing and housing support services, other than aids and adaptations aspects of housing support.

- Social care Services for Adults and Older People
 - Services and Support for Adults with Physical Disabilities and Learning Disabilities
 - Mental Health Services
 - Drug and Alcohol Services
 - Adult Protection and Domestic Abuse
 - Carers Support Services

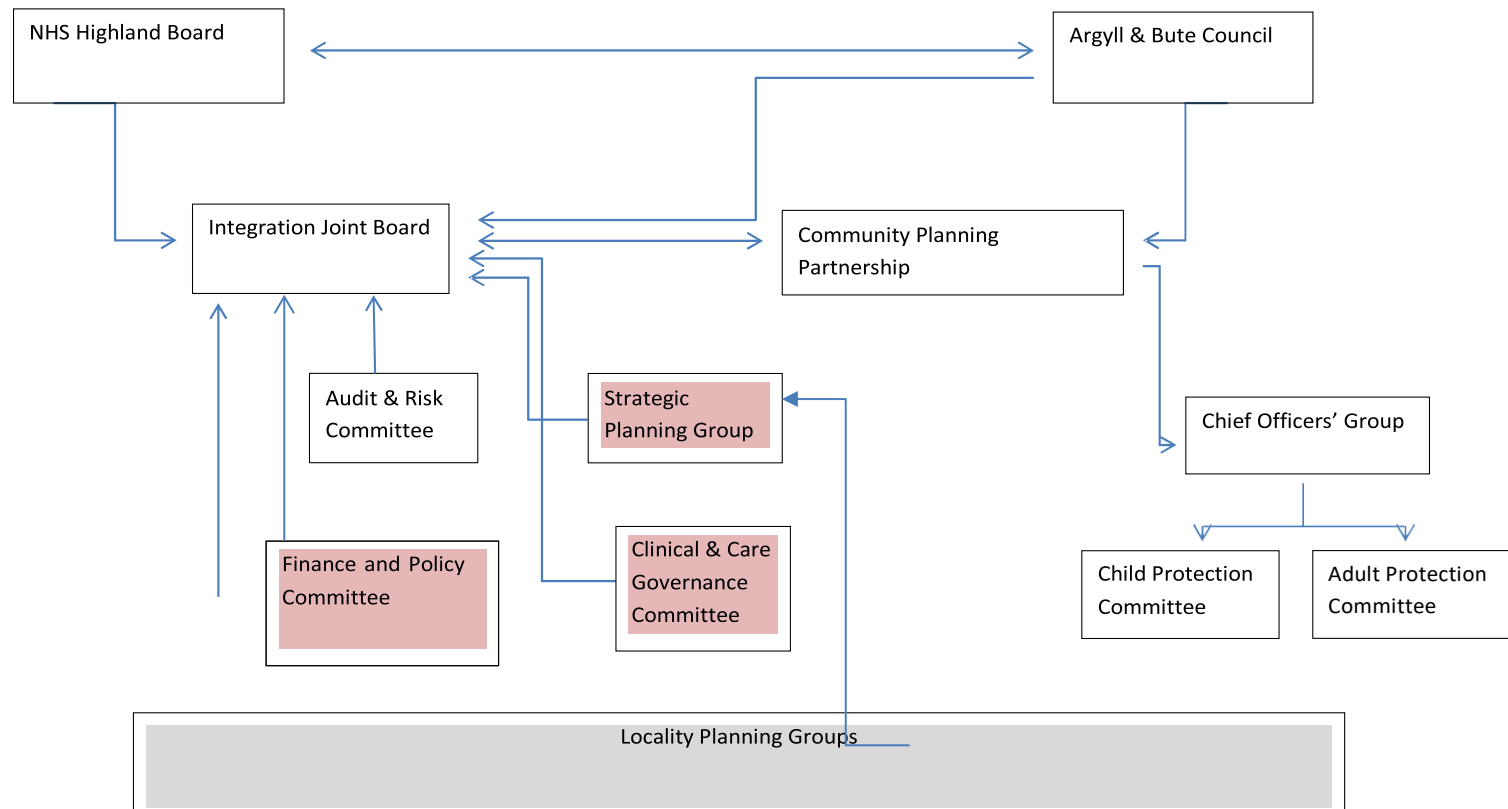
- Community Care Assessment Teams
- Support Services
- Care Home Services
- Adult Placement Services
- Health Improvement Services
- Housing support including Aids and Adaptions
- Day Services
- Local Area Co-ordination
- Self-Directed support
- Respite Provision for adults and young people
- Occupational Therapy Services
- Re-ablement Services, Equipment and Telecare

- Social care services for children and young people
 - Child Care Assessment and Care Management
 - Looked After and accommodated Children
 - Child Protection
 - Adoption and Fostering
 - Special Needs/Additional Support
 - Early Intervention
 - Through-care Services
 - Youth Justice Services

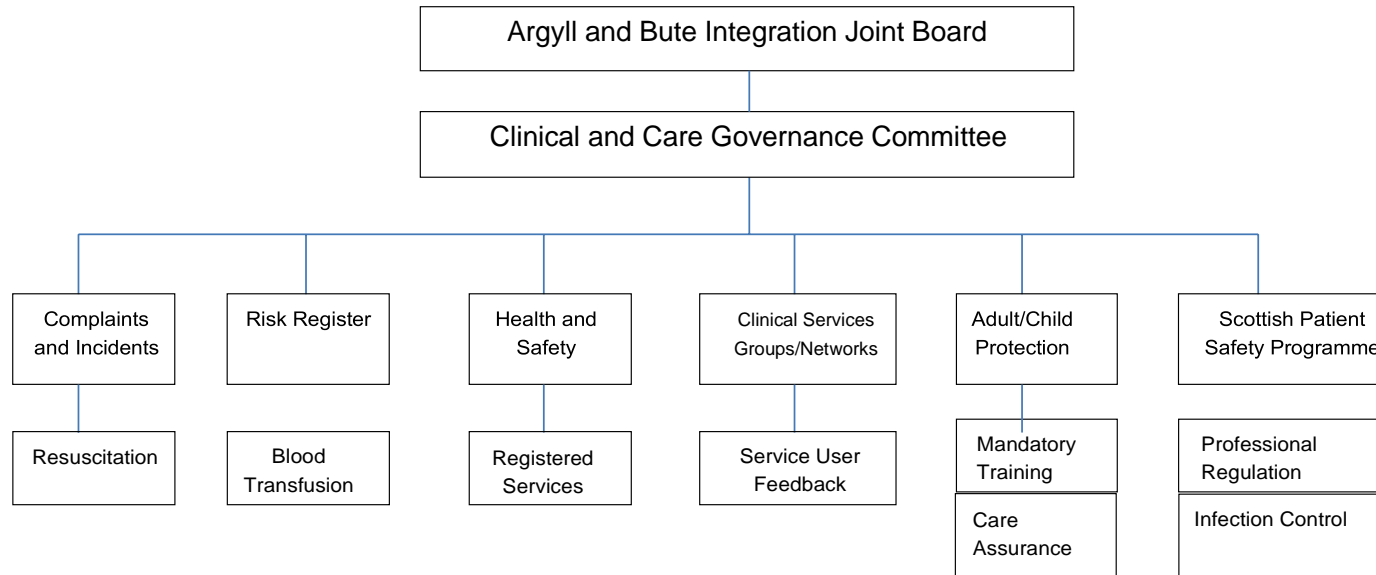
- Social care Justice Services
 - Services to Courts and Parole Board
 - Assessment of offenders
 - Diversions from Prosecution and Fiscal Work Orders
 - Supervision of offenders subject to a community based order
 - Through care and supervision of released prisoners
 - Multi Agency Public Protection Arrangements

Annex 3: Systems Governance.

System Governance Schematic



Annex 4: Clinical and Care Governance structure.



ARGYLL AND BUTE COUNCIL**COUNCIL****LEGAL AND REGULATORY SUPPORT****26 NOVEMBER 2020**

DRAFT PROGRAMME OF MEETINGS 2021/22

1.0 INTRODUCTION

- 1.1 The Council's Standing Orders for Meetings require the Council to approve a Programme of Meetings for the Council and its Committees every year. Attached is a draft programme of meetings for the year 2021-22, based on the current committee cycle, which it is recommended that the Council approve.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Council consider and approve the draft Programme of Meetings for the year 2021-22.

3.0 DETAIL

- 3.1 Standing Order 20.1 requires that the Council approve a Programme of Meetings each year.
- 3.2 The current approved Programme of Meetings for the Council and its Committees runs until June 2021.
- 3.3 The Council is required to approve a Programme of Meetings for the period July 2021 to April 2022 and a draft is attached at Appendix 1 to this report.
- 3.4 It should be noted that Standing Order 20.2 makes provision for the Chair of a Committee (or in whose absence the Vice- Chair) for good cause to cancel or alter the date, time or place for a meeting but not after the summons for the meeting has been issued.

4.0 CONCLUSION

- 4.1 The Council's Standing Orders for Meetings require the Council to approve a Programme of Meetings for the Council and its Committees. The approved Programme runs until June 2021 and the Council is invited to approve a Programme of Meetings for the period June 2021 to April 2022.

5.0 IMPLICATIONS

- 5.1 Policy - None
- 5.2 Financial – Members travel and subsistence costs
- 5.3 Legal – Requirement of Standing Order 20.1

5.4 HR - None

5.5 Fairer Scotland Duty: None

5.5.1 Equalities – None

5.5.2 Socio-economic Duty - None

5.5.3 Islands - None

5.6 Risk - None

5.7 Customer Service - None

Douglas Hendry

Executive Director with responsibility for Legal and Regulatory Support

26 October 2020

Policy Lead – Councillor Mary Jean Devon, Support Services

For further information contact: Patricia O'Neill, Governance Manager

APPENDICES

Appendix 1 – Draft Programme of Meetings 2021/22

Schedule of Committee Meetings – up to July 2022

	2021								2022								
Committee	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April
Council			Thurs 25		Thurs 15		Thurs 24			Thurs 30		Thurs 25			Thurs 24		Thurs 28
Policy & Resources	Thurs 10		Thurs 18			Thurs 13			Thurs 12		Thurs 14		Thurs 9		Thurs 17		
Community Services	Tues 8			Thurs 11			Thurs 10		Thurs 26				Thurs 16			Thurs 10	
Env, Dev & Infrastructure *Harbour Brd	Thurs 3			*Thurs 4			Thurs 3			*Thurs 2			Thurs 2			*Thurs 3	
PPSL	Wed 16	Wed 20	Wed 17	Wed 17	Wed 21	Wed 19	Wed 23		Wed 18	Wed 22	Wed 20	Wed 17	Wed 15	Wed 19	Wed 23	Wed 23	Wed 20
Audit & Scrutiny	Tues 15			Tues 16			Tues 15			Tues 14			Tues 14			Tues 15	
B&C Area	Tues 1			Tues 2			Tues 1		Tues 31				Tues 7			Tues 1	
B&C CPG			Tues 2			Tues 4			Tues 17			Tues 2			Tues 1		
MAKI Area	Wed 2			Wed 3			Wed 2			Wed 1			Wed 1			Wed 2	
MAKI CPG			Wed 3			Wed 5			Tues 24			Wed 3			Wed 2		
H&L Area	Thurs 17			Thurs 18			Thurs 17			Thurs 16			Fri 17			Thurs 17	
H&L CPG			Thurs 11			Thurs 20			Thurs 19			Thurs 18			Thurs 10		
OLI Area	Wed 9			Wed 10			Wed 9			Wed 8			Wed 8			Wed 9	
OLI CPG			Wed 17			Wed 12			Wed 25			Wed 10			Wed 16		
IJB		Wed 27		Wed 24					Wed	Wed		Wed		Wed		Wed	
CPP/Mgt Comm	Wed 2			Wed			Wed										
Licensing Board			Tues 16		Tues 27		Tues 22			Tues 7		Tues 9					
Seminars		Mon 25		Tues 23			Mon 14		Mon 24			Mon 15		Mon 25		Tues 28	

Shading - December 2020 to June 2021 Committee dates agreed already

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ARGYLL AND BUTE COUNCIL

COUNCIL

**COMMUNITY PLANNING AND
DEVELOPMENT TEAM**

26 NOVEMBER 2020

SUPPORTING COMMUNITIES FUND REVIEW

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to allow members to consider changes to the council's Supporting Communities Fund to improve the process for communities. Proposals include clearer criteria for applicants and an extension to the period of time awarded funds are able to be used by groups.

**ARGYLL AND BUTE COUNCIL
COMMUNITY PLANNING AND
COMMUNITY DEVELOPMENT TEAM**

**COUNCIL
26 NOVEMBER 2020**

SUPPORTING COMMUNITIES FUND REVIEW

2.0 INTRODUCTION

- 2.1 A review of the council's Supporting Communities Fund (SCF) has considered ways to improve outcomes for communities and improve the delivery of the fund.
- 2.2 This review into the Supporting Communities Fund (SCF) is to ensure that public money is being spent in the most appropriate and efficient way and that it continues to serve the communities of Argyll and Bute, particularly communities that are vulnerable, improving lives and places across the Council area.
- 2.3 The council's SCF invites applications from the third sector, Community Councils and Parent Councils. The total amount available is £90,000, this is split equally across the 4 administrative areas giving a total of £22,500 per area each year to be awarded. It offers funding up to a maximum award of £2,500, the average award is £1,764.
- 2.4 The fund receives an average of 100 applications per year. Demand to the fund is high, and the availability of funds has reduced through council budget savings from £140,000 in 2015 to £90,000 in 2020. Last year 51 projects were awarded funding, out of 111 applications.
- 2.5 The fund is managed by the Community Development team, with assessments undertaken by Community Development Officers, who prepare recommendations for local Area Committee Committees for final approval. This process has received a high internal audit scoring for its management of public finances.

3.0 RECOMMENDATIONS

It is recommended that Council approve the proposed improvements to the fund detailed in section 4 of the report. These are:

- 3.1 Agree the four main criteria for applications, as set out in 4.2 of the report, are:
- Fairer Communities – tackling poverty by sharing opportunities.
 - Resilient Communities – rebuilding and repairing from a pandemic; noting that this is only in the case of the group being unable to access other specific funds for this, e.g. Scottish Government funding.
 - Greener, cleaner communities – climate change mitigation
 - Creative Communities - Creativity for Health and Wellbeing
- 3.2 Agree that all applicants awarded funding have 18 months to complete their project.
- 3.3 Agree that all applicants awarded funding are to display the Council logo in communications and promotions of their funded project.
- 3.4 Agree that improvements are made to the application and end of monitoring report to support the evaluation of the fund's impact on reducing inequalities.
- 3.5 Agree a fast track application process, as outlined in 4.6, be explored for financial year 2022-23.
- 3.6 Agree that the fund for 2021/22 opens for applications on 11 January 2021 and closes on 20 March 2021.

4.0 DETAIL

- 4.1 A review of the Supporting Communities Fund was undertaken in October 2020. This included a survey of 196 former applicants and a 32% response rate informed the recommendations of this report, it found:
- The fund is highly valued by the sector locally, receiving a score of 4.7 out of 5.
 - When asked if their project could have gone ahead without the SCF the majority said that it couldn't, and of those who thought it could, it was said that the fund improved the outcomes, the quality or the sustainability. Quotes from respondents included: "*The SCF funds are vital for small local projects benefiting the wider community*" and "*Would have been more difficult. A&B grant gave it impetus and credibility It had proved too important to our community not to keep it going*"

- The fund is cost-effective: it was found that for every £1 of SCF funding disbursed, £5.49 of charitable activity was delivered on average, in the 4 years to date.
- With approximately 100 applications received every year the assessment process gave opportunities to the Community Development team to build relationships and understand local needs and issues alongside providing community development support to groups this has also created best value for example:
 - Opportunities for thorough engagement with traditionally hard to reach groups for the Place Standard Engagement conducted in 2019.
 - Opportunities for fast relationship building with assembling the Care for People response to Covid-19 with community resilience groups in March 2020. E.g. in OLI, 60% of the local groups providing a direct community response received an SCF award within the last 5 years. The figures for H&L are 69%.
- Quotes appreciating the support from the council include:
 - *“We received very helpful and practical information and pointers from Community Development Officer”*
 - *“Very helpful and useful support from the team at all times”*
 - *“It was great to be able to discuss our project with someone local who knew of our community work”.*
 - *“When unsuccessful we have been pointed in the direction of alternative funding which was greatly appreciated”.*
- Improvements requested were to have a longer time to deliver projects and proportionate levels of paperwork to complete.

4.2 Four criteria for future applications to the fund are proposed below. These are aligned to the community’s needs, following a review of previous applications, questions to previous applications and consideration of the current policy environment. The clarity of the criteria enables clear decision making in terms of applications to the fund.

The proposed new criteria are below.

1. Fairer Communities – tackling poverty by sharing opportunities.

Projects funded under this criteria would remove financial barriers for people in communities, particularly children and young people, to opportunities for learning, sports, activities, or employment. For example this may include funding of transport costs, sports equipment, musical instruments.

2. Resilient Communities – rebuilding and repairing from a pandemic.

Projects funded under this criteria would tackle the effects of the pandemic on both individuals and groups, such as tackling loneliness and isolation; digital exclusion, building skills and confidence in getting online in order to meet safely; as well as supporting our smaller organisations to recover and re-build stronger and adapt to the changed circumstances. This will be awarded only in cases where groups cannot access funds from the Scottish Government for this purpose.

It would also include more general resilience in the sense of community-led, inclusive economic development and therefore costs of Community Actions Plans and feasibility studies as well as the many ways communities want to upskill and increase their capacity to improve their places.

3. Greener, cleaner communities – climate change mitigation

Projects funded under this criteria would be concerned with a range of activities to improve impact on the environment including: energy efficiency measures for both organisations and community members; enhancement and restoration of the natural environment, making the countryside more accessible; decarbonisation activities –e.g. walking projects, sharing of facilities, and resource efficiency initiatives, such as community transport.

4. Creative Communities - Creativity for Health and Wellbeing

Projects funded under this criteria would deliver activities related to music, art, theatre, Gaelic, history and heritage and in particular where participation in creative projects improves health and wellbeing.

Currently the fund has the following criteria, and the above 4 capture these and provide a specific thematic focus relevant to the needs of Argyll and Bute in 2021 and beyond.

- Social inclusion
- Rural isolation
- Capacity of the Community to develop
- Quality of life for residents
- Increase in Visitors to the area
- Increase in Health and wellbeing
- The local environment
- Opportunity to develop new skills
- Employment

4.3 It is also proposed that applicants be awarded funding for a period of 18 months, an increase from 12 months, to allow time for projects to be completed. This follows feedback from community groups in a recent survey.

- 4.4 It is proposed that groups awarded funding will be requested to use the Council's logo alongside their project communications and promotion.
- 4.5 To better evaluate the impact of the fund on reducing inequalities, it is proposed to:
- Ensure application form and end of project monitoring form are aligned to identify and report on impact on people with protected characteristics (age, gender etc.)
 - Report headline figures to the Council's Equalities Forum to increase awareness of good practice in the community.
- 4.6 It is proposed that a fast track application process be explored for financial year 2022-23.
- This meets the regular request from applicants for a more proportionate approach to paperwork submission. This has to be balanced with our requirement to carry out basic due diligence finance checks, as well as mitigate against the risk of investing in unsound projects.
 - We propose that below the sum of £1,000 that applicants will be required to answer fewer questions and provide less supporting documentation.
 - Time will be needed to ensure that a fair and consistent assessment approach applies whether receiving more or less information. It will take some time to create a robust assessment process that doesn't discriminate against the size of the project, and it is unlikely it could be managed this year, before applications go live at the start of 2021, due to the work of the team in the continued Covid-19 response
- 4.7 Due to the impact of Covid-19 it is proposed that the SCF for 2021/22 opens for applications in January 2021, with a closing date end March and decisions made in June Area Committees. If the recommendations here are agreed groups would then have until December 2022 to spend the funds.

5.0 CONCLUSION

- 5.1 Changes in the delivery of the fund are based on a survey with previous applicants.
- 5.2 Changes in the criteria will make the fund more focused on identified needs and more closely aligned to the needs of the community and priorities of the Council.

6.0 IMPLICATIONS

- 6.1 Policy: Consideration has been made to the current policy context. The funded projects are to positively impact on policy areas such as climate change mitigation, child poverty, covid-19 impact.

- 6.2 Financial: Managed within budget of Community Planning and Development
- 6.3 Legal: Eligibility checks are made to ensure organisations in receipt of funds are valid.
- 6.4 HR: Uses existing resources within Community Planning and Development.
- 6.5 Fairer Scotland Duty: n/a
- 6.5.1 Equalities - Improves monitoring and impact of grant outcomes to inequality groups
- 6.5.2 Socio-economic Duty: The SCF supports organisations in their community impact.
- 6.5.3 Islands: Community organisations based on islands have benefitted from the council's SCF and have had opportunity to contribute to the survey.
- 6.6. Risk: N/A
- 6.7 Customer Service: Paper application forms available for those who are digitally excluded

Pippa Milne, Executive Director

Policy Lead Cllr Mary Jean Devon

03 November 2020

For further information contact:

Rona Gold

Community Planning Manager

Community Planning and Community Development

Chief Executive's Unit

01436 658 862

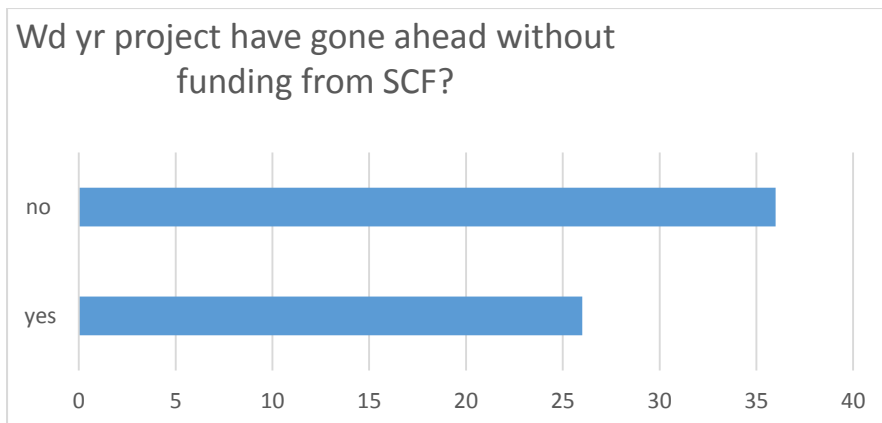
rona.gold@argyll-bute.gov.uk

APPENDICES

Appendix 1 - Results of Survey of former applicants of Supporting Communities Fund October 2020

Appendix 1.

SCF survey responses: collated 13th October, survey closed to responses.

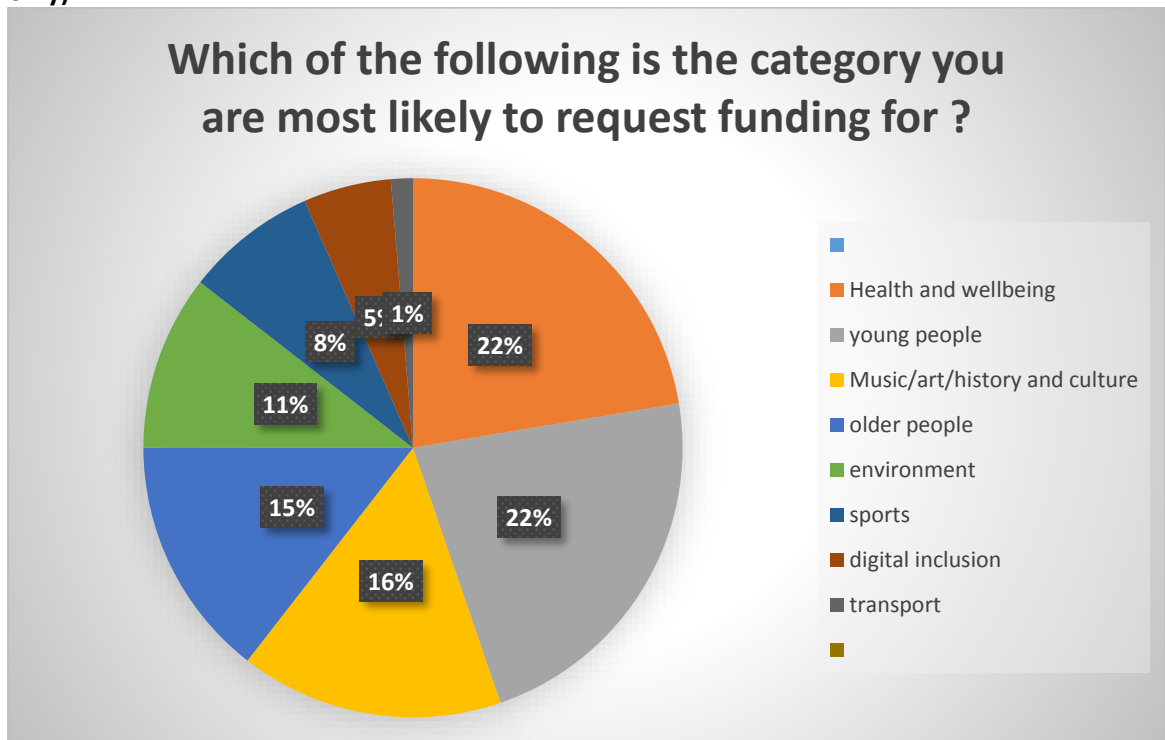


1. Would your project have gone ahead without funding from Argyll & Bute Council's Supporting Communities Fund?

- Supporting Communities is only part of a cocktail of funding, useful, but if it is a good project, it is not a decider about whether something goes ahead or not
- The full project, no. The SCF funds are vital for small local projects benefiting the wider community. Thank you.
- we wouldn't have had enough to keep going
- We would have continued with our shopping clients but would be unable to take on the new clients which more than doubled because of covid
- Our organisation normally just meets all our costs each year and no more. The Fund has allowed us to invest in new equipment.
- It would have gone ahead at a reduced scale
- However, it would have meant putting a considerable additional strain on our funds.
- We
- It would have been more difficult to provide a Covid compliant Foodbank service without the additional funding.
- As a community council in a rural area we have limited income so opportunities to make positive improvements to our environment are limited without grant funding.
- what the grant was able to do was enhance the services delivered to better accommodate the wishes of the members
- Not as quickly as has been the case.
- Local funding support is really helpful
- We would have held 3 or 4 events rather than the 10 we managed with funding.
- As we were unable to complete within the defined time period, we elected to return the award. However, we did also continue with the Vision for Helensburgh project.
- Will be a better project with the extra funding.
- we need funding to contribute to costs of start up and marketing
- It would have continued at a reduced level
- Due to COVID we have had to defer our project and it will now proceed as soon as circumstances permit.
- The project would probably gone ahead but we would have had to asked parents for most of the cost.
- Would have been more difficult. A&B grant gave it impetus and credibility
- It would have taken much longer to achieve our goal without help from the fund.
- It had proved too important to our community not keep it going

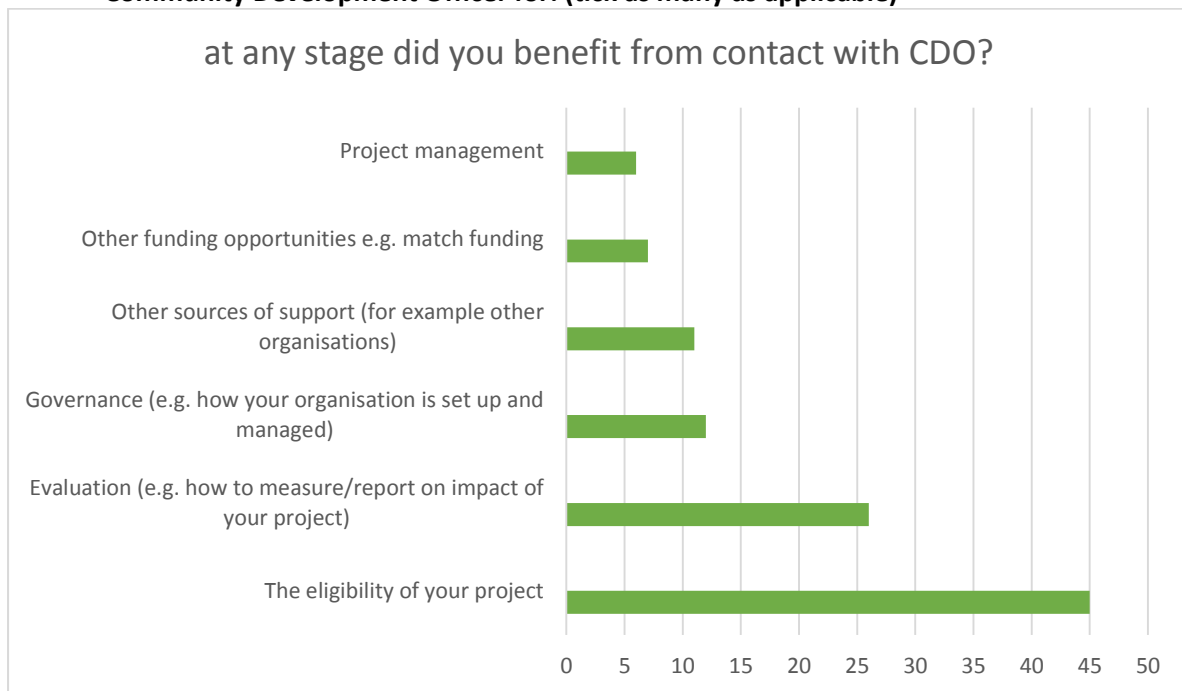
- If it gone ahead it would have been in curtailed version
- The funding was for events - we could have done some of the events on a smaller scale but certainly not all, especially where we bought in external experts
- We may have to have charged participants

2. Which of the following is the category you are most likely to request funding for? (tick one only)



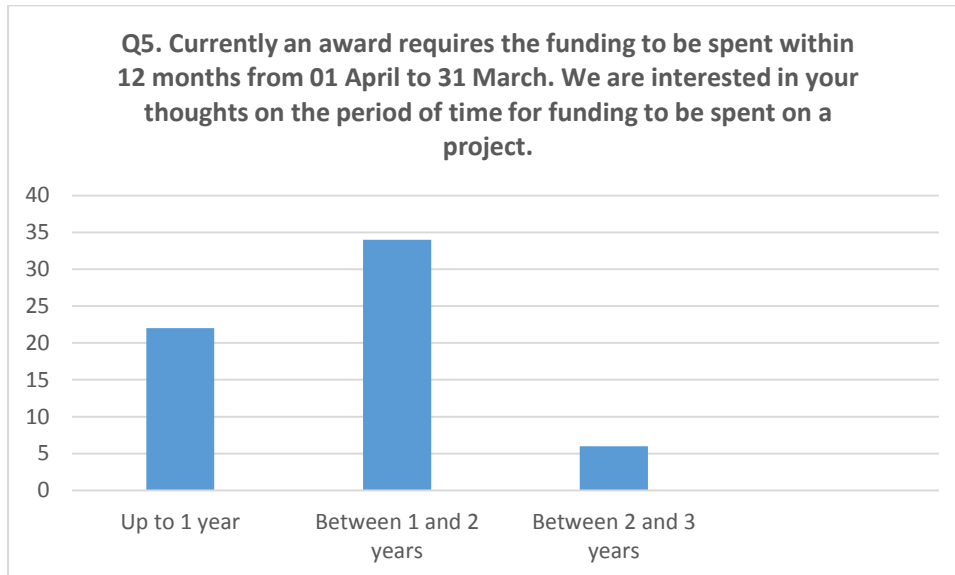
- Mix of environment and health and well-being as linked with our projects
- Education
- Community health and wellbeing.
- Our work with young people encompasses the areas of health and wellbeing, art ,history, culture environment.
- Food Insecurity
- We provide services to veterans ,their families and the wider community
- School visits
- various events which will benefit the whole community
- Tourism/information through Digital screens in rural areas
- Development of Community Coherence
- Health and Wellbeing
- homeless people getting their first tenancy
- Education
- Community, not group specific, our project benefits the wider community
- We are the Community Forest - so everything has an environment theme - but issues such as events for young people, transport to the Forest are of huge benefit

3. At any stage of the application did you benefit from contact with Argyll & Bute Council's Community Development Officer for: (tick as many as applicable)



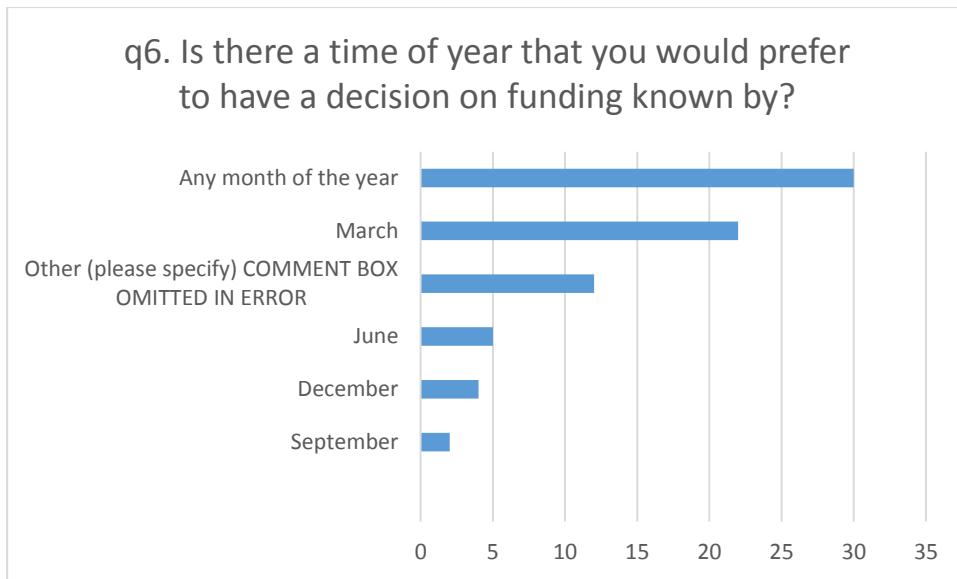
- Very good support from Kirsty Moyes
- no contact
- Invaluable support in all aspects
- No
- Antonia is great to work with!
- n/a
- It was great to be able to discuss our project with someone local who knew of our community work
- When unsuccessful we have been pointed in the direction of alternative funding which was greatly appreciated
- A most useful source of information and useful for discussion on way forward for voluntary organisations
- Supportive Advice
- Always very helpful
- Discussing receiving a partial grant due to many people requesting support
- always available and helpful with advice
- Questions about the local situation which the officer had great knowledge of
- Encouragement: discussion of the methodologies, potential timeframes and outcomes.
- really useful support received from Kirsty talking through the bid
- We received very helpful and practical information and pointers from Community Development Officer
- Guidance in making the application
- Contact and assistance was most helpful.
- Very helpful and useful support from the team at all times
- We had some contact but not of it turned in to direct benefit
- Generally supportive and helpful

Q 5 Currently an award requires the funding to be spent within 12 months from 01 April to 31 March. We are interested in your thoughts on the period of time for funding to be spent on a project.

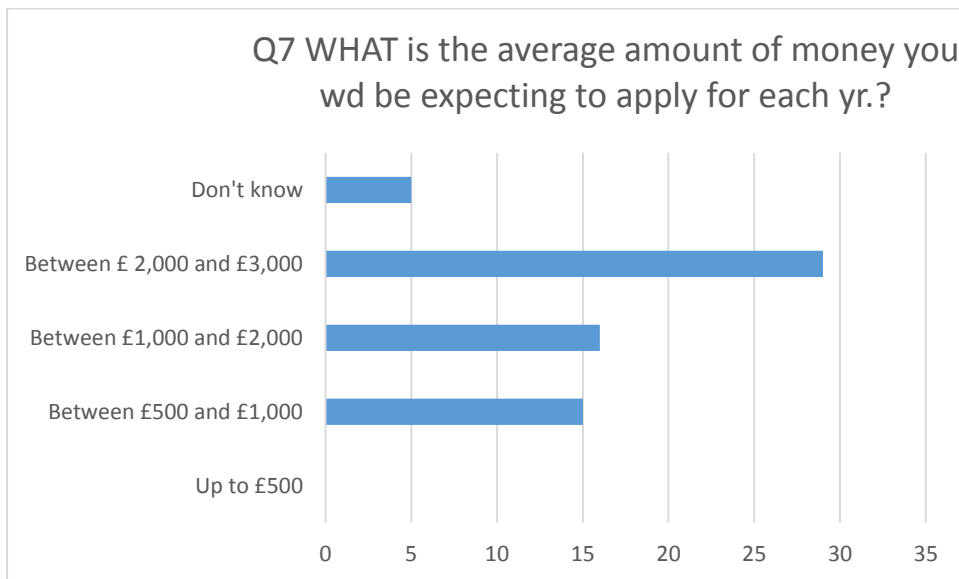


- Due to the impact of coronavirus our project had been unable to go ahead and we do not know when we will be able to take our project forward
- The grant is not received until about June, or later, so a full year is not available for the project. 1-2 years much better
- Depends on the project but perhaps for those which do not fit the financial year but could still run for 12 months / allow for unforeseen circumstances
- For larger projects it is difficult to complete the ordering, installation and completion process within a year.
- People wouldn't panic buy cause of covid
- Continual funding applications decrease the time spent on the coal face of the project. A three year grant gives time to imbed the work being done and makes recruitment of staff much easier.
- This would allow projects to bed in and the benefits seen over the longer term
- Obviously things have been different this year because of Covid 19 and extra time will be required
- Usually a year is long enough but with COVID we may need longer to do what we wanted.
- Work being carried out is seasonal and may need to be continued into other season
- I think that community groups should be in a position to use the funds within one year. although there may be special circumstances where an extension may have to be sought.
- Normally 1 year is sufficient, but given unexpected delays due to the pandemic additional time is beneficial
- It would allow us to apply earlier and know we hand funding well in advance. If not we would adjust how we run the project
- For an organisation like our which only runs for a limited part of the year rather than all year round, the time available to fit in the events for which the finding is designed can be a bit tight to manage

- Able to gradually proceed with a project if we need more time to get funding completed
- Would give some flexibility as implementation cannot begin until the fund is in the Bank.
- Allows for any overrun, projects don't always run to the predicted timescale. This year has been a good example i.e. the disruption caused to projects due to the Covid outbreak.
- Ability to plan ahead (2-3 years selected)
- No problem with a 12 month period
- From our perspective as the awards are not for a lot of money, one year would be sufficient
- Circumstances can change, eg current Covid hiatus. More flexibility on spending of grant funds would be welcome
- However this year is the exception as delivery of face to face services is very difficult
- For it to be longer than one year, I would be anticipating the grant size to be greater
- For small amounts it makes sense for a shorter time period
- this timescale is suitable for us as we always need to spend all the money received
- It would allow groups to extend their reach outwith the present restriction. Rarely does a project fit neatly within 13 months even in times when things are not affected by pandemics
- Better-founded research leading to the potential for longer term solutions
- if there was an increased budget as well as a longer time to spend we could plan to increase the impact made over a longer period of time
- Think this is fine except in Covid times for which you have already made allowances
- Our events have launch costs, cost of operation [which we cover] and then settlement of accounts can go on for three months
- Up to 2 years would allow time to develop a project to achieve maximum benefit from the funding
- We use the money (when successful) to travel to the Mid Argyll Music Festival in Lochgilphead. Because we live on an island we need overnight accommodation for 2 nights, ferry travel, mini bus hire, fuel and meals.
- Projects take longer to complete and 1 year limits your application
- WE have spent it but his project requires a lot more funding and fund raising activities have been curtailed due to CV19
- It's not always possible to spend within 1 year for an organisation such as ours.
- The uncertainty of the covid situation has a bearing on the attendance of the project
- For revenue support like the Supporting Community Fund - 1 year is basically OK - over 2 years would enable a slightly longer period to run the events programme over
- If it was more than 12 months perhaps the level of grant may need to be higher



Q7 There is a set amount of funding available to distribute in each of the four administrative areas in the Council each year. In 2019/20 the funding available was £22,500 in each area. The maximum award is currently £2,500. We are interested to know in applying to the fund what is the average amount of money you would be expecting to apply for each year?



- We have been awarded in this amount area for our current project given the uncertainty around being able to deliver our project within the extended period we are unable to say whether we will be applying for further funding for any further grants
- It could be any of the above depending on the project
- depends on the individual projects - could be >500 or < 1000
- This will depend on the newly elected committee to decide on how best to progress the group.
- Living on an island it depends on whether we wish to offer opportunities off-island as that greatly increases costs

- depending if funding had been obtained elsewhere
- This amount seems to tally well with the scale of project we tend to apply for and the contribution we are able to make from our own funds. (between £500 and £1000 selected)
- Small projects are often more achievable than large contentious ones and often make a difference out of all proportion to the size of the grant (2-3,000 selected)
- In a normal year this would be for visit to other veterans projects and administration (between £1,000 and £2,000 selected)
- Due to the time required to complete the application form, we would be applying for projects to receive the maximum award.
- It is difficult to achieve outcomes with much less unless a project is match funded (£2-3,000 selected).
- The amount of funding applied for would surely be related to the nature of the project in hand?
- Would vary on type of project
- We would aim to match fund
- The money we spend depends on the amount of children that take part in the Mid Argyll Music Festival, on our last trip we had less attending so we returned the surplus cash.
- It would really depend on the individual project. There's no point in spending money needlessly.
- to ensure continuation of project
- The Community Forest event programme can be tailored to the funding available - around £1000 per annum would be ideal

Q.8 How would you rate the importance of the Supporting Communities Fund to community groups in Argyll & Bute? (1 star not very important - 5 stars very important) Average rating =4.7

ARGYLL AND BUTE COUNCIL**COUNCIL****DEVELOPMENT AND ECONOMIC
GROWTH****26 NOVEMBER 2020**

DANGEROUS BUILDING: 5-7 EAST CLYDE STREET, HELENSBURGH

1.0 EXECUTIVE SUMMARY

- 1.1 On Saturday 31st October 2020, building standards were called to a partial collapse of the front elevation of the property at 5-7 East Clyde Street, Helensburgh. Using our statutory powers under the Building (Scotland) Act 2003, to remove the immediate danger to public safety, immediate actions were taken to close the public footpath and road, and the Council's structural engineer was commissioned to provide a report on the building.
- 1.2 The property is privately owned by multiple owners and the Council have no responsibility, other than to our statutory powers under the Building (Scotland) Act 2003, to initiate urgent repairs where the building poses an immediate danger to the public or adjoining properties. There have been previous instances where the Council have instructed urgent works in the absence of any concerted effort by the various owners to undertake any repairs to this unoccupied property. The risk is that it continues to deteriorate and that the Council will have to incur additional costs in the future.
- 1.3 Financial: The Council has undertaken statutory works (circa £85K in total) with little chance of recovering these monies from the various owners. The community are pressing for the Council to secure a permanent solution through compulsory purchase and to demolish the property. The delivery of a permanent solution however would be complex to achieve, given the close proximity/ inter-relationship of adjacent buildings, and would also incur considerable costs well in excess of the asset value of a vacant site or refurbished building.
- 1.4 Recommendations:
 - a. Council note that officers had no option but to instruct emergency works to the property to remove the immediate danger to the public or adjacent buildings, using our statutory powers under the Building (Scotland) Act 2003. These works were to stabilise the building and provide a short-term solution with a potential that further interventions will be necessary.
 - b. Council agree that the best course of action at this stage was to stabilise the building, rather than demolish the property at considerable costs to the Council. Council further instructs Officers to continue to work with owners and other interested parties to identify a permanent solution. This will be the subject of a future report to the appropriate Committee.

ARGYLL AND BUTE COUNCIL

COUNCIL

**DEVELOPMENT AND ECONOMIC
GROWTH**

26 NOVEMBER 2020

DANGEROUS BUILDING: 5-7 EAST CLYDE STREET, HELENSBURGH

2.0 INTRODUCTION

- 2.1 On Saturday 31st October 2020, building standards were called to a partial collapse of the front elevation of the property at 5-7 East Clyde Street, Helensburgh. Using our statutory powers under the Building (Scotland) Act 2003, to remove the immediate danger to public safety, immediate actions were taken to close the public footpath and road, and the Council's structural engineer was immediately commissioned to provide a report on the building.
- 2.2 The property is privately owned in multiple ownership and the Council have no responsibility, other than to our statutory powers under the Building (Scotland) Act 2003, to initiate urgent repairs where the building pose an immediate danger to the public or adjoining properties. There have been previous instances where the Council have instructed urgent works for this particular property and despite efforts to secure a solution there has been no concerted effort by the various owners to undertake the necessary repairs to this unoccupied property. The risk is that this property continues to deteriorate and that the Council will have to incur additional costs in the future.
- 2.3 Emergency works started on site on the 9th November 2020 to stabilise the building, with the subsequent road closures remaining in place until works are complete. In the meantime, there have been representations received from adjoining residents, community and business and from others, which indicate that the Council should purchase and demolish the building as permanent solution.

3.0 RECOMMENDATIONS

- 3.1 Council note that officers had no option but to instruct emergency works to the property to remove the immediate danger to the public or adjacent buildings, using our statutory powers under the Building (Scotland) Act 2003. These works were to stabilise the building and provide a short-term solution with a potential that further interventions will be necessary.
- 3.2 Council agree that the best course of action at this stage was to stabilise the building, rather than demolish the property at considerable costs to the Council. Council further instructs officers to continue to work with owners and other interested parties to identify a permanent solution. This will be the subject of a future report to the appropriate Committee.

4.0 DETAIL

- 4.1 The Building (Scotland) Act 2003 places a statutory duty on local authorities to undertake works to remove any immediate danger to persons in or about a building or to the public generally or to adjacent buildings or places and to recover costs from the owners of the property. Notwithstanding this, responsibility for any other repairs or remedial works rests wholly with the property owner(s).
- 4.2 There is a longstanding history to the property at 5-7 East Clyde Street, Helensburgh where the Council have had to undertake statutory works due to the dangerous nature of the building. The building is currently unoccupied, with multiple owners, and not in a condition which would allow reoccupation, without significant investment. On completion of the current urgent repairs, the Council will have incurred costs in the region of £85,000 with little likelihood of recovery. That said, we will continue efforts to reclaim this debt off the individual property owners.
- 4.3 The recent partial collapse to the front elevation of the property resulted in the closure of the roadway, footpaths and access to the immediate areas around the property. On the advice of a consultant structural engineer, ATK Partnership, the Council instructed a contractor specialised in this type of work, to carry out repairs under our statutory duties to stabilise the building. The owners were contacted to inform of the intended council action under emergency powers and to ascertain details of their intentions to repair the building, and that we will continue to seek the recovery of the costs incurred.
- 4.4 In consideration of this report it is important to consider the medium to long term options for the building. The options are:

	Option	Assessment/comment
1	Undertake works to stabilise property	<ol style="list-style-type: none"> 1. Immediate danger removed 2. Relies on the multiple owners to undertake works which is unlikely as property is unoccupied and in negative equity; 3. The condition of the building will continue to deteriorate and the council is likely to have to incur further costs removing any danger to the public from dangerous building as they occur with subsequent road closures; 4. Potential risk of further collapse in the future and risk to public safety and economic impact on Helensburgh Town Centre.
2	Undertake works to stabilise property and pursue development opportunities	<ol style="list-style-type: none"> 1. Immediate danger removed; 2. Opportunities exist with the vacant adjoining property and the Arnold Clark garage now empty, which creates a potential site for redevelopment 3. The costs to reinstate the property to a habitable state would be in the region of £350-400k (likely to be near to the high end figure)
3	Demolish the property	<ol style="list-style-type: none"> 1. This would remove the danger and ongoing concerns regarding the property 2. Demolition is highly complex, given the property

		<p>layout and adjacent buildings, with costs in the region of £150-£200k which the Council are unlikely to recover;</p> <p>3. Would not realise a saleable asset.</p>
--	--	---

- 4.5 By stabilising the building through our statutory powers under the Building (Scotland) Act 2003, this provides an opportunity to actively consider the medium to long term solutions for this building. This is recommended as the best option at this current time and is reflected in the recommendations of the report.

5.0 CONCLUSION

- 5.1 The Council accepts that there is a need to identify a permanent solution to the building at 5-7 East Clyde Street, Helensburgh as it will continue to deteriorate and the Council may continue to incur substantial costs. That said the council is not in a position to undertake a permanent solution at this time given the considerable costs associated with the option to demolish or refurbish with no financial gain.
- 5.2 Consequently, the council's only viable option at this time is to remove the immediate danger to the public as empowered to do under the Building (Scotland) Act 2003. It is further proposed that the Council will continue to actively engage with the owners, and all other interested parties to consider the further options for this building which occupies a prominent position in Helensburgh Town Centre

6.0 IMPLICATIONS

6.1 Policy:	Property not within Council ownership
6.2 Financial	Costs incurred by the Council in delivering its statutory responsibilities are significant, unbudgeted, with low chance of recovery
6.3 Legal	Statutory duty relating to dangerous buildings
6.4 HR	None
6.5 Equality and social economic	Compliant
6.6 Risk	<p>a. Further deterioration with risks to adjoining residents/public and recurring action by Council.</p> <p>b. Not meeting public/community expectation that Council will intervene</p>
6.7 Customer Service	No direct issues

Executive Director of Development and Economic Growth: Kirsty Flanagan

Policy Lead: Councillor David Kinniburgh

9th November 2020

For further information contact Alan Morrison, Regulatory Services Manager
(alan.morrison@argyll-bute.gov.uk : 01546604292)

APPENDICES

Appendix 1 Photographs of 5-7 East Clyde Street, Helensburgh

Appendix 1 Photographs of 5-7 East Clyde Street, Helensburgh



5-7 East Clyde Street- affected building

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ARGYLL AND BUTE COUNCIL
COUNCIL**DEVELOPMENT AND
ECONOMIC GROWTH****26 NOVEMBER 2020**

STRATEGIC HOUSING INVESTMENT PLAN (SHIP) 2021/22 – 2025/26

1.0 EXECUTIVE SUMMARY

- 1.1 The Scottish Government issued revised guidance in August 2019 to assist local authorities in the preparation of their annual SHIPs; which will cover the period 2021/22 - 2025/26, and are required to be submitted to the Scottish Government by mid - December 2020. This paper summarises the proposals for the revised SHIP, in line with statutory requirements and the latest guidance.

In April 2019 The Scottish Government allocated Resource Planning Assumptions (RPAs) to local authorities for the two years to end-March 2021. Guidance issued this year asks local authorities to assume the RPA level for 2021/22 will be the same as the confirmed RPA level for 2020/21:

Argyll & Bute	2020/21	2021/22	2 Year Total
RPA	£19.527m	£19.527m	£39.054m

- 1.2 In 2019/20, the SHIP delivered 75 new affordable homes. This SHIP identifies potential for around 137 units to be completed in 2020/21 and over 900 additional homes to be completed or approved in subsequent years.
- 1.3 As well as addressing unmet local need and contributing to national targets, the proposed programme will: generate additional investment in the local economy, supporting additional jobs including new apprenticeships in the construction sector and associated labour market; it will stimulate community regeneration and sustainability; it will help to attract and retain residents and employees for local businesses; it will encourage movement within, and more effective operation of, the local housing system; it will also contribute to improving general health and well-being; and more pragmatically the new homes will also generate additional Council tax revenue.

1.4 **RECOMMENDATION**

It is recommended that the Council:

- a. Approve the SHIP proposals summarised in this report which will then be submitted to the Scottish Government in December 2020.

ARGYLL AND BUTE COUNCIL

COUNCIL

**DEVELOPMENT AND
ECONOMIC GROWTH**

26 NOVEMBER 2020

STRATEGIC HOUSING INVESTMENT PLAN (SHIP) 2021/22 – 2025/26

2.0 INTRODUCTION

- 2.1 This paper seeks council approval of the revised Strategic Housing Investment Plan 2021/22 – 2025/26 which will then be submitted to the Scottish Government in December 2020. The core purpose of the SHIP is to set out strategic investment priorities for affordable housing over a five year period to achieve the outcomes set out in the Local Housing Strategy.
- 2.2 The SHIP remains a continuous, iterative process: individual projects are subject to a variety of factors which can lead to slippage or revision; and the overall programme requires constant monitoring. Formal updates are now required on an annual basis.
- 2.3 The revised SHIP has potential for delivery of around 137 units this year, and over 900 new affordable homes in subsequent years.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Council:
- a. Approve the SHIP proposals summarised in this report which will then be submitted to the Scottish Government in December 2020.

4.0 DETAIL

- 4.1 From 2017, the Scottish Government and COSLA/Association of Local Authority Chief Housing Officers (ALACHO) agreed that SHIPs would revert to being submitted on an annual basis. In July 2020 revised guidance was issued to assist local authorities prepare their SHIPs, which require to be submitted to the Scottish Government by mid – December 2020, and will cover the period 2021/22–2025/26.
- 4.2 The Local Housing Strategy (LHS) sets out the strategic policy approach of the council and its partners to delivering high quality housing and related services across all tenures to meet identified need in the area. SHIPs are directly informed by the LHS and its policies and are developed in consultation with key stakeholders.

4.3 The core purpose of the SHIP remains to set out strategic investment priorities for affordable housing over a five year period to achieve the outcomes contained in the LHS. The plan reinforces the council as the strategic housing authority; the importance of the outcomes and targets set out in the LHS; and informs Scottish Government investment decisions.

4.4 The SHIP should therefore

- Set out investment priorities for affordable housing
- Demonstrate how these will be delivered
- Identify the resources required to deliver these priorities
- Enable the involvement of key partners

The SHIP should contain a succinct narrative in PDF form, submitted as a supporting document to the SHIP in the Housing and Regeneration Programme (HARP) system, which explains the context to the SHIP including:

- A statement on alignment with the LHS demonstrating that priorities identified in the SHIP are consistent with what the local authority outlined in its LHS (and any subsequent updates) and how the SHIP priorities will contribute to delivery of LHS Outcomes
- A summary of the methodology used to prioritise projects
- Details of how the local authority has responded to and resolved development constraints on projects prior to the site start date
- Details on how the local authority's own resources and other funding are supporting the delivery of affordable housing in its area
- Details of progress towards the delivery of its Affordable Housing Supply Programme across all tenures by completions
- Details of affordable housing projects for Gypsy/Travellers
- Details of Housing Infrastructure Fund projects where these are linked to affordable housing delivery
- Details of local plans to support the delivery of wheelchair accessible housing within its area
- A statement that strategic housing priorities are aligned and are consistent with Rapid Rehousing Transition Plan priorities
- Details of affordable housing projects that are aligned with the local authority's Child Poverty Action Report
- Details that duties under the Islands (Scotland) Act have been followed by the local authority if appropriate
- Details of any empty homes services and actions to bring homes back into use
- Details of how Council Tax on Second and Empty Homes has been used to assist affordable housing
- Details of how Developer Contributions have been used to assist affordable housing
- The type and level of consultation undertaken with RSLs, communities, developers and other stakeholders in developing the SHIP and how this has helped with the development of strategic investment priorities

4.5 **Key Aspects of Revised SHIP Guidance**

Building on previous guidance, the Scottish Government's current guidance includes an enhanced emphasis on the delivery of wheelchair accessible housing and in support of action 62 of the Fairer Scotland for Disabled People Action Plan, the guidance requires additional material from local authorities in the form of a position statement covering the following broad areas.

- What the current evidence base tells you about the requirement for wheelchair accessible housing, and any plans the authority has to develop this work further.
- The approach, if any, the authority have set in the Local Housing Strategy/ Local Development Plan to wheelchair accessible housing including any target/ quota that the local authority currently has in place.

The current guidance also includes specific linkages between the SHIP process and the duty on local authorities to produce Rapid Rehousing Transition Plans, essentially ensuring that the delivery of the SHIP will have direct impact on homelessness in the local authority area.

4.6 Resource Planning Assumptions (RPAs).

In April 2019 The Scottish Government allocated RPAs to local authorities for the two years to end-March 2021. Guidance issued this year asks local authorities to assume the RPA level for 2021/22 will be the same as the confirmed RPA level for 2020/21:

Argyll & Bute	2020/21	2021/22	Total
RPA	£19.527m	£19.527m	£39.054m

Source: Scottish Government SHIP Guidance August 2019

An approximate calculation (based on the average Affordable Housing Supply Programme 3 person unit benchmark of £82k for social rent in rural Argyll) would suggest that this level of investment could deliver 238 new affordable homes in 2021/22. Investment for the final four years of the SHIP programme, 2022/23, 2023/24, 2024/25 and 2025/26 will be confirmed in due course (for planning purposes the SHIP Guidance indicates that local authorities should use their 2021/22 RPA as the basis for funding for the final four years of this SHIP period, on the understanding that there is currently no guarantee of funding beyond 2021). It should be noted that this is potential investment for Argyll and Bute, dependent on actual need and deliverability of suitable projects; and while obviously very welcome, this level of funding will also present real challenges for the council and its partners. This would be subject to sufficient complementary funding being available from the Council and RSLs themselves to support the programme; and the capacity of the constrained local construction industry to gear up to such an enhanced level of productivity.

- 4.7 Additional funding is required to complement the Scottish Government investment, and in Argyll and Bute this includes a significant contribution from the Council's Strategic Housing Fund (SHF) as well as Housing Association

investment drawn from private sector borrowing. The council's SHF is primarily based on the revenue raised from reduced tax discounts on holiday and second homes. The SHIP sets out plans to fully utilise the SHF over 5 years to support the affordable housing development programme, including empty homes grants and loans. The projected income to the SHF over the next 3 years is approximately £2m per annum. In April 2016 the Council halved the level of grant provision for RSLs from £25k to £12k per unit, to reflect the equivalent increase in Scottish Government grant; and an evaluation exercise carried out by independent consultants in 2016 confirmed that this is indeed the most appropriate and cost effective level of grant to support the SHIP programme. An indicative estimate of around £2.8m would be required to support in full the Scottish Government investment outlined in the 2020/21 RPA above.

4.8 Consultation and Collaboration

The preparation of the SHIP is intended to be viewed as a corporate activity with close working relationships fostered across housing, planning, economic development and other internal services. It is also crucial that the SHIP process is based on collaboration between the Council, RSLs, communities, developers, the Scottish Government and other stakeholders such as the Health and Social Care Partnership; and that the SHIP document should provide a detailed narrative about how consultation and collaboration has been undertaken with all stakeholders. In Argyll and Bute, while the Council remains the strategic authority with overall responsibility for the plan, local RSLs and developers are engaged formally and informally throughout the process, and do lead on delivering most of the individual projects. Regular review meetings are held with SHIP officers from the Council, RSLs, and the Scottish Government, and all proposals and decisions are considered by the overarching, multi-agency Strategic Housing Forum. Updates are also being tabled at local area community planning groups; and at the level of specific projects, sites and settlements, a range of community representatives and individual residents are routinely engaged and consulted. In recent years, a number of local community councils and development trusts have pro-actively engaged in the SHIP process, undertaking localised Housing Need and Demand Assessments (HNDAs), with Council support, to feed into the process and contributing to discussions on the project proposals. In 2019, additional engagement has been promoted across the local business sector and a network of employers and other interested parties has been established for future consultation.

- 4.8.1 A primary focus for the new SHIP has been engagement with the Health and Social Care Partnership (HSCP) to ensure adequate specialist provision is included in the new build programme. The HSCP's 3 year strategic plan incorporates a Housing Contribution Statement (HCS) outlining the essential role housing plays in supporting and maintaining independence, health and well-being of residents. Following the production of the joint Health, Care and Housing Needs Assessment in 2018, and the recommendations which were appraised by a wide range of cross-sectoral stakeholders at a dedicated workshop session and subsequently approved by the Strategic Housing Forum

that year, the revised HCS sets out a joint vision for housing, health and social care in Argyll and Bute:

**“People in Argyll and Bute with health and social care needs
have access to housing options that
maximise their health, wellbeing and independence”**

4.9 **Housing Infrastructure Fund (HIF)**

The Scottish Government introduced an Infrastructure Fund in 2016 to support housing development through dedicated loans and grants. This five year programme will run at least until 31st March 2021 and will prioritise sites which are of strategic importance and cannot proceed or have stalled due to exceptional infrastructure works. The council secured a £2.1 million HIF grant to address the costs of upgrade works at Kirk Road/Lorn Road. This work is now complete and has enabled delivery of the ongoing 300 unit affordable housing development at Dunbeg, which remains a high strategic priority for the council and its partners. The SHIP annual update contains proposals for 3 further HIF projects in Argyll.

4.10 **Other Affordable Housing Provided Without Affordable Housing Supply Programme (AHSP) Assistance**

SHIPs should contain details of all proposed affordable housing projects within the local authority area including those which will be provided without AHSP support. This could include off the shelf purchases, buybacks of ex-council/RSL stock, projects where councils have exclusively used their own resources, pension funds or other sources of funding, including Scottish Government non-AHSP funds to develop housing. The Council will continue to explore these and all other appropriate options to increase the supply of affordable housing. SHF has contributed to 2 Rural and Islands Housing Fund projects in Argyll during 2020 – 4 affordable houses at Ulva Ferry through the Mull and Iona Community Trust (MICT) and the purchase of land for affordable housing at Scalasaig, Colonsay by Colonsay Community Development Company (CCDC).

The potential impact of the proposed Rural Growth Deal (RGD) for Argyll and Bute will be significant, and the SHIP and the housing sector in general can contribute to this strategic agenda. Housing opportunities being pursued via the RGD include addressing infrastructure issues at potential housing sites, innovative construction methods, such as off-site, modular homes for example; with a particular focus on addressing the housing needs of key and essential workers.

4.11 **Current Progress: Outputs 2019/2020**

The Table 1 details the affordable housing delivered by the SHIP in 2019/20.

TABLE 1: SHIP New Build Homes by HMA & Project, 2019/20

Housing Market Area	Projects	Completions	% of Total
Helensburgh & Lomond	Castlewood Court, Helensburgh	16	21%

Islay, Jura & Colonsay	Imeraval Phase 2, Port Ellen, Islay	8	11%
Kintyre	Southend (acquisition)	1	1%
Lorn	Glenshellach, Oban Phases 11-13	30	40%
	Powell Place, Connel , Phase 2	2	3%
Mid Argyll	Kilmartin	4	5%
Mull & Iona	Swan Drive, Lochdon, Mull	14	19%
TOTALS		75	100%

14 of the 75 completions (19%) in Table 1 were Low Cost Home Ownership properties. All 14 properties were delivered on the islands (8 on Mull and 6 on Islay)

4.12 The Revised SHIP Programme

The current year, 2020/21, is covered by a Strategic Local Programme Agreement while the new SHIP is intended to commence from 2021/22. The following tables summarise all proposals at the time of writing, including those projects which were completed in the first quarters of this year and for which funding has already been drawn down. It should be noted that the status of many future projects, particularly in the later years, remains provisional and purely indicative at this stage; some may not proceed within the timescale. However there is also scope for additional proposals to be brought forward or included in earlier years.

TABLE 2: SHIP Projects – expected to complete or be onsite in 2020/21

Project address	Developer	Units	Anticipated Completion Date
Garelochhead (Passivhaus model)	ACHA	10	2020
Glenshellach (carry over from 2019/20)	ACHA	12	2020
Cairnbaan	ACHA	5	2020
Inveraray, Phase 2	ACHA	10	March 2021
Dixon Avenue, Dunoon (refurb.)	ACHA	1	2020
Milknowe, Kintyre	ACHA	1	March 2021
Tighnabruaich	Fyne Homes	20	2020
Cairndow	Fyne Homes	6	Feb. 2021
Barcaldine	WHHA	10	2020
Kirk Road, Dunbeg	WHHA	4	2021
Dunbeg Phase 3 (partial completions)	Link	58	March 2021
Argyll & Bute 2020/21 Total Completions (est.)		137	March 2021

TABLE 3: SHIP Core Programme - Potential Completions by 2026

Project address	Developer	Units	Anticipated Completion ¹
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Imeraval, Islay, Phase 3	WHHA	8	Aug. 2021
Tarbert Phase 2	ACHA	4	Nov. 2021
Inveraray Phase 2	ACHA	10	Nov. 2021
Dunbeg Phase 3 (carry forward)	Link	242	Nov. 2021
Eton Avenue, Dunoon	ACHA	4	Jan. 2022
Jura	WHHA	10	Jan. 2022
Keills, Islay	ACHA	4	Feb. 2022
North Connel Phase 2	ACHA	2	March 2022
Rowan Cottage, Port Appin	WHHA	6	March 2022
Creamery, Port Charlotte	WHHA	8	March 2022
Jeanie Deans site, Helensburgh	Dunbritton	12	June 2022
Sawmill field, Helensburgh	Wheatley Group	36	Sept. 2022
Tobermory (Phase 3)	WHHA	12	Sept. 2022
Colonsay	WHHA	5	Oct. 2022
Rosneath	LINK	40	Oct. 2022/tbc
Bowmore (Phase 4)	ACHA	18	Oct. 2022
Imeraval, Islay, Phase 4	WHHA	20	Jan. 2023
18 th Tee, Helensburgh	Dunbritton	40	Feb. 2023
Lonan Drive, Oban	LINK	46	March 2023
Ganavan, Oban	Link	50	May 2023
Inveraray	Fyne Homes	12	Aug. 2023
Salen, Mull	WHHA	8	Aug. 2023
Dalintober, Campbeltown	ACHA	25	Nov. 2023
Golf Club Site, Helensburgh	Dunbritton	35	March 2024
Tighcargaman, Port Ellen	ACHA	20	March 2024
Lochgilphead Phase 6	Fyne Homes	12	Dec. 2024
Dunbeg Phases 4, 5 & 6	Link	150	Feb. 2025
Lochgilphead Phase 7	Fyne Homes	4	March 2025
Glencruitten, Oban	ACHA/tbc	100	2026
Argyll and Bute Total		943	2021-2026

¹ NB. Timescales are indicative and subject to change; and will be monitored on a regular basis. Some projects could also revise their final number of units.

4.13 Alternative sites are also being considered either to replace or enhance some of the sites listed in above tables. The Council continues to support community developments out with the core Affordable Housing Supply Programme (AHSP)

funding programme. A review of assets and the available landbank will also inform Council policy on the potential for providing serviced plots for sale for affordable housing development; and the outcome of a self-build/custom-build pilot in Highland Council has now been rolled out across Scotland. The council also continues to provide support for communities considering the use of the Government's Rural and Island Housing Funds and other resources to deliver affordable housing out with the core AHSP development programme.

4.14 **Impact Assessments**

In preparing the SHIP, as in all aspects of housing policy and planning, the Council has taken account of the housing needs of all the communities we serve, and continues to address equalities issues and adhere to principles of diversity and inclusion. In addition to the robust baseline evidence of specialist accommodation and support needs across the range of equalities client groups contained in the HNDA, the council is proactively pursuing engagement with the Health and Social Care Partnership to inform the SHIP programme. An overarching equality impact assessment has been completed for the LHS and this will inform our assessment of the impact of the SHIP, and how the strategic aims are embodied in the housing priorities of the programme. Housing Services will also consider requirements for Health Inequalities Impact Assessments, Child Rights and Wellbeing Impact Assessments or other potential policy implications. However, as the responsible authority for the purposes of the relevant 2005 Act, the Council has determined that a Strategic Environmental Assessment (SEA) is not required for the LHS or SHIP.

5.0 **CONCLUSION**

- 5.1 The Scottish Government will review the SHIP in line with the process agreed jointly with COSLA. Their appraisal will therefore take account of the following: the extent to which the SHIP delivers LHS Outcomes; the extent to which it is feasible to deliver; the local authority's contribution to the delivery of the programme, both in terms of its facilitation role and in terms of maximisation of resources; evidence that the Council is supporting the efficient delivery of the SHIP; evidence of stakeholders' involvement in developing the SHIP and in the implementation of proposals; and the extent to which it takes account of equality issues. In June 2020, the Scottish Government provided positive feedback on the previous SHIP, submitted last year, and their comments have also continued to inform this latest version of the SHIP moving forward.

6.0 **IMPLICATIONS**

- 6.1 **Policy:** Proposals are consistent with current Council policy, including the revised policy in respect of the use of Strategic Housing Fund monies. The SHIP supports the Local Housing Strategy vision

and outcomes which are directly aligned with the overarching objectives of the Outcome Improvement Plan, in particular Outcome 2 – we have infrastructure that supports sustainable growth.

- 6.2 **Financial:** The proposals are based on the Resource Planning Assumptions provided by the Scottish Government; the Strategic Housing Fund and RSL private finance. There will be an ongoing requirement to retain and target SHF resources to support the proposed programme.
- 6.3 **Legal:** The submission of the SHIP will meet our statutory duties, and following its approval, Strategic Local Programme Agreements will be concluded between the Council and Scottish Government.
- 6.4 **HR:** None
- 6.5 **Equalities(Fairer Scotland Duty):** The proposals are consistent with aims and objectives set out in the local housing strategy, which is subject to an EQIA.
- 6.5.1 **Equalities – protected characteristics** There are targets set within the SHIP to deliver housing which meet the needs of specialist groups
- 6.5.2 **Socio-economic Duty** The delivery of affordable housing across Argyll and Bute facilitates socio-economic opportunities for all. The SHIP links with the Child Poverty Strategy.
- 6.5.3 **Islands** The Housing Needs and Demand Assessment process takes full account of housing need on the islands. New build developments on the islands are included in each of the SHIP tables.
- 6.6 **Risk:** Risk assessment is an integral part of each development and will be considered as the programme moves forward. The SHIP is required to show how risk will be managed. Failure to deliver a robust SHIP could result in loss of substantial government investment for the local authority area. Alternatively, however, failure to forward plan judiciously and to programme development in line with identified needs could result in over supply; generating imbalances in the local housing market, and creating risks for RSLs and the management of their existing stock, with

consequent adverse effects on local neighbourhoods and communities.

- 6.7 **Customer Service:** The proposals will deliver increased access to a range of suitable, affordable housing options.

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Executive Director with Responsibility for Development and Economic Growth

Cllr Robin Currie
Policy Lead for the Economy and Rural Growth

November 2020

For further information contact:

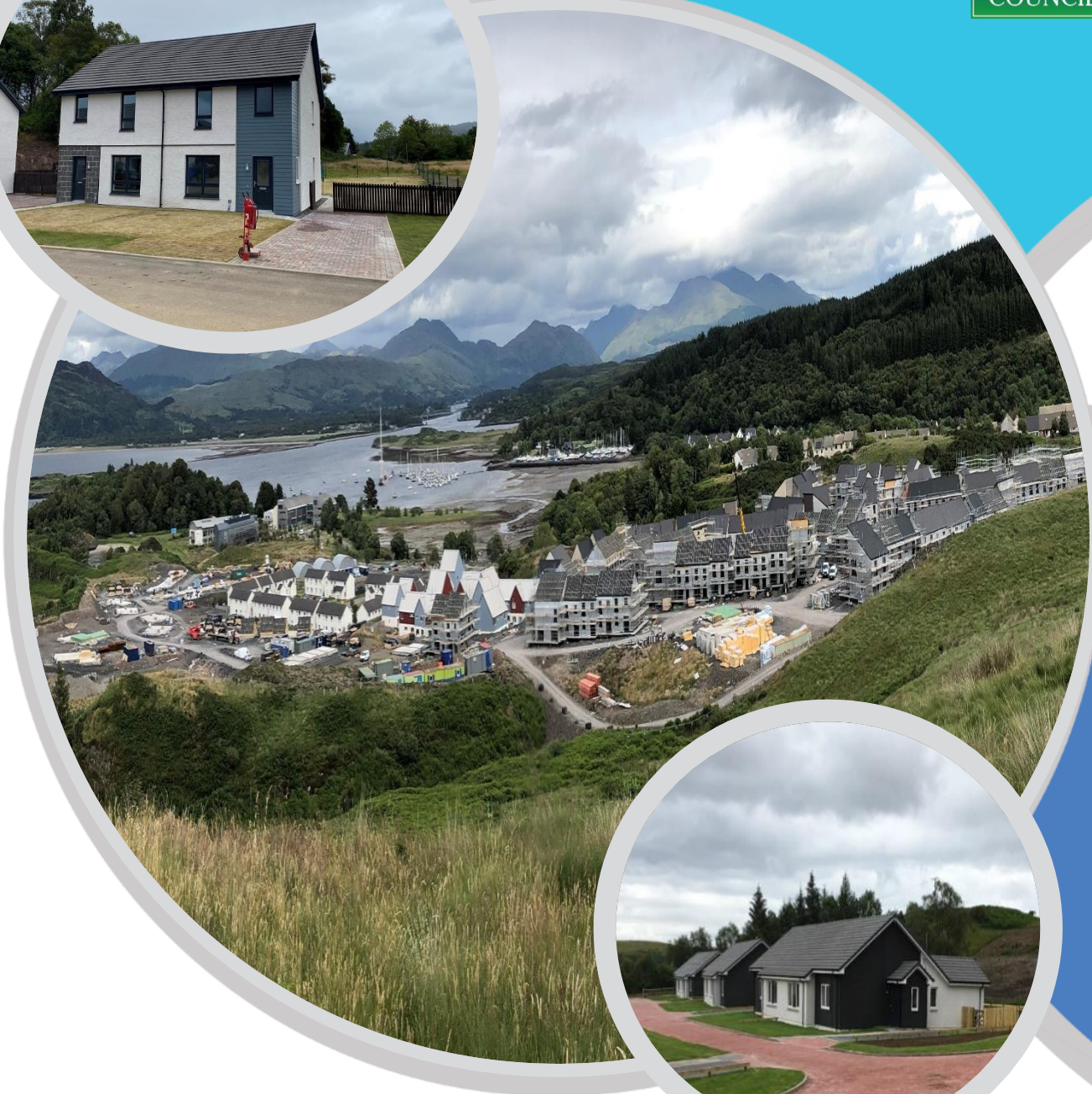
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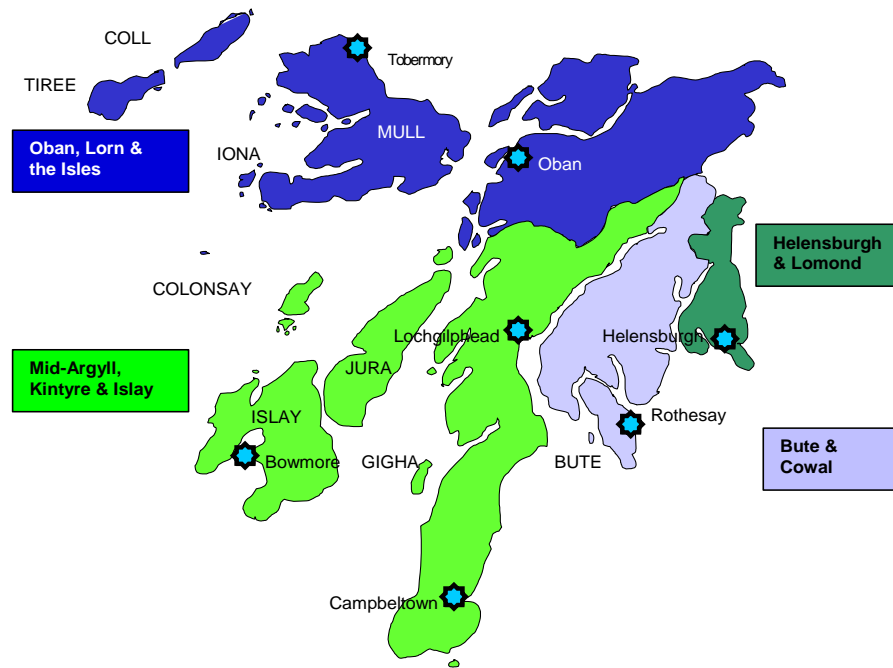
Appendix 1 – SHIP Document



**ARGYLL and BUTE
STRATEGIC HOUSING INVESTMENT PLAN
2021/22 - 2025/26
(Draft 3.1, October 2020)**



“Delivering a housing system in Argyll and Bute that makes a strong contribution to thriving and sustainable communities and supports economic growth.”



The focus of the Strategic Housing Investment Plan (SHIP) is affordable housing provision via new build, replacement, rehabilitation or re-modelling.

“**Affordable housing**” in this context refers to accommodation made available at a cost below full market value to meet an identified need and includes:

- Social rented housing;
- Subsidised low cost housing for sale (discounted, shared ownership or shared equity);
- Low cost housing without subsidy (entry level housing for sale); and
- Mid-market rental housing provided by social landlords.”

*Guidance on the Preparation of Strategic Housing Investment Plans,
Scottish Government, July 2016*

AFFORDABILITY – as a basic rule of thumb, an affordable house price is reckoned to be no more than 3.5 times the annual income of the household; and in terms of renting a property, the affordable benchmark is often considered to be around 25% of the household’s income.

1) INTRODUCTION

Argyll and Bute Council remains committed to working closely with the Scottish Government, local housing associations, and other key partners to increase the effective supply of affordable homes across the local authority area so that everyone can access a good quality home that is affordable and that meets their needs.

The Strategic Housing Investment Plan (SHIP) is a key local authority document which identifies priority housing projects to support the delivery of both local and national strategic housing targets; as well as helping to increase the supply of housing across other tenures as appropriate.

The Local Housing Strategy (LHS) sets out the strategic policy approach of the council and its partners to delivering high quality housing and related services across all tenures, to meet identified need in the area. The SHIP is directly informed by the strategy and its associated policies.

This plan is an operational document and the core purpose is to set out the strategic investment priorities for affordable housing and other tenures over a 5 year period, to achieve the priorities and outcomes set out in the LHS. It reinforces the Council's role as the strategic housing authority; and informs Scottish Government housing investment decisions. It also underpins the preparation of Strategic Local Programme Agreements (SLPAs).

Specifically, the SHIP is the key document for identifying:

- Proposed strategic housing projects which require funding from the Scottish Government's Affordable Housing Supply Programme;
- Proposed affordable housing projects which can be provided without Scottish Government funding support; and
- Projects across all tenures requiring grant and loan funding from the Scottish Government's Housing Infrastructure Fund.

This SHIP has been developed in consultation with key stakeholders; and following agreement of the strategic local programme in August 2020 with the Scottish Government and individual, partner RSLs. The outline draft plan was also approved by the SHIP Officers' Group and the Strategic Housing Forum in 2020 and the final SHIP was approved by Council/Committee in November 2020.

This SHIP covers the period from 2021/22 to 2025/26.

Content of the SHIP

The SHIP comprises two key elements:

- a) This narrative document setting out the context to the plan including:
 - The strategic framework and how the SHIP contributes to LHS Priorities and Outcomes;
 - A summary of the Project Prioritization Framework;
 - Deliverability of projects and Mitigating Development Constraints;
 - Resourcing the programme, including the local authority's contribution, the use of council tax on second and empty homes, Scottish Government investment and Developer Contributions;
 - Progress towards targets by completions;
 - Specialist Provision, in particular wheelchair accessible housing;
 - Empty homes services and actions to bring homes back into use;
 - Consultation and Stakeholder Engagement
 - Impact Assessments: including Equalities; Fuel Poverty and Energy Efficiency; Health Inequalities; Child Poverty; Homelessness; Gypsy/Travelers; and Rural & Island impacts
 - A summary of the Current and Projected Programmes

- b) An electronic annex listing affordable housing projects across all tenures that have been identified as priorities for funding over the five year period. This will:
 - Include rolling forward existing projects from the previous SHIP (October 2019) where appropriate;
 - Set out the funding and delivery mechanism; and
 - Demonstrate that the projects and resources will be realistically delivered over the plan period, highlighting any potential risks.

This second element of the SHIP is located on the Scottish Government's online HARP system (Housing And Regeneration Programme), however a summary list of projects is included in the narrative document for ease of reference.

2) THE STRATEGIC FRAMEWORK

▪ Local Outcome Improvement Plan (LOIP)



The Argyll and Bute Outcome Improvement Plan 2013-2023 (previously the Single Outcome Agreement / Community Plan) sets out the Community Planning Partnership's (CPP) vision for achieving long term outcomes for communities in Argyll and Bute. As the overarching strategic document for local partners, including the council, it provides the high level context for a wide range of strategies, plans and policies, including both the Local Housing Strategy and the SHIP.

The overall objective of the plan for the 10 years to 2023 is –

Argyll and Bute's economic success is built on a growing population.

This objective is underpinned by 6 long term outcomes:-

In Argyll and Bute:

- 1. The economy is diverse and thriving.**
- 2. We have infrastructure that supports sustainable growth.**
- 3. Education, skills and training maximises opportunities for all.**
- 4. Children and young people have the best possible start.**
- 5. People live active, healthier and independent lives.**
- 6. People live in safer and stronger communities**

While the housing sector has a role to play in achieving all of these outcomes, the provision of affordable new build housing, particularly the delivery of the SHIP, is primarily focused on Outcome 2, in relation to infrastructure that supports sustainable growth.

▪ **Priorities of Argyll and Bute Council 2017 - 2022**

The current council administration continues until 2022, and is focused on creating and making the most of opportunities while continuing to deliver quality services. Like the communities we represent we are ambitious and we will always be accessible to our constituents and accountable to the people of Argyll and Bute. We are committed to making Argyll and Bute a great place to live, work and do business and we will work hard to deliver better core services and improved support for communities. Local residents know that all councils are facing difficult decisions. Where we can't always provide, we'll enable, support and work in partnership to achieve delivery.

OUR VISION FOR ARGYLL AND BUTE COUNCIL

A Council that grasps opportunities to transform how it delivers services, working in partnership with communities and other public and private sector organizations, with a “can do, will do” attitude, and a strong commitment to community power and to the delivery of first class local services:

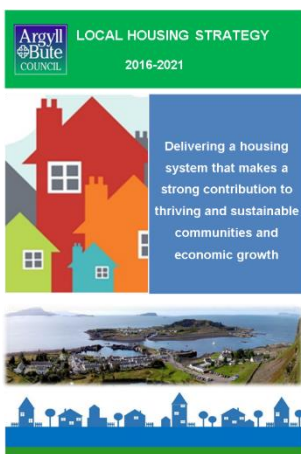
- An education service which enables all young people to achieve their potential;
- Support for the local economy in partnership with local businesses
- Homes for all, tackling poverty and building opportunity
- Greener and cleaner communities

A determination to ensure that our diverse geographic location with remote, rural and island communities is fully taken into account and supported in the distribution of any new funding

With specific regard to Housing, the priority of “**Homes for all, tackling fuel poverty and building opportunity**” is directly related to, and supported by, the SHIP. Relevant actions includes:-

- Work with partners and the Scottish Government to deliver new affordable homes across the Council area, and consider using the resources of pension funds or developer contributions whenever possible to increase numbers;
- Use the council's negotiating and initiating clout to secure lower priced energy for local people to address the issue of fuel poverty that has a significant impact locally;
- Work with partners to provide advice, information and support at an early stage for people who are homeless or at risk of becoming homeless

Local Housing Strategy (LHS) 2016-2021



The Council continues to ensure that the investment programme and priorities set out in the SHIP are consistent with the LHS and its annual updates; and that these remain firmly based upon a “robust and credible” assessment of housing need and demand (HNDA). Existing strategic priorities and outcomes continue to be ratified and supported by partners and stakeholders via the Argyll and Bute Strategic Housing Forum.

The current LHS was implemented in 2016, and covers the five year planning period to 2020/21. It sets out the core vision:

“To deliver a housing system in Argyll and Bute that makes a strong contribution to thriving and sustainable communities and supports economic growth.”

Supporting this vision are four high level priorities:

- 1) To facilitate access to sufficient, suitable and affordable housing across all tenures**
- 2) To promote individual housing options to meet housing need**
- 3) To enable people to live independently in their own homes**
- 4) To regenerate communities through improving the quality, condition and energy efficiency of housing**

The SHIP plays a key role in achieving the vision and high level priorities, as well as delivering the affordable Housing Supply Targets (HSTs). The current LHS sets out a minimum target of 550-650 affordable homes by March 2021, however a revised HNDA is currently under development and fully updated HSTs will be established by April 2021, for delivery by 2026.

In summary, the SHIP will aim to deliver:

- *At least* 550 new affordable homes over five years;
- At least 80% of which should be for social rent and up to 20% could be alternative tenures such as shared equity; and
- 10% should comprise some form of “specialist provision” including 5% which should be fully wheelchair habitable.

In addition, the SHIP will support the provision of:

- An effective land bank of sites in areas of housing need; and
- An Affordable Housing Policy which maximizes the impact of private developer contributions.

3) PRIORITISING THE PROGRAMME

The SHIP sets out a clear and transparent framework for the prioritisation of projects to be delivered over the next five years. In prioritising the programme, the Council has sought to maintain an appropriate balance of housing provision across Argyll & Bute that reflects the affordable housing shortfalls identified in the five year HNDA, published in 2016, (and any subsequent local Housing Market Area or Community needs assessments) and contributes towards the outcomes detailed in the LHS and the Argyll and Bute Local Outcome Improvement Plan. A comprehensive revision of the HNDA is being undertaken in 2020 and this will inform future updates of the LHS and SHIP in 2021.

As previously, within each HMA, investment is mainly targeted at communities exhibiting the greatest affordable housing pressures. These priorities continue to recognize the importance of investing in small rural communities as well as larger urban areas. The communities have been identified by consideration of:

- the relative and absolute pressure on the existing affordable housing;
- the ability to meet need in the wider housing market area; and
- recent investment patterns; as well as
- deliverability (site ownership, infrastructure or planning constraints, etc)

Given that localised “hotspots” or pressured areas may still be masked within the wider geographic HMAs, a further refinement of the evaluation process is also required at the localised settlement (or letting area) level, to reflect the complex rural and island geography of Argyll and Bute. Therefore, the Council continues to employ the following key indicators:-

Criteria	Indicator/Evidence
Identified need	HNDA & local updates – total shortfall in affordable housing.
Pressure ratios	CHR - waiting list applicants per available let on annual basis.
Homeless Pressure	HL1 statistics - total applicants per HMA & relative time to close cases; number/duration of temporary accommodation cases; RSL performance re housing homeless cases.
Social stock levels	Proportion of existing RSL stock to total number of dwellings on Council Tax Register.
Wider Strategic Fit	Links to, & synergies with, Local Development Plans (including support of the Council’s Key Rural Settlements as well as identified fragile areas); economic development plans or regeneration initiatives; or other wider community benefits.
Specialist Provision	HNDA/CHR/Health & Social Work caseload – total shortfall for special needs accommodation & evidence from waiting lists or bespoke research.
Risk/Deliverability	Satisfies key development criteria (site ownership; planning consent; resourced; infrastructure constraints; contractor capacity). Early liaison with Planning remains critical.
Affordability (of proposed rent)	Compared to Scottish Govt. benchmarks and other RSL rents; as % of LHA; and as % of local household incomes.

Prioritisation by Housing Need - In terms of distribution by Housing Market Area (HMA), the main need continues to be evidenced in Oban & Lorn, albeit future demand may be subject to review, dependent on the results of the emerging HNDA. Topographically and geographically, options are constrained in Oban itself, therefore, Dunbeg is currently the primary development priority for the Council, but additional or alternative sites are also under consideration.

Strategically, Helensburgh & Lomond is also a high priority in terms of need and potential growth opportunities. Critically, the impact of the increased MOD presence at the Faslane naval base, and the consequential impact from families and dependents, as well as enhanced supply-chain requirements servicing the base, will inevitably result in additional accommodation pressures within this catchment area. Mid Argyll could benefit from further developments albeit this continues to be closely monitored to avoid creating imbalances in the existing system; and Cowal, as the HMA currently most at risk of severe depopulation, could be regenerated with judicious development, operating in tandem with improvements in employment opportunities and transport infrastructure; and there may be emerging particular needs in this HMA for a few larger families requiring specialist provision. Caution however will be required to ensure new build developments in this area do not have any unintended, adverse consequences for the existing housing system.

Small-scale developments could also have a significant and positive impact on the Atlantic Islands. However, Bute and Kintyre still appear to be relatively well balanced in terms of current supply and demand (annual RSL lets are more than sufficient to address waiting list demand, and there are a number of long-term voids in these areas, with key landlords undertaking strategic stock rationalisation and/or demolition) and therefore any new build in these two HMAs should focus on unsubsidised, private market accommodation.

Prioritisation by Tenure - The LHS proposes that a majority of the programme should be for social rent (no less than 80% of completions), however, alternative tenures such as shared equity, other low cost home ownership options or mid-market rent, will be considered on a site-by-site basis in line with local market conditions and needs, and actively encouraged where appropriate and subject to a robust business case being made.

Prioritisation by Size – The SHIP will continue to promote the delivery of smaller properties (1 and 2 bedrooms) where practical, in line with the HNDA and the continuing evidence of the HOMEArgyll common housing register. In 2020, for example, 82.6% of the active waiting list applicants required 1 or 2 bedroom accommodation; while 12.9% required three beds and only 4.6% required 4 or more bedded properties. Nevertheless, the requirement for larger, family-sized accommodation will continue to be monitored and addressed as appropriate, and to allow for a degree of flexibility within the local housing system.

Prioritisation by Particular Needs – Given the impact of the ageing population, and the particular needs of other sectors of the population including the physically disabled and those with learning disabilities or mental health issues, as outlined in the HNDA, and as reinforced in the findings of the joint Health, Care and Housing Needs Assessment produced in 2018 by the council and the HSCP, the LHS specifies a *minimum* target of 10% of new build should be purpose designed as specialist provision to suit households with medium to high level particular needs. This includes provision of wheelchair and extra care accommodation, and, particularly, medium dependency, amenity housing. As far as possible, all general needs new builds are designed to the minimum lifetime, Housing for Varying Needs Standards, to maximise the accessibility for residents whose circumstances and needs will change over time.

In addition, the extent and nature of the future ageing population, for instance, will necessitate strategic investment in the development and delivery of housing-based care, support and aids and adaptations. To this end, the Council has developed a more cohesive partnership with the Integrated Health & Social Care body to ensure that the SHIP process is fully aligned with the health and social care integration agenda and other relevant plans such as the “Keys to Life” strategy for persons with learning disabilities, the Integrated Children’s Services Plan, the refreshed national housing strategy for Older Persons published in August 2018, “Age, Home and Community: the next phase”; and the Fairer Scotland for Disabled People strategy published by the Scottish Government in 2016; among others. Further refinement of the wheelchair housing targets are set out in Section 7 of this plan.

The finer detail of the programme will be arrived at through specification of suitable type and size of accommodation for individual developments, taking into account the needs of actual households on the waiting list and, where appropriate and as far as possible, in consultation with local community stakeholders.

Rural and Island Proofing¹ – the Council’s Housing Service will continue to apply a policy of rural-proofing housing plans and strategies to ensure the more remote and isolated areas, or those designated as “fragile”, are not disadvantaged or adversely affected by investment and development decisions. Critical to this aim, is joint working with local planners to support the development and sustainability of designated key rural settlements across Argyll and Bute as well as supporting the aims of the Loch Lomond & Trossachs National Park. As well as the ratio of waiting list applicants to available RSL lets and other indicators outlined above, key factors

¹ Rurality is defined in the Scottish Government Urban Rural Classification, see: <http://www.gov.scot/Topics/Statistics/About/Methodology/UrbanRuralClassification>. In addition, one definition of fragility is outlined in the report: Review of Fragile Areas and Employment Action Areas in the Highlands and Islands, HIE, November 2014.

influencing the prioritization of rural developments include: the ratio of social housing to second homes; proportionate historic losses through Right to Buy; the percentage of social housing to total dwelling stock; and the ratio of local earnings to average or lower quartile house prices and private rents. While existing, evidenced need remains the primary concern, consideration will also be given to rural areas of potential economic development and/or population growth in liaison with Economic Development colleagues and the local business sector. In this context, the potential impact of the proposed Rural Growth Deal (RGD) for Argyll and Bute will be significant, and the SHIP and the housing sector in general can contribute to this strategic agenda. Housing opportunities being pursued via the RGD include innovative construction methods, such as off-site, modular homes for example; with a particular focus on addressing the needs of resident and incoming workers.

The rural/urban housing differential is acknowledged nationally, in the structure of the Scottish Government's benchmark framework for grant funding, whereby Argyll and Bute receives a rural uplift to address the additional costs involved in remote rural and island development. The council previously commissioned dedicated studies of island housing markets, specifically for Mull and Islay², which provided evidence on the disproportionate uplift development costs for these areas and highlight specific issues and barriers to development in these contexts.

This SHIP has also been developed within the context of **the Islands (Scotland) Act 2018** which introduced measures to support and help the unique needs of Scotland's islands now and in the future. The Act also seeks to help create the right environment for sustainable growth and empowered communities. With around 23 inhabited islands in this local authority area, Argyll and Bute is committed to supporting and sustaining population and economic growth in these communities and will always ensure to engage directly with the islands when new policies and strategies are being developed that may impact on them. The SHIP aims to support the priorities of the island communities, and our consultation reflects this commitment. In addition to the foresaid island studies, we ensure that our overarching HNDA process allows for a significant, representative sample of local households on individual islands to participate and register their housing needs and voice their general views on local housing.

Over the first four years of the current LHS, a total of 77 new homes were delivered via the SHIP on the islands, amounting to 19% of the total completions. The islands received SHIP investment of over £14m to deliver these new homes, amounting to 21% of the total SHIP investment in completed projects in Argyll and Bute over that period. In addition, there are 18 new builds on site on Islay and Jura in 2020; with potential scope for further units to be delivered across Islay, Colonsay and Mull in the next couple of years.

² "Islay Strategic Housing Overview", Community Housing Scotland (2019); "Isle of Mull Strategic Housing Review", Rural Housing Scotland (2019).

As noted in a later section of the Plan, we are also engaging with, and providing support to, island and rural communities who are pursuing funding bids and feasibility studies via the Scottish Government's Rural & Island Housing Fund. These include additional projects on Mull (Ulva Ferry, Bunessan and Dervaig for example) and other islands such as Gigha.

Ultimately, in terms of project prioritization, final preference will be influenced by project costings, therefore the proposed programme can only be indicative at this stage.

The Impact of Covid-19 on the HNDA and future SHIP programme

Given the unprecedented and unforeseen impact of the pandemic in 2020, it is anticipated that future need and demand for housing and related services will be affected in various and potentially significant ways. While that much is clear, the actual longer term impacts remain uncertain and it will be important to plan for a range of possible scenarios. This will affect not only the estimated requirement for affordable new build accommodation, but also the delivery processes, the funding structures and planning framework, and the economic and demographic environment in which policy and investment decisions will need to be made.

As a consequence, priorities are likely to change and evolve over time, and the prioritization framework underpinning the SHIP will also need to respond to these changes. In developing the new HNDA in 2020, and preparing revised Housing Supply Targets for the LHS in 2021-2026, the Council will continue to take a pragmatic and realistic approach whilst striving to deliver its ambitious strategic aspirations. The HNDA will encompass a range of options from the worst case scenario of severe demographic and economic decline in the short term; through less severe and stabilizing scenarios; to more optimistic growth scenarios; all of which can be justified and supported by the available evidence and forecast modelling.

The need to sustain an increased new-build programme could arise under various scenarios: if economic decline and financial constraints lead to widespread unemployment and hardship with resultant loss of homes or tenancies, then there would be a requirement for the safety net of affordable social rented properties to increase; but on the other hand, if there is a behavioral shift in terms of more home-working, and in-migration to remoter, rural and island havens, then that would also entail a requirement for increased affordable housing supply. Current anecdotal evidence suggests that a property boom is occurring across the authority, even in areas such as Bute which have tended in recent years to be depressed markets with low demand and excessive turnover rates. This may just be an anomalous blip, following lockdown and the freezing of purchase and rental markets; however it will be important to monitor trends closely and review needs assessments and supply targets within the SHIP on a regular basis.

4) DELIVERING THE PROGRAMME: MITIGATING RISKS AND RESOLVING DEVELOPMENT CONSTRAINTS

It is important to identify, assess and respond to any risks or potential constraints that might impact on the overall programme or individual projects; and that effective measures are taken to mitigate these as far and as early as possible. The SHIP aims to provide assurance that, if funding is secured, any other constraints will be resolved by the time of estimated site start of the relevant project. The main risks or constraints that tend to apply to the SHIP programme include:

- Development and Infrastructure constraints
- Financial Assumptions
- Planning issues
- Legal procedural constraints; and
- Effective land supply

In addition, an ongoing, critical factor in the context of this authority is the capacity of the local construction sector and the constrained market for competitive tendering.

The impact of the coronavirus will continue to exacerbate many of these risks and potentially introduce a set of new challenges: health and safety measures and distancing protocols will reduce contractor capacity onsite thus delaying developments; while supply chains, and travel, transport and accommodation constraints are likely to be affected and result in increased costs as well as further delays.

The council and its partners are working continuously to minimize these risks and mitigate constraints as far as possible, for example:-

Development Constraints (such as infrastructure issues: roads, utilities, ground condition problems/ abnormal costs) - The core SHIP programme has always aimed to focus on sites that are not subject to significant development constraints such as contaminated brownfield sites, designated greenbelt areas, or sites with restricted infrastructure capacity in terms of access roads or water supply. However, in certain instances within some highly pressured areas where a substantial shortfall in affordable housing is evidenced, or in areas of wider strategic importance, it may be necessary to consider such sites in the absence of more practicable or easily-progressed sites. Apart from the site constraint itself there may be costs associated with carrying out remedial works, preliminary feasibility studies, or mitigating the potential impact on areas of archaeological significance or on historic buildings and this places a further constraint on site development. Mitigation may be aided by ensuring site investigation is carried out at early stages; and seeking to ensure land values reflect any remediation costs. In terms of infrastructure constraints, such as Scottish Water connections/ capacity/ access, early discussions with the Utilities

companies will be initiated to address potential issues and achieve possible synergies in investment programmes. Where possible, abnormal costs should be deducted from the land purchase price and unforeseen costs may be met from alternative sources such as the council's Strategic Housing Fund, developer contributions, or other sources such as Rural Growth Deal funding following a successful bid to government.

The Housing Infrastructure Fund (HIF) in particular has already proven to be a significant factor in supporting housing development in this authority through grants for sites which are of strategic importance and cannot proceed or have stalled due to exceptional infrastructure works (outwith the curtilage of the development); and can help facilitate the unlocking of these sites for the delivery of housing. The council successfully prioritised the further development of Dunbeg, for instance, as a key site for delivery of housing utilising this fund, and was awarded £2.1m in total, in line with the eligibility criteria and guidance set out by the Scottish Government. (See Section 6 for further details regarding the HIF investment in Argyll and Bute.)

Effective Land Supply - The historic RSL land bank and available council owned sites have now been depleted and it may be that in the future land assembly will prove a significant challenge. A notable feature of a rural and island authority such as Argyll and Bute is the dominance of large estates in terms of land ownership in many areas exhibiting housing need, and this can present additional challenges in respect of accessing and assembling suitable sites for development. Nevertheless, through collaborative efforts with planning colleagues, the council and National Park are confident that a "generous" supply of land for affordable housing continues to be sustained. The council continues to audit housing allocations in the current Local Development Plan to ensure a more robust and rigorous approach to effective site provision. Partners continue to carefully consider the timing and possible phasing of developments to make realistic assumptions on when affordable housing will proceed. We aim to ensure that a sufficient supply of sites remains identified in the system to accommodate unforeseen slippage in the timing of projects coming forward; and to maximise the benefits of increased or additional funding. The council's combined Planning, Housing and Regulatory Services' annual Planning Performance Framework, 2018/19 recorded the following National Headline Indicators (NHIs):-

Effective Housing Land Supply	2018/19	2017/18	2016/17
Established housing land supply	5387 units	5471	5865
5-year effective housing land supply	3742 units	3808	3908
5-year effective land supply total capacity	5106 units	4419	n/a
5-year housing supply target	3725 units	3725	3725
5-year effective housing land supply	5.0 years	5.1	5.2
Housing approvals	909 units	539	866
Housing completions over the last 5 years	1080 units	1088	1149

The updated housing land audit for 2020 was not complete at time of writing, nevertheless the council does not anticipate issues in respect of the effective land supply over the period of this SHIP. Additional land supply, in parts of Cowal and Lomond, is set out in the Loch Lomond & Trossachs National Park

Plan which operates as the strategic planning authority for these areas within Argyll and Bute. Occasionally, proposed projects are subject to complex or protracted negotiations with private owners and their agents which can impact on the timing and ultimately on their deliverability. Therefore effective liaison with the Scottish Government to prioritise projects and progress site acquisitions to enable projects to be pulled forward if required, is essential. In addition, the impact of both the Council and National Park Affordable Housing Policies continues to prove invaluable; and there is an obvious need to sustain practical negotiations with landowners, Estates, private developers and others. Some RSL partners have however raised concerns that in the current climate the application of the Council's Affordable Housing Policy will make site development less attractive and sites are only likely to be developed where there is a pressure to secure a return in the short term. To facilitate private development, therefore, the Council's current policy exempts certain low pressure areas in accordance with the current HNDA (e.g. Bute, Kintyre) from the 25% affordable quota. However, in general, in the medium to long term, the private ownership of many sites in Argyll and Bute means that the Affordable Housing Policy will continue to have a definite role in securing a sufficient supply of affordable housing through developer contributions. Strategic engagement with local communities and agencies such as Highlands & Islands Enterprise to assess potential use of Strategic Land Fund, where appropriate, may provide benefits; and additional mechanisms may also be available via recent initiatives such as the Rural or Island Housing Fund and new Community Empowerment legislation.

The council is also exploring the current legislation around Compulsory Purchase Orders (CPOs) and will consider the potential benefits of pursuing these on a case by case basis, where circumstances are proving unreasonably intransigent and there are compelling benefits to the public interest.

Planning issues - Early discussions will continue to be prioritised with planning services (both Council & National Park) regarding road layouts/ car parking requirements, school catchment areas, and other possible issues. The provision of adequate footpaths adjacent to new developments, for instance, have been particular prominent issues in relation to a number of recent SHIP projects. All of the development sites included in the SHIP programme should be effective given that they will, in most cases, require to be already allocated for housing development in the relevant local development plans. Many of the sites identified in the SHIP are of relatively small capacity. The costs associated with progressing smaller sites in the more remote rural areas are likely to be higher if developed as standalone projects. However it is envisaged that, where SHIP sites form part of a larger allocation identified in the LDP, through partnership working with private developers on adjacent sites the risk of such sites not being developed on cost grounds will be reduced.

More rigorous build quality standards, and "greener" standard requirements, can lead to conflicting pressures in terms of resources required per unit. RSLs and their partners continue to highlight concerns in balancing cost and quality

considerations, especially given the ongoing cost of securing private finance in recent years.

Local RSLs are also currently committed to exploring effective measures for maximising procurement efficiencies through volume, but also continuity of work and standardisation of specifications and products as far as possible. Historically, the constrained capacity of the local construction sector has been seen as a particular issue and this remains a critical factor for this authority, (particularly beyond the Helensburgh area which benefits from wider competition from outwith the local authority boundaries) however there has been an increase in the number of potential contractors operating in the area in recent years and currently it could be argued that the situation in Argyll and Bute is healthier than it has ever been. This is reflected for instance in the emergence of a new RSL/developer within Argyll and Bute, in the Helensburgh area, the Wheatley Group working in tandem with Cube Housing Association, with proposals for a significant project now included in this SHIP.

RSLs face increased risk in delivering and selling shared equity units or mid-market rent schemes, in the current economic climate. These products are still relatively new in the context of local markets, with little or no comparators available to support robust financial evaluation, and quantifying realistic demand also proves problematic. The Council has been required to provide extended loan facilities to counter this particular problem in the past. In the future, provision for tenures other than social rent will require detailed business plans and must reflect robust and credible assessment of local needs before approval, however, the council is keen to encourage and support alternative, intermediate tenures when appropriate to enhance the mix within the local housing system and to increase the range of potential housing options. Recently, positive success has been achieved with small-scale projects in Lorn and Mull, delivered by West Highland Housing Association, and signs are encouraging for future provision. The council has undertaken dedicated research into the potential impact of these alternative tenures across the authority area, and the emerging results will help to inform the new HNDA and LHS, and future iterations of the SHIP.

Further mitigation of immediate and direct risks arising due to Covid-19 is available in the form of supplementary Scottish Government funding to address specific additional development costs. The eligibility criteria for this support are set out in Scottish Government's "Guidance Note: MHDGN 2020/01" which is available online at the [AHSP Guidance Note page](#). The Argyll and Bute SHIP Officers' Group reviewed the guidance in September 2020, and while generally welcoming this additional support there was overall agreement that this should be a last resort, used only to address particular circumstances of hardship such as potential job losses in the construction sector, and must not be allowed to set precedents for inflated costs. The Council fully supports this approach.

5) PARTNERSHIP WORKING AND CONSULTATION

As outlined in previous SHIPs, the preparation of this plan, as well as the planning and delivery of individual projects, remains a continuous, iterative corporate activity. Since 2019, close working relationships have been further enhanced and streamlined as the council's service restructuring brought Housing and Planning Services together with Economic Development and Regeneration in a single department of Development and Infrastructure, under one Head of Service. In addition, the internal joint working will include ad hoc involvement of other departments such as Roads, Property Development/ Estates when appropriate. The SHIP process particularly reflects a strong collaborative approach with Registered Social Landlords (RSLs, or housing associations), the Scottish Government, communities, developers and other stakeholders.

Key partners include:

- The Scottish Government: More Homes Scotland Division
- Argyll & Bute Council
- Argyll & Bute Health & Social Care Partnership
- Argyll Community Housing Association
- Fyne Homes Housing Association
- Dunbritton Housing Association
- West Highland Housing Association
- Link Group Ltd
- Wheatley Group
- Bield Housing Association
- Trust Housing Association
- HMNB Clyde/ MOD
- Loch Lomond & Trossachs National Park
- Third Party agencies such as Rural Housing Scotland and Communities Housing Scotland.
- Highlands & Islands Enterprise
- Veterans Housing Scotland
- Scottish Water

At the very local level, on a site by site basis, RSLs and Council officials continue to liaise closely with private developers, local land owners, local community groups and development trusts, and a range of other stakeholders to negotiate, facilitate, enable and deliver viable projects within the context of the LHS and the framework of the SHIP. Updates are also being tabled at local area community planning groups; and at the level of specific projects, sites and settlements, a range of community representatives and residents are routinely consulted.

The Argyll & Bute Strategic Housing Forum, comprising a wide range of key partners from the Community Planning Partnership, constitutes the overarching

body with ultimate responsibility for overseeing the implementation and monitoring of the LHS and the SHIP; and is chaired by the Council Leader. The Strategic Housing Forum is also responsible for making appropriate recommendations to Council Members and for lobbying the Scottish Government in respect of housing issues in Argyll and Bute. The Terms of Reference for the Forum, as the formally constituted local housing market partnership within Argyll and Bute, were reviewed and agreed in September 2020, and are available on request to the council.

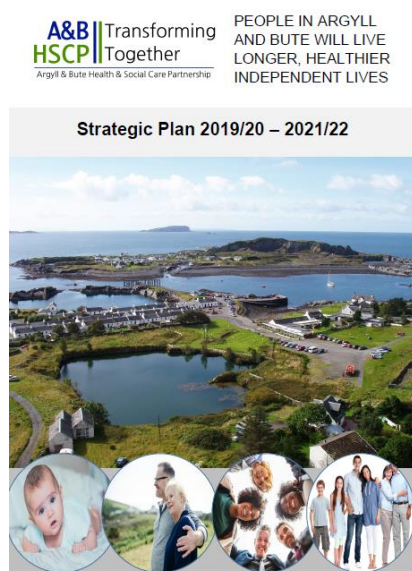
The SHIP Officers Development Group - In addition to regular programming meetings between the Council, the Scottish Government and individual RSLs, a dedicated SHIP Officers Group continues to bring practitioners from all these parties together on a quarterly basis to address and progress operational development matters which are then reported to the overarching Strategic Housing Forum. In 2018/19 a secondary SHIP Partners Group was convened involving other partners such as infrastructure services (Roads and Amenities) and agencies such as Scottish Water to consider specific project-based issues. This proved successful in addressing specific constraints and has now been incorporated, as appropriate, within the SHIP Officers Group and the Strategic Housing Forum.

Wider Stakeholders, Local Business, and Economic Development - Other stakeholders and strategic partners will be engaged on an ad hoc basis as appropriate. Increasingly, given the overarching strategic imperatives, economic development and regeneration partners are also emerging as key associates in the SHIP and LHS process. This has led, for instance, to an ad hoc working group (facilitated by Housing, Economic Development and HIE) co-ordinating dedicated events in August 2018 and September 2019, for local employers and representatives of the business sector to engage with housing providers, and explore innovative delivery mechanisms and opportunities such as the Rural Growth Deal. The events also provided networking opportunities for local community representatives as well as RSLs (which of course constitute local, community-based and focused organisations and charitable associations in their own right). In total, over 50 organisations, agencies, services and individuals attended the events, and the intention is to retain this network as one thematic interest group for future consultation and engagement when developing the next Local Housing Strategy.

Community Engagement - In addition to the above, the council has recently reviewed and updated its approach to localised housing need and demand assessment; building on a number of years' experience with community councils, development trusts, local study groups, green belt groups, tenants and residents' associations, and various other local bodies across mainland Argyll and throughout the islands. The result is a detailed resource for local communities and third party support agencies to carry out surveys, stakeholder engagement, and data analysis, with the support of council staff, in order to assemble the crucial, "high quality, fit for purpose" evidence base required to

secure public funding and help to deliver practical housing solutions³. The council has engaged with local representatives on Mull, and community councils in North Lorn, for instance, to implement the new toolkit; and this is now available both proactively and on demand.

Health and Social Care Partners



As a priority, the Council continues to foster closer engagement with the Health & Social Care Partnership (HSCP) at all levels (from senior management group to locality planning groups) and at the earliest possible stages in the process. The HSCP's current three year Strategic Plan was launched in April 2019, incorporating a revised and updated Housing Contribution Statement (HCS) which outlines the essential role that housing plays in supporting and maintaining independence, health and well-being of all residents. The SHIP has a direct and significant contribution to make to these outcomes.

Following the production of the joint Health, Care and Housing Needs Assessment in 2018, and the recommendations which were appraised by a wide range of cross-sectoral stakeholders at a dedicated workshop session and subsequently approved by the Strategic Housing Forum that year, the revised HCS sets out a joint vision for housing, health and social care in Argyll and Bute:

“People in Argyll and Bute with health and social care needs have access to housing options that maximise their health, wellbeing and independence”

To achieve this, people need to be enabled, through their contacts with services and provision of information, to live at home, or in a homely setting, as independently as possible and to be well connected to their communities. The delivery of suitable specialist provision via the SHIP programme will be critical to this.

A dedicated Housing Occupational Therapist (OT) post was created to take this agenda forward and cement the close partnership working between the council, RSLs and the HSCP. This includes reviewing the circumstances and requirements of families with particular needs; developing a better understanding of the accommodation and support needs of wheelchair users;

³ The Argyll and Bute Community Housing Assessment Toolkit (CHAT) is available on demand from Council Housing Services. See contact details on the final page of this Plan.

and facilitating early interventions, particularly in relation to adaptations. One innovative outcome of this joint working was the delivery of a cross-sectoral training programme for partners, and this will also help to inform the SHIP process and promote greater engagement across the board.

The Housing OT and relevant HSCP officers will continue to participate in the SHIP Operational Group as well as the Strategic Housing Forum. In 2020, the council committed further funding to secure this post for another year. Working closely with the council's LHS Team, the Housing OT had a key role in research and consultation with wheelchair users across Argyll and Bute, to help identify specific new build targets for wheelchair accommodation, which have been incorporated into this plan and take immediate effect in respect of the SHIP programme.

HMNB Clyde / MOD engagement

As reported in previous SHIPs, the Strategic Delivery and Development Framework (SDDF) was established between the Council and HMNB Clyde to achieve maximum benefit for the Base and the wider community as a consequence of the proposals for increasing the naval presence at Faslane. This dedicated working group continues to explore the potential accommodation needs arising from the development of the naval base as the Royal Navy's UK Submarine Centre of Specialization; and the consequent economic impact this is likely to have in the local area. The SHIP is therefore required to take full account of the associated emerging accommodation needs in the Helensburgh and Lomond area. To this end a comprehensive housing market study of the area was completed in 2018 which involved further extensive consultation and stakeholder engagement; and a wider economic study is being carried out by the council in partnership with the MOD.

A key issue in relation to housing and potential requirements for the SHIP, is the implementation of the Future Accommodation Model (FAM) which is being piloted by the MOD. The 2015 Strategic Defence and Security Review (SDSR) committed the Ministry of Defence to make a new accommodation offer, to help more service personnel live in private accommodation and meet their aspirations for home ownership. The way people live and work is changing and the FAM reflects this, giving more choice to more Service personnel and their families over where, how and with whom they live. This 3 year (approximately) pilot is a chance for the MOD to test the policy and the way it is delivered before a decision is made about whether to roll out the FAM across the UK. If this is confirmed, the majority of bases will gradually transition to the FAM over the next decade or two. The FAM pilot was launched in September 2019 for the Faslane site, and this will have a direct impact on the Helensburgh & Lomond housing market area, and beyond. Ensuring sufficient and suitable capacity within the local housing system to address the anticipated increased demand will be a priority for the SHIP over the next 5 – 10 years.

In addition, the council has carried out a dedicated in-house study of the particular needs of veterans, and serving military personnel more widely i.e. beyond those based at or leaving Faslane; and the results will inform the new HNDA in 2020 as well as the next LHS in 2021. This has involved engagement with local and national organizations such as Veterans Housing Scotland and Poppy Scotland among others. The final report will be available on the council website at: <https://www.argyll-bute.gov.uk/housing/housing-strategies-consultations-and-research-0>

6) RESOURCING THE PROGRAMME & THE COUNCIL'S CONTRIBUTION

The three primary funding sources for the SHIP remain as follows:

- a) Scottish Government Grant (the Affordable Housing Supply Programme – AHSP)
- b) Council grant or long-term loan (the Argyll & Bute Strategic Housing Fund – SHF; which may be supplemented from Council central reserves)
- c) Registered Social Landlord (RSL) Private Finance Borrowing

The majority of developments will require a complex package of funding from at least all of these sources (additional investment from other sources may also be required – some of these are outlined below).

a) Scottish Government Resource Planning Assumptions (RPAs)

In April 2019 the Scottish Government confirmed local authorities' RPAs for the two years 2019/20 and 2020/21. This involved further increases on previous assumptions and supports longer term planning for the affordable housing supply.

Argyll & Bute	2019/20	2020/21	Total
Annual RPA	£18.407m	£19.527m	£37.934

Source: Scottish Government Letter of Confirmation, April 2019

The actual AHSP spend in 2019/20 exceeded the RPA significantly, and the current anticipated spend for 2020/21 reflects the basic RPA at £19.4m. While it is likely that there may be some slippage in achieved expenditure as a result of Covid-19 this year, it is also possible that there will be opportunities to maximise and accelerate spend on pipeline projects dependent on the state of local and national restrictions and the progress of the government's route map to recovery.

The revised guidance issued in 2019 also suggested that, in the absence of RPAs post 31 March 2021, local authorities should plan on the basis of existing RPA levels. However, this is a provisional assumption and it must be acknowledged that there is no guarantee or certainty around AHSP funding beyond 2021 at this time. On that basis, this SHIP assumes an initial RPA for Year 1 (2021/22) of £19.527m.

The core programme for 2021-2026 as set out in this SHIP estimates potential AHSP requirement of over £53m; and additional funding will be required for projects in later years, such as potential development at Glencruitten, Oban, albeit that has still to be agreed with partner RSLs and the Scottish Government. The indicative AHSP spend for the SHIP is as follows:-

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Planned AHSP	£18.759m	£21.713m	£9.267m	£3.365m	£0.380m	£53.484m

N.B. This is likely to be an under estimate of the minimum level of investment required, particularly for later years in the programme.

b) The Council's Contribution – The Strategic Housing Fund

Resourcing the SHIP programme also requires a significant contribution from the Council's Strategic Housing Fund (SHF). This Fund is primarily based on the revenue raised from reduced tax discounts on empty and second homes: where local authorities have used discretionary powers and reduced the empty and second homes tax discounts, the additional revenue **must** be used to support affordable housing provision in their areas. In addition, since 2013 local authorities have had flexibility to remove the discount entirely and to apply a levy of up to 100% on long-term empty properties. These revenues are not ring-fenced although their use to bring long-term empty properties back into use, or to support affordable housing provision, is encouraged by the Scottish Government.

Since 2007, the SHF in Argyll and Bute has been used for the following eligible expenditure:

- Expenditure incurred in relation to assets formally held on the Housing Revenue Account;
- Expenditure relating to the acquisition of sites for the landbank;
- Expenditure related to the delivery of the Empty Homes Initiative;
- Payments to enhance infrastructure where this is restricting the development of affordable housing; and
- Payments to registered social landlords (RSLs) to partially fund proposed projects to deliver homes in accordance with the local housing strategy
- Following the council's annual policy review of the Strategic Housing Fund in 2018, potential grant payment of £12k per unit was also extended to local community bodies, which have been awarded Scottish Government support from the Rural or Island Housing funds, to deliver affordable homes.

Total income to the fund in 2019/20 amounted to £2.152m and total expenditure that year was £946k. It is anticipated that the SHF will continue to accrue annual revenue in the order of £2m over the SHIP planning period.

Argyll & Bute Council Strategic Housing Fund, balance as of March 2020

Income 2019/20	Expenditure 2019/20	Balance March 2020	Committed Spend	Available to support SHIP
£2.152m	£0.946m	£10.345m	£1.494m	£8.851m

The balance of this Fund as of 31 March 2020 was £10.345m; of which £1.494m was already committed and £8.851m was available to fund the SHIP programme

The SHIP sets out plans to fully utilize this balance over 5 years to support the affordable housing development programme, including empty homes grants and loans. Since April 2016 the Council has provided grant funding of £12k per unit, to supplement Scottish Government grant; and an evaluation exercise carried out by independent consultants in 2016 confirmed that this remains the most appropriate and cost effective level of grant aid to support the SHIP programme. While draw down was £946k in 2019/20, the actual investment from this source to support the 7 projects and 75 new affordable homes completed in that year totaled £1.262m (with funding being drawn down over two or more years).

The council reviewed the Strategic Housing Fund policy in 2018/19 and a further comprehensive audit was carried out in 2019/20 with a view to ensuring that this resource continues to complement Scottish Government priorities for Housing Beyond 2021.

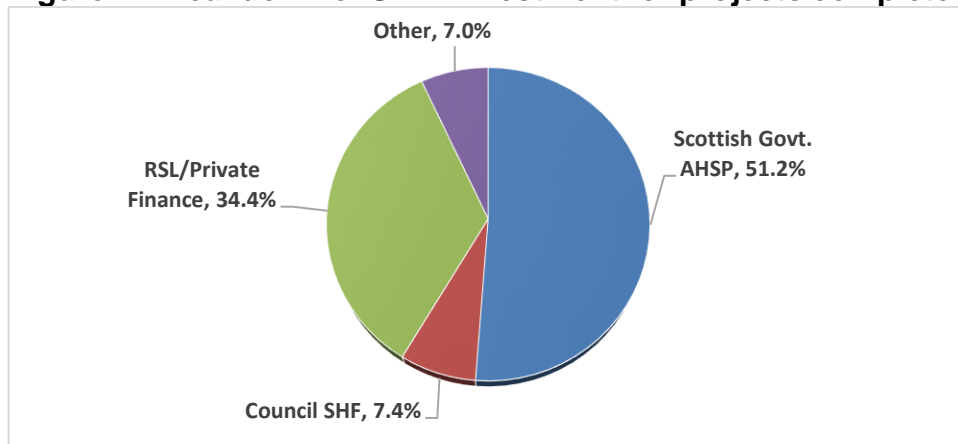
An indicative minimum estimate of circa £11.316m would be required to support the core projects outlined in this SHIP (£12k x 943 units), excluding the 2020/21 programme; and further funding will be required to deliver anticipated projects in Year 5 plus any additional projects brought forward during the planning period, either by RSLs or local communities outwith the core SHIP.

In addition, the Council has also used its financial reserves on occasion to advance long term loans to support RSL projects and this commitment is subject to ongoing review.

c) RSL's Private Finance Borrowing

Banks and other lenders in the private sector also remain vitally important partners in the delivery of affordable housing, and RSLs are required to demonstrate that sufficient borrowing capacity or reserves exist to ensure delivery of the proposed development programme. Following a period of restrictive lending, with greater scrutiny of projects, higher lending rates and the requirement for additional security from existing stock, which often resulted in RSLs being forced to use their own reserves rather than borrow under such conditions; RSLs are now reporting positive improvements in their potential to access private finance; and at a national level the sector continues to explore innovative funding models. Private finance in support of the 7 SHIP projects completed in 2019/20, totaled over **£5.8m**, approximately 34% of the total investment for those projects.

Additional investment in support of the SHIP programme includes, inter alia, Scottish Water grant; sales revenue on New Supply Shared Equity (NSSE) schemes; and other partner contributions, such as local Estates. Total investment from all sources for all SHIP projects completed in 2019/20 (as opposed to the actual spend within the year) amounted to £16.999m.

Figure 1: Breakdown of SHIP investment for projects completed in 2019/20

Source: Council/RSL Records 2019/20

Housing Infrastructure Fund (HIF)

This is a five-year Scottish Government programme, running until at least March 2021, which supports housing development through loans (£40m in total) and grants (£10m in total) with priority given to sites which are of strategic importance and cannot proceed or have stalled due to infrastructure requirements. Grant is available to local authorities and RSLs for works which are a) outwith the curtilage of the affordable housing site and/or b) of scale and will open up larger sites for housing development. Loans are available for viable non-public sector led sites to support infrastructure delivery.

The Council's main priority for HIF funding is the Dunbeg development in Lorn, being delivered by the Link Group; and as reported in previous SHIPs, the Scottish Government awarded Housing Infrastructure Fund grant amounting to **£2,129,247** for upgrade works to Kirk Road to enable the development of 300 new affordable homes to proceed at this site. This remains a major priority for the council, Link and West Highland Housing Associations who are working in partnership to deliver the project. Housing Services has worked with colleagues across the Council and the Scottish Government to ensure the project is completed timeously and in 2019/20 the project received accelerated AHSP funding of over £2m to progress this. While the infrastructure issues have been addressed, under the current circumstances it is unlikely that all 300 units will be delivered by March 2021 and consequently the majority of these will fall within Year 1 (2021/22) of this new SHIP.

While the Scottish Government can make no guarantee at time of writing that the HIF will be extended post 2021, or that Argyll and Bute would receive further awards from this source even if it were to be continued; nevertheless the council and RSL partners have identified additional projects within this current SHIP that could benefit from HIF investment. These include the following:-

SHIP Projects with potential HIF requirement, as of September 2020

Project	RSL	Total Units	Estimated HIF Requirement
Glencruitten, Oban	tbc	100 tbc	£715k (est.)
Ganavan, Oban	Link	50	£1.4m
Dunbeg Phase 4-6	Link	150	£2.5m

Rural and Islands Housing Funds (R&IHF)

The Scottish Government also established a £25 million Rural Housing Fund and a £5 million Islands Housing Fund which run until 2021. Both funds aim to increase the supply of affordable housing of all tenures in rural Scotland and contribute to the national 50,000 affordable homes target. The Islands Housing Fund provided £5 million ring-fenced for islands housing projects and comprises two parts:

1. a main fund that offers capital support (grants and loans) for direct provision of new affordable housing, and refurbishment of existing empty properties
2. a small fund that contributes to feasibility studies

Both funds are open to a wide range of applicants including: community organizations; development trusts; private landowners; private developers; and traditional housing providers; however applications from individuals will not be accepted. Eligible projects must have a specific site or properties identified; be in an eligible rural area – levels 4, 5, and 6 of the six-fold urban/rural classification, which includes the majority of Argyll and Bute.

Islands Housing Fund applications must be located on a Scottish Island; demonstrate evidence of housing pressure in the location identified; have the support of the relevant local authority; be prepared to undertake appropriate community engagement; and be able to provide long term affordable housing.

Applicants can apply for either the rural Housing Fund or the Islands Housing Fund, not both.

In 2019, local community-led bids for Mull, Ulva, Islay, Colonsay and Gigha sought R&IHF support to carry out feasibility studies for small scale developments on island sites, with support from the council and third party agencies such as Rural Housing Scotland and Community Housing Scotland.

In 2020, Mull & Iona Community Trust were successfully awarded £777,855 from the Rural Housing Fund towards the delivery of 4 affordable homes at Ulva Ferry on Mull.

There is again no guarantee at time of writing that the R&IHF will be continued post 2021, however the Council is very supportive of local community groups who are lobbying for this fund to be available in the future.

Other Initiatives

The council and strategic partners are also interested in exploring other potential funding sources, such as the Scottish Government's Building Scotland Fund and the national Self-Build Loan Fund; as well as the wider Partnership Support for Regeneration scheme. Such initiatives could facilitate the delivery of the SHIP and/or alternative affordable housing provision in the future.

The Scottish Land Fund (SLF) provided support to Colonsay Community Development Company, with a grant award of £390k to meet site acquisition costs for a mixed tenure affordable housing project on the island. Additional funding contributions have been secured from the Council's Strategic Housing Fund and from Highlands & Islands Enterprise. The SLF also enabled Ulva community to acquire ownership of the island with an award of £2m, and plans are now being developed for appropriate housing on Ulva.

We will also continue to explore and, where appropriate, promote non-AHSP financing models such as Build-to-Rent, Low-cost Initiative for First Time Buyers (LIFT), Help to Buy (Scotland) and Open Market Shared Equity (OMSE), which may fall outwith the remit of the SHIP.

The potential impact of the proposed **Rural Growth Deal (RGD)** for Argyll and Bute will be significant, and the SHIP and the housing sector in general can contribute to this strategic agenda. Housing opportunities being pursued via the RGD include addressing infrastructure issues at potential housing sites, innovative construction methods, such as off-site, modular homes for example; with a particular focus on addressing the housing needs of key and essential workers.

Developer Contributions

Argyll and Bute falls within the purview of two planning authorities: while the council covers most of the mainland and islands, Loch Lomond & Trossachs National Park is the planning authority for parts of Cowal and Lomond. Both authorities have set out formal Affordable Housing Policies in their respective Local Development Plans. These policies outline mechanisms and options to secure developer contributions, where there is a demonstrated need for affordable housing.

The council's current policy was adopted in supplementary guidance to the LDP in March 2016, and requires that outwith specified housing allocations and Potential Development Areas (PDAs) new private developments proposing 8 or more homes should deliver a minimum of 25% affordable housing units. There are exemptions in HMAs such as Bute and Kintyre, where the HNDA identified limited or nil requirement. The Cowal HMA was also subject to a two year exemption which ended in 2017. Exemptions are designed to avoid inhibiting the delivery of private development in areas where there is no evidence of pressing need for additional affordable provision in the short to medium term.

Developer contributions can be delivered by a variety of means including social rented housing, mid-market rented housing, payment of commuted sums and also the building of houses/apartments designed to meet the needs of first time buyers (provided these are available at affordable levels as defined by the council's HNDA and with reference to the relevant local housing market).

The sequential mechanisms for securing Affordable Housing via the policy are applied in the following order:

- on-site provision;
- off-site provision;
- commuted payment;
- discounted low cost sale;
- affordability by design without subsidy.

To date, no commuted sums have been received and the preferred approach has been to engage with an RSL to deliver the affordable quota on site.

The National Park policy follows a generally similar approach, with a requirement for 25%, 33% or 50% affordable provision on sites of 4 or more units depending on the location. Sites of up to 3 units in accessible rural areas may also have a policy requirement under certain circumstances. A formal policy for calculating commuted sums has been established but again, to date, little or no payments have been received.

The delivery of unsubsidized affordable housing for purchase via the Affordable Housing Policy, but without Scottish Government funding, will normally target a different client group and requires close working between Housing Services and Planning colleagues to ensure these models are in fact affordable in accordance with the LHS and SHIP priorities.

7) SPECIALIST PROVISION, WHEELCHAIR HABITABLE HOUSING, & EQUALITIES ISSUES

The SHIP aims to address the housing needs of all the communities we serve, and continues to reflect a positive approach to equalities issues in line with the policies of the council and its partners, and the principles of diversity and inclusion in accordance with the Equality Act 2010. The current HNDA provides robust evidence of accommodation and support needs across the range of protected equalities characteristics, and these have been translated into the SHIP priorities. The joint Argyll and Bute Health, Care & Housing Needs Assessment, completed in 2018, provided further evidence of the requirements for wheelchair accommodation, supported housing, and other forms of specialist provision. In 2019/20, the council has been undertaking further specific studies on the need and demand for specialist provision for wheelchair users, gypsy/travellers, military personnel and veterans, and persons who are autistic or have learning disabilities. The findings will inform the full revision of the next HNDA in 2020 and in turn will support revised Housing Supply Targets for the LHS and SHIP in 2021.

The current LHS was supported by an overarching Equalities Impact Assessment (EIA) in 2016 which will be reviewed as part of the development of the next LHS; and this will continue to inform the SHIP, and how the strategic aims are embodied in the housing priorities of the programme. The original EIA can be accessed on the council website at the following link:

<https://www.argyll-bute.gov.uk/housing/housing-strategies-consultations-and-research-0>

All SHIP projects, seeking public subsidy from the Council or Scottish Government, are required to meet basic design and building standards (of the Housing for Varying Needs Standard as a minimum) and should incorporate adequate provision to meet any additional identified particular needs. Prioritisation of projects will give due weight to those which incorporate elements of design or additional specifications for specialist forms of housing where the local profile of need and demand indicates such a requirement. The committed and planned programmes include provision for elderly and disabled residents and through the close partnership working with Health & Social Work, including Occupational Therapists, the SHIP will continue to ensure the strategic aims of the LHS in this respect are carried forward.

In particular, the post of dedicated Housing OT which was established in October 2018 to co-ordinate and promote these needs through the SHIP group, has been extended for 2020/21, funded in full by the council but working very closely with RSLs and the HSCP. In practice, this commitment to equalities principles will ensure:

- building all new affordable housing to HfVN Standards;
- implementing design solutions which help to meet the needs of disabled and infirm households;
- assessing and seeking to resolve the needs and aspirations of households with community care needs in partnership;
- developing communities with a good mix of households;
- allocating housing via HOME Argyll and national RSL partners who have strong commitments to equal opportunities; and
- providing affordable housing in rural areas which enables young and old people to remain within their communities.

Housing for Varying Needs (HfVNs) is a Design Guide published in two volumes (Parts 1 and 2). While not mandatory, the standards outlined in the guide have been used as the basis for standards for housing developments seeking grant funding support. The standards are intended to ensure that the housing is accessible, adaptable for different needs and over its lifetime represents good value for money. They are based on the principle that the design of a property should not hinder a person's ability to live as independently as possible and should recognize the needs of people as they age, become less able or whose mobility, dexterity, cognitive function, hearing or sight is impaired.

The idea of designing all housing to accommodate the needs of less able people is known as "barrier free" design and this is reflected in the core guidance of the design guide; but the guide also recognizes that barrier free design in itself is not

a substitute for homes designed specifically for people with particular needs so it identifies additional features that should be included to address these needs.

Updated analysis of the HOMEArgyll Common Housing Register in 2020 suggests that around 5% of applicants could still benefit from some form of specialist provision; and of these, 107 applicants included wheelchair accessible accommodation as an option; although only 40 of these applicants did not also select some other form of accommodation, including general needs/ mainstream housing. Applicants requesting wheelchair provision are fairly evenly split by age, with 48% aged between 25 and 59, and 52% aged over 60. In the wider population as a whole, the Health, Care & Housing Needs Assessment (2018) identified the following key points:-

- Around 350 wheelchairs are issued each year to people in Argyll & Bute
- The majority of wheelchairs issued are manual chairs
- Over 1,300 people in Argyll and Bute have wheelchairs on issue
- 55% of people with wheelchairs are aged 75+
- Up to 280 people a year may be new wheelchair users
- There could be 240 additional people needing wheelchairs by 2027
- The most common reason for a wheelchair is cerebrovascular disease (stroke) but the main reasons for wheelchair vary by age with Cerebral palsy being the most common reason in people under 25.

Correlating the data sources may suggest that a majority of wheelchair users are satisfactorily housed or do not aspire to social rented properties. However, some wheelchair users who could benefit from suitable, specialist provision in the social rented sector may not apply due to lack of awareness or misperceptions regarding the suitability and availability of stock. This was identified as a key area for further research and analysis, and in 2019/20 an in-house study was duly completed jointly by the council's strategy team and the Housing OT. A key finding of this study, collated with national research, is that wheelchair users and those who might benefit from wheelchair accommodation are not a homogenous group, and that for many a range of specialist models would be appropriate.

On that basis, while in situ solutions such as aids and adaptations or support services will have a crucial role to play, nevertheless, the SHIP will continue to require a target of 10% of the new build programme to provide some form of specialist provision (to include retirement housing, amenity housing, and other specially adapted properties); and within that, half (i.e. 5% of the total new builds) should be built to the fully wheelchair habitable standard as defined in the relevant section of the current HfVN standards guidance.

The SHIP Officers Group and the Strategic Housing Forum approved this policy with immediate effect in 2020. RSL partners also continue to explore with HSCP partners requirements for extra care provision and replacement models for existing care homes which may no longer be deemed fit for

purpose. Where possible, the council will strive to incorporate such needs within the SHIP programme as it rolls forward.

As far as possible, the wheelchair housing targets will also be encouraged within the private sector, across all tenures, on all developments where this would be appropriate.

Gypsy/Travellers

Argyll and Bute Council continues to support the Scottish Government's commitment to improve the lives of our Gypsy/Traveller communities; and to prioritise joint working with ACHA (who own and manage the two official, operational, Travelling Person sites in Argyll and Bute) and other stakeholders to drive forward positive improvements for this client group.

The Council continues to allocate ACHA an annual grant from the Strategic Housing Fund as a contribution towards the operation and maintenance of the two remaining Travelling Persons Sites at Bayview (formerly Ledaig) near Oban, and Duncholgan near Lochgilphead. A Minute of Agreement set up at the point of stock transfer in 2006 set the sum at £30k plus annual indexation. In 2018, the sum payable was reduced by a third to reflect the withdrawal of the site at Torlochan near Dunoon, which was deemed to be surplus to requirements due to the lack of demand. Recent council investment in the official sites is summarised in the following table:

Gypsy/Traveller Sites – Annual Council Funding

Year	2016/17	2017/18	2018/19	2019/20	4 year Total
Grant	£39,660	£41,228	£31,001	£28,939	£140,828

As part of the comprehensive refresh of the Housing Need and Demand Assessment for Argyll and Bute, the council is currently undertaking a dedicated piece of work to assess the accommodation and support needs of Gypsy/Travellers in the area. This will include an assessment of any “bricks and mortar” mainstream accommodation that may be required. The study has involved extensive engagement with Gypsy/Travellers and their representatives; and this work will continue in support of the development of the next LHS for Argyll and Bute.

In March 2020 the Scottish Government announced the allocation of a one-off short-term funding initiative in support of the national Gypsy/Travelers Action Plan which was launched in 2019. ACHA have been awarded **£108,726**, to be administered by the Council, for improvements to the local Gypsy/Travelers sites in 2020/21, beyond the minimum standards. A range of positive options are being explored jointly with local site tenants and the ultimate aim is to deliver immediate benefits and improve the quality of life for these residents.

8) ENERGY EFFICIENCY & FUEL POVERTY

Promoting energy efficiency and tackling fuel poverty remain strategic priorities for the LHS and key commitments for the council; and maximizing opportunities for sustainability in development remains a key principle underpinning the SHIP. As with all public bodies, this Council is also required to meet its statutory duties arising from the Climate Change (Scotland) Act 2009, and the LHS and SHIP have been developed to ensure that the provision of new affordable housing complies with the Act.

The Council requires affordable housing developments, as far as possible, to have a low environmental impact and to contribute to the LHS objectives of addressing fuel poverty and to ensure at least minimum standards of sustainability as required under Scottish Building Standards Agency regulations. This remains a key assessment criterion for any project seeking public subsidy from the Scottish Government or the Council.

There are significant challenges in delivering higher quality, energy efficient developments in an authority such as Argyll & Bute - for instance, a significant proportion of the area's rural properties are not connected to the gas grid and many rely on costly oil heating – all of which impact on costs and on the ability to achieve sustainability targets. Nevertheless, local RSL partners continue to embrace sustainability principles which promote local material sourcing, recycling, insulation standards, and renewable energy, as far as possible within the current financial climate. It is expected that all SHIP partners will continue to follow these principles to the best of their abilities despite the resourcing constraints under which they are currently operating. In particular, all new build RSL stock will be required to address the national Energy Efficiency Standard for Social Housing (EESH). Specific projects in the current SHIP include an innovative PassivHaus scheme at Garelochhead by ACHA, working with developers, Stewart & Shields

Developers are encouraged to deliver the “Greener Standard” as default in all new developments; and the current SHIP indicates that 100% of the proposed programme will deliver to this standard.

Sustainable Design

The SHIP and LHS are closely aligned with the Local Development Plan processes and the Council and its partners will explore sustainable design principles, not only to address climate change and provide energy efficient homes, but also to contribute to the creation of safe, sustainable communities which have a real sense of identity and place. In order to achieve a sense of community in new developments (whilst also delivering low environmental impact housing) we will work with partners to ensure a range of factors are considered; and when developing new areas sustainability principles will also be central to the design process.

9) HOMELESSNESS & RAPID REHOUSING TRANSITION PLANS

Scottish Ministers have made an ongoing commitment to end homelessness in Scotland and consequently set up a national Homelessness and Rough Sleeping Action Group (HARSAG) to bring forward recommendations to address this. A key proposal was that each local authority should develop a Rapid Rehousing Transition Plan (RRTP) by December 2018, covering a 5 year period, or longer if required, to enable the implementation of this new approach. The RRTP maximises prevention and sets out the council's approach to minimise the time a household remains homeless and to ensure that they can access appropriate suitable accommodation as soon as possible.

Local Rapid Rehousing Transition Plans should be reflected in the LHS and also be fully integrated into Health & Social Care Partnership strategic plans. The Argyll and Bute RRTP has consequently been included in the current Housing Contribution Statement to ensure it forms part of the planning framework. In line with the revised SHIP guidance issued in August 2019, this SHIP's strategic housing priorities are aligned and consistent with the proposed RRTP priorities and outcomes. A crucial objective is to facilitate and deliver more affordable housing via the SHIP.

In the report "Scotland's transition to rapid rehousing", produced by the Indigo Group on behalf of the Scottish Government's HARSAG in June 2018, two specific recommendations were made in relation to the SHIP:

- Rapid Rehousing Transition Plans could be seen as an integral part of the SHIPs, and should be annually reviewed as part of the SHIP process
- The Scottish Government and Scottish Housing Regulator should improve data collection from local authorities or housing associations on completions and lettings relative to housing need.

With this in mind, Argyll and Bute Council continues to liaise with RSL partners and other key stakeholders to develop and implement the RRTP; and will aim to ensure that homelessness remains a critical factor in the SHIP process. This includes: homelessness as one criterion for assessing need, prioritising projects, and awarding grants from the Strategic Housing Fund. SHIP projects are expected to contribute directly or indirectly to alleviating homelessness across Argyll and Bute (for example, as a result of direct allocations or via consequential lets to existing properties freed up on transfer of occupants to new build properties). The performance of developing landlords in respect of the proportion of allocations to homeless households and time taken to rehouse these clients will continue to be material considerations in SHIP programming decisions and resource allocation moving forward.

In support of this RRTP the Council received £95,000 core funding from the Scottish Government in September 2019. In addition £30,000 was carried forward from the previous year in relation to enabling funding to assist with

preparing the initial Plan. The main aims of the Rapid Rehousing Transition Plan is that by March 31st 2024:

- The number of homeless applicants will reduce from 517 per annum (2017/18) to 300 (2023/24).
- Units of temporary accommodation are accordingly reduced from 140 to 100 (2023/24). (Due to COVID-19 the Council has increased the number of temporary accommodation units to 188 in the short term.)
- Support for those homeless or threatened with homelessness is integrated between tenancy, mental health and addiction services. The dedicated post of Mental Health Practitioner is currently out to advert.
- People spend as little time as possible in temporary tenancies before finding permanent re-housing; and no more than 26 weeks without good reason, reducing to 20 weeks by 2024.
- People sustain permanent tenancies with a reduction in repeat homelessness.

Council Housing Services have taken forward 6 key work strands within the original RRTP and have spent £53,979 in 2019/20. The Council has also been allocated £105,000 for delivering the RRTP in 2020/21 by the Scottish Government in addition to the £71,021 carried forward from previous years. It is proposed that we continue to focus on the 6 areas of activity detailed on the previous page, with the funding allocation as follows:-

- Rent arrears prevention fund - £50,000
- Decoration project - £35,000
- Flexible Emergency Fund - £11,000
- Mental Health /Addictions Practitioner - £50,000 (part year)
- Housing First / RRTP training - £5,000
- Establish a Housing First model - £25,000 (creation of 10 tenancies)

10) UPDATE FROM THE 2019 SHIP

Current Progress: Outputs 2019/20

Building on the 336 units completed between 2016/17 and 2018/19, there were a further 75 units completed in 2019/20; bringing the four-year cumulative total to 411 which is over 93% of the current LHS target for at least 440 new affordable homes to be completed by the end of year four of the 5-year planning period.

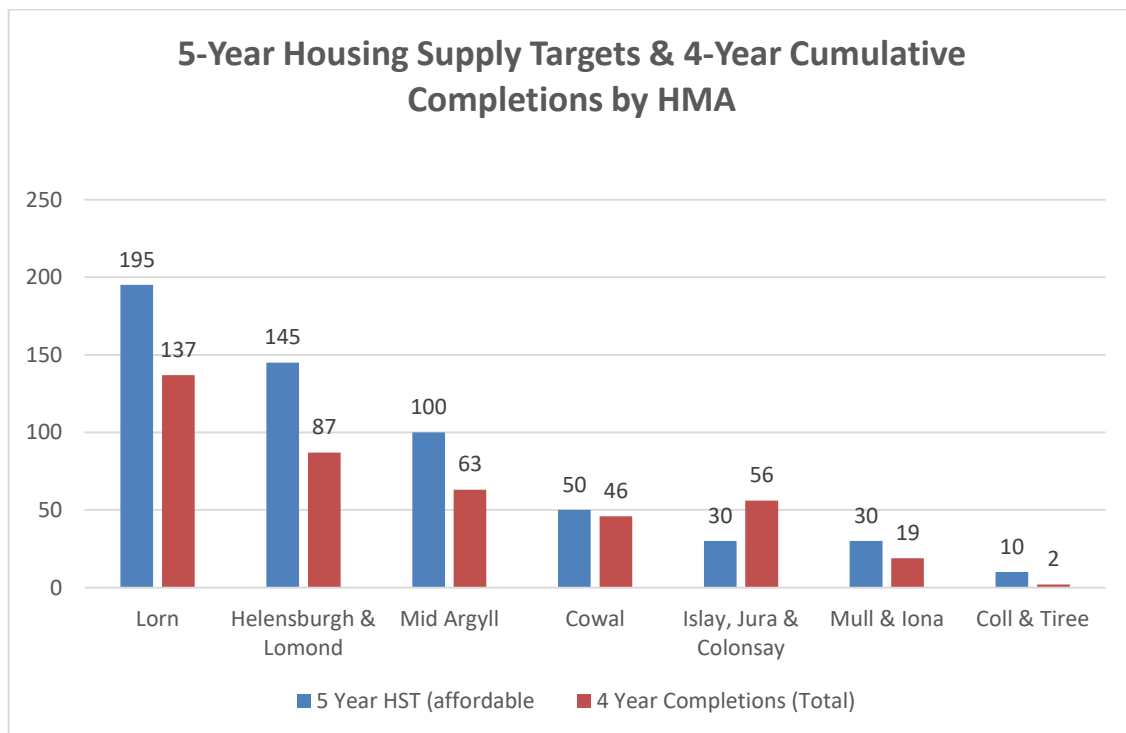
TABLE 1: SHIP New Build Homes by HMA & Project, 2019/20

Housing Market Area	Projects	Completions	% of Total
Helensburgh & Lomond	Castlewood Court, Helensburgh	16	21%
Islay, Jura & Colonsay	Imereval Phase 2, Port Ellen	8	11%
Kintyre	Southend (acquisition)	1	1%
Lorn	Glenshellach, Oban Phases 11-13	30	40%
	Powell Place, Connel, Phase 2	2	3%
Mid Argyll	Kilmartin	4	5%
Mull & Iona	Swan Drive, Lochdon, Mull	14	19%
TOTALS		75	100%

Two of the local RSLs contributed to the total programme. ACHA delivered 53 of the new builds; and West Highland completed 22. In terms of tenure, 14 units (19%) were for shared equity in line with LHS targets.

Reviewing overall progress at the end of Year 4 of the current 5-Year LHS, despite slippage due to Covid-19, the SHIP programme still has potential to meet the minimum Housing Supply Targets for Argyll and Bute as a whole by March 2021, albeit this remains extremely challenging.

In terms of original HMA targets (2016 based), the main requirement is to progress delivery in Oban/Dunbeg and Helensburgh & Lomond, as well as some of the islands. The following graph illustrates the cumulative completions over the last four years against the LHS targets.



11) THE REVISED PROGRAMME

The current year, 2020/21, is covered by a Strategic Local Programme Agreement (SLPA) between the council, the Scottish Government, and the developing RSLs, as agreed in August 2020; while this new SHIP will commence from 2021/22. The programme is subject to ongoing change as either barriers to progress or windfall opportunities arise. Consequently, the following tables simply summarise all proposals at the time of writing (September 2020), including those projects which were expected to complete in 2020/21 and for which funding has already been drawn down. It should be noted that the status of many future projects, particularly in the later years, remains provisional and purely indicative at this stage; some may not proceed, or complete, within the timescale. However there is also scope for additional proposals to be brought forward or included in the programme.

Further details of the programme and individual projects are outlined in the electronic reports recorded on the Scottish Government's Housing and Regeneration Programme (HARP) system.

TABLE 2: SHIP Projects – expected to complete or be onsite in 2020/21

Project address	Developer	Units	Anticipated Completion Date
Garelochhead (Passivhaus model)	ACHA	10	2020
Glenshellach (carry over from 2019/20)	ACHA	12	2020
Cairnbaan	ACHA	5	2020
Inveraray, Phase 2	ACHA	10	March 2021
Dixon Avenue, Dunoon (refurb.)	ACHA	1	2020
Milknowe, Kintyre	ACHA	1	March 2021
Tighnabruaich	Fyne Homes	20	2020
Cairndow	Fyne Homes	6	Feb. 2021
Barcaldine	WHHA	10	2020
Kirk Road, Dunbeg	WHHA	4	2021
Dunbeg Phase 3 (partial completions)	Link	58	March 2021
Argyll & Bute 2020/21 Total Completions (est.)		137	March 2021

TABLE 3: SHIP Core Programme - Potential Completions by 2026

Project address	Developer	Units	Anticipated Completion ¹
Imereval, Islay, Phase 3	WHHA	8	Aug. 2021
Tarbert Phase 2	ACHA	4	Nov. 2021
Inveraray Phase 2	ACHA	10	Nov. 2021
Dunbeg Phase 3 (carry forward)	Link	242	Nov. 2021
Eton Avenue, Dunoon	ACHA	4	Jan. 2022
Jura	WHHA	10	Jan. 2022
Keills, Islay	ACHA	4	Feb. 2022
North Connel Phase 2	ACHA	2	March 2022
Rowan Cottage, Port Appin	WHHA	6	March 2022
Creamery, Port Charlotte	WHHA	8	March 2022
Jeanie Deans site, Helensburgh	Dunbritton	12	June 2022
Sawmill field, Helensburgh	Wheatley Group	36	Sept. 2022
Tobermory (Phase 3)	WHHA	12	Sept. 2022
Colonsay	WHHA	5	Oct. 2022
Rosneath	LINK	40	Oct. 2022/tbc
Bowmore (Phase 4)	ACHA	18	Oct. 2022
Imereval, Islay, Phase 4	WHHA	20	Jan. 2023
18 th Tee, Helensburgh	Dunbritton	40	Feb. 2023
Lonan Drive, Oban	LINK	46	March 2023
Ganavan, Oban	Link	50	May 2023
Inveraray	Fyne Homes	12	Aug. 2023
Salen, Mull	WHHA	8	Aug. 2023
Dalintober, Campbeltown	ACHA	25	Nov. 2023
Golf Club Site, Helensburgh	Dunbritton	35	March 2024
Tighcargaman, Port Ellen	ACHA	20	March 2024
Lochgilphead Phase 6	Fyne Homes	12	Dec. 2024
Dunbeg Phases 4, 5 & 6	Link	150	Feb. 2025
Lochgilphead Phase 7	Fyne Homes	4	March 2025
Glencruitten, Oban	tbc	100	2026
Argyll and ButeTotal		943	2021-2026

¹ NB. Timescales are indicative and subject to change; and will be monitored on a regular basis. Some projects could also revise their final number of units.

If this programme is successfully delivered in full within the planning period, it could provide over 940 new affordable homes across Argyll and Bute. Around 20% of these would be in rural mainland, island and/or fragile communities; 42% in the key strategic settlement of Dunbeg and a further 21% within or around Oban; 13% in Helensburgh; and around 4% in the other main towns of Dunoon, Lochgilphead and Campbeltown.

There is an expectation that the majority of these units will be built to allow for future adaptation to meet changing needs over time; and in addition approximately 10% (i.e. over 90 units, if above programme is delivered in full) should be purpose-designed to medium or high dependency standards with potentially 45 of those units (5% of the total) being fully wheelchair accessible.

However, the council is currently also in ongoing discussions with the HSCP to review and explore potential models for the re-provisioning or replacement of existing care homes no longer fit for purpose (with the crucial proviso that SHIP investment is only eligible for accommodation elements of any proposals). This could include “close” cluster specialist accommodation and/or more dispersed cluster units to address the needs of those who might historically have occupied facilities such as Eadar Glinn in Lorn, Ardfenaig in Mid Argyll, and Struan Lodge in Cowal. In principle, the council would be supportive of the inclusion of these projects in the SHIP, in full or in part depending on detailed and realistic proposals coming forward, with a view to delivery early in the new programme if feasible.

In addition to this core programme, a number of other potential proposals are being developed for further consideration in later years of the SHIP, subject to robust assessments of need and demand, site assembly or acquisition, and available funding. This could include, for example, second phases of developments in Cowal and Mid Argyll. Some of these projects therefore remain notional at this stage or are subject to development constraints that require to be addressed/ mitigated before they can proceed. These projects will be considered in future updates of the SHIP.

Alternative sites are also being considered either to replace or enhance some of the RSL projects listed in above tables, such as council-owned sites and RSL landbanked sites in areas of identified need and demand; as well as possible refurbishment/reconfiguration projects for specialist units in areas otherwise deemed to be low demand, such as Cowal, Kintyre or Bute. The programme will be subject to the outcome of the comprehensive revision of the Housing Need and Demand Assessment in 2020 and the setting of revised Housing Supply Targets in the LHS for 2021-2026.

The council will also continue to actively explore other sites and projects outwith the core SHIP funding programme, as outlined in previous sections of this plan, where these are consistent with LDP policy/housing land provisions and align with high quality, fit-for-purpose assessments of local housing need and demand.

12) MONITORING AND REVIEW

The SHIP will continue to be appraised on an annual basis by the Scottish Government and affordable housing outcomes are monitored regularly by the Council's Housing Management Team; local authority Members via the corporate Pyramid performance management system; the overarching Community Planning Partnership via the LOIP framework; and partners on the Strategic Housing Forum; as well as the boards and committees of the individual SHIP partners. In addition, as appropriate, wider stakeholder involvement will be sought via consultation with local communities, private developers and relevant particular interest groups. All pertinent feedback will help to inform the ongoing development and regular revisions of the SHIP.

The Council has also been exploring potential mechanisms for establishing a wider evaluation framework to capture the broader social return on investment and economic impacts of the SHIP programme, as well as the basic cost effectiveness and value for money of specific projects. Working with RSL partners, the council is keen to implement a formal evaluation procedure which will capture evidence on the wide range of strategic benefits that the SHIP actually delivers, beyond monitoring the basic number of completions.

13) IMPACT ASSESSMENTS

Health Impact Assessment

In addition to the formal LHS Equality Impact Assessment referred to in Section 7 above, which encompasses this SHIP, the council also carried out a Health Impact Assessment in 2017 for Housing Services, this plan and the LHS in accordance with national good practice, and as a further step towards fostering closer linkages between Housing, Health and Social Care. We will continue to monitor and assess the impact of the SHIP and the LHS in terms of equalities and human rights, health inequalities, child rights, poverty and wellbeing, and in line with the principles of the Fairer Scotland Duty. Any relevant findings from such assessments will be reflected in the SHIP and future updates of the LHS and other associated plans, policies and strategies.

Strategic Environmental Assessment (SEA)

As the "Responsible Authority" under the terms of the Environmental (Scotland) Act 2005, the Council has previously determined that the LHS (and by association it's ancillary component, the SHIP) does not require a full SEA. The primary document in relation to land use planning is the Local Development Plan which is subject to a full SEA and which will ultimately cover all housing projects set out in the SHIP. The SHIP is an investment plan which sits underneath the LHS and sets out how the LHS objectives can be delivered. As such it is primarily an operational, working document and it will therefore not change the policy directions set out in the LHS and LDPs.

14) CONCLUSION

The Argyll and Bute Strategic Housing Investment Plan for 2021/22 to 2025/26 sets out an ambitious but realistic programme for the delivery of around 940 new affordable homes; of which the majority would be built to lifetime standards, allowing for future adaptation to meet changing needs over time; and around 10% will be purpose-designed for specialist needs, with half of those i.e. 5% of the total being fully wheelchair accessible. The programme reflects a strong commitment to the economic growth agenda for Argyll and Bute; and around one fifth of the proposed developments will also directly support the sustainability of fragile rural and island communities.

This programme is substantially in excess of the existing, minimum Housing Supply Targets for affordable housing which are in force up to March 2021. The full revision of the HNDA in 2020 will inform new HSTs for 20221-2026, i.e. the period of this SHIP. However, these new targets will take account of the council's ambitious strategic objectives as well as the potential increased demand for social housing arising from the consequences of the coronavirus pandemic; and therefore the scale of the proposed programme is likely to be more in line with actual requirements as well as our aspirational goals for Argyll and Bute.

A number of additional, potential projects have also been identified for consideration in later years and some of these may be brought forward as the programme is reviewed on an annual basis, subject to identification of robust need and demand; and the council and its partners are committed to maximizing available resources where possible, and will continue actively to explore opportunities for growth in the programme.

This SHIP clearly and directly aligns with the LHS and LOIP outcomes; sets out a core programme which is feasible to deliver; highlights the contribution of the council, developers and other partners; evidences the support and facilitation role of the local authority; outlines the extensive stakeholder engagement underpinning the planning and delivery of the programme; and explicitly reflects the central importance of equality issues for all partners.

The development of the SHIP is necessarily an ongoing, iterative process and this Plan must be viewed as an interim work in progress. In the current climate it is also important that strategic planning retains a degree of flexibility to allow for adjustments and revision as circumstances continue to evolve. The potential effect of Covid-19 in particular remains uncertain at this stage, and is likely to have a significant impact on the SHIP programme both in terms of influencing need and demand and in terms of practical delivery. Nevertheless, the Council believes this plan provides clear direction for future priority developments and sets out a robust framework for the delivery of affordable housing across Argyll and Bute.

ARGYLL & BUTE STRATEGIC HOUSING INVESTMENT PLAN
2021/22 – 2025/26

THIS DOCUMENT AND SUPPORTING TABLES
ARE AVAILABLE ON THE COUNCIL WEBSITE AT:

<https://www.argyll-bute.gov.uk/housing/housing-strategies-consultations-and-research-0>

This document can also be made available in other formats on request.

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ARGYLL AND BUTE COUNCIL

COUNCIL

DEVELOPMENT AND
ECONOMIC GROWTH

26 NOVEMBER 2020

HOUSING ANNUAL ASSURANCE STATEMENT 2020

1.0 INTRODUCTION

- 1.1 Council Homeless Services are subject to scrutiny and inspection by the Scottish Housing Regulator (SHR). The Council must demonstrate that it is meeting the statutory requirements contained in the Scottish Social Housing Charter. Argyll and Bute Council is no longer a social landlord but retains statutory duties to provide services to households who are homeless or threatened with homelessness. The Council submits an Annual Return on the Charter (ARC). In 2019 the SHR introduced a requirement for all local authorities to submit an Annual Assurance Statement which will be published on the SHR website. The 2019 Argyll and Bute Council Statement was approved by the SHR and this report details the proposed Statement for 2020.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that Full Council approve the Annual Assurance Statement contained in **Appendix 1** of this report.

3.0 DETAIL

- 3.1 The SHR produced a document entitled Regulation of Social Housing in Scotland in February 2019. The regulatory requirements are set out in Section 3 of the document and even though Argyll and Bute Council is no longer a social landlord there are requirements for the Council to ensuring that statutory duties are met in relation to preventing and alleviating homelessness.
- 3.2 The SHR issued an Engagement Plan to Argyll and Bute Council Housing Services in March 2019. This plan was not updated in 2020 due to the COVID 19 pandemic. As a result there continues to be 4 areas in which the SHR can engage with the Council in relation to homelessness services:-

- How people access the service
- The assessment of homeless applications
- Access to and quality of temporary accommodation
- Outcomes for people who are homeless

The SHR are engaging with Argyll and Bute Council in relation to Argyll and Bute’s assessment of homeless applications and the outcomes for people who are homeless. The elements within these categories are detailed in the Annual Assurance Statement (**Appendix 1**) and the progress made. The only cause for concern is the percentage of intentionally homeless cases in Argyll and Bute (7%) compared to the Scottish average (3%). The 7% equates to 32 out of a total of 436 homeless cases in 2019/20. Housing Services are in the process of analysing the intentionally homeless applications for 2019/20 along with the intentionally homeless cases for the current year, 2020/21. We may ask that Area Housing Officers discuss potential intentionally homeless cases with the Team Lead – Operations or the Team Lead – Housing Strategy before making the decision.

3.3 In addition to the 4 areas of engagement a section on the impact of COVID 19 on the homeless service has been added to the 2020 Annual Assurance Statement.

3.4 Members are kept informed of the Council’s performance in relation to statutory and regulatory requirements in relation to housing in various ways:-

- Through the Corporate Pyramid Reporting System
- Through quarterly Housing Performance Reports submitted to Committee
- Through the quarterly reporting produced for the Strategic Housing Forum
- Through the Annual Updates on the Local Housing Strategy
- Through an Annual Housing Activity report submitted to the 4 Area Committees

4.0 CONCLUSION

4.1 The Development and Growth Service – Housing Team will continue to improve services to households who are homeless or threatened with homelessness. The Housing Team will continue to engage with the SHR to report on progress on the housing and homeless services provided in Argyll and Bute.

5.0 IMPLICATIONS

5.1 Policy None

5.2 Financial Sufficient budget is required to deliver statutory services

5.3 Legal None

5.4 HR None

5.5 Fairer Scotland Duty:

- 5.5.1 Equalities - protected characteristics – access to services across the local authority area provided
- 5.5.2 Socio-economic Duty – addressing and preventing homelessness enables households to address other issues such as income maximisation and exploring employment opportunities
- 5.5.3 Islands – homeless advice and prevention services are provided on the islands
- 5.6. Risk – the Council will be subject to censure from the SHR and Scottish Government if statutory duties are not fulfilled
- 5.7 Customer Service – Area teams provided the service across the local authority

Kirsty Flanagan, Executive Director with responsibility for Development and Economic Growth

Councillor Robin Currie Policy Lead for the Economy and Rural Growth

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APPENDICES

Appendix 1 Housing Annual Assurance Statement 2020

Appendix 1



Housing Annual Assurance Statement 2020

Legislative Compliance

We can confirm that Argyll and Bute Council achieves all the standards and outcomes for people who are homeless and others who use our services:-

- All relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework
- All relevant standards and outcomes in the Scottish Housing Social Charter
- All relevant legislative duties

Argyll and Bute Council can confirm that there were no breaches of the Unsuitable Accommodation Order in 2019/20.

Argyll and Bute Council can confirm that there were no health and safety breaches in 2019/20 in relation to homelessness resulting in intervention by the Health and Safety Executive.

In 2019 The Scottish Housing Regulator notified Argyll and Bute Council that they would be engaging with the Council over 2 areas of work based on the Scottish Government national statistics for 2017/18 and the Annual Returns of the Charter :-

- Argyll and Bute's assessment of homeless applications
- Outcomes for people who are homeless

Due to Covid-19 the Scottish Housing Regulator was not able to engage with the Council about the 2019/20 position. The tables below provide an update on the areas of engagement previously notified by the Regulator in 2019.

Argyll and Bute's Assessment of Homeless Applications

No.	Area of Engagement	Progress Made
1.	The percentage of households assessed as not homeless nor threatened with homelessness is above the Scottish average	Argyll and Bute figures – 5% of cases at the end of 2019/20 compared to 5% of cases in 2018/19 and 8% of cases in 2017/18 Scottish Average for 2019/20 – 3%
2.	The percentage of households assessed as intentionally homeless is above the Scottish average	Argyll and Bute figures – 7% of cases at the end of 2019/20 compared to 6% of cases at the end of 2018/19 and 7% in 2017/18 Scottish Average for 2019/20 – 3%
3.	The percentage of households withdrawing their homeless application before decision is above the Scottish average	Argyll and Bute figures – 3% of cases at the end of 2019/20 compared to 4% of cases at the end of 2018/19 and 5% of cases in 2017/18 Scottish Average for 2019/20 – 4%

Outcomes for People who are Homeless

No.	Area of Engagement	Progress Made
1.	The percentage of people in Argyll and Bute assessed as unintentionally homeless which it provided with a Scottish Secure Tenancy is below the Scottish average	Argyll and Bute Figure for 2018/19 – 66% 2019/20 – 67% Scottish Figure for 2019/20 – 72% 83% of all unintentionally homeless cases secured settled accommodation in 2019/20 compared to 82% across Scotland
2.	There are a relatively high number of people waiting for more than one year for an outcome	Argyll and Bute Council is working with partners to implement a Rapid Rehousing Transition Plan (RRTP) which will address this situation. The RRTP Annual Update was approved by Council and submitted to the Scottish Government in June 2020.

The Impact of COVID 19 on the Homeless Service in Argyll and Bute

The Council has continued to provide a service to households in need of accommodation during the COVID 19 pandemic. Regular contact was maintained with existing households and housing support services continued to support households assessed as requiring specific support. The Council procured additional accommodation in anticipation of an increased demand across the local authority area. The extension of the Unsuitable Accommodation Order in May 2020 has presented challenges due to the fact that the additional accommodation procured was emergency accommodation as a direct response to the pandemic. As a Stock Transfer authority the reliance on Registered Social Landlords to secure permanent housing for statutory homeless households has created a backlog due to many RSL's ceasing to allocate for a period of time during the pandemic. An Action Plan has been agreed which will address the many challenges and pressures put on the service as a result of the pandemic.

I can confirm that the Council has sufficient assurance and scrutiny processes in place to support this statement.

Signed
Kirsty Flanagan
Executive Director

Signed

Councillor Robin Currie
Policy Lead for the Economy and Rural Growth

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ARGYLL AND BUTE COUNCIL**COUNCIL****FINANCIAL SERVICES****26 NOVEMBER 2020**

TEMPORARY SUSPENSION OF OFF-STREET PARKING CHARGES FOR FESTIVE SEASON 2020

1. INTRODUCTION

- 1.1 This report seeks approval from Council for the suspension of off-street parking charges, across all areas of Argyll and Bute for the 2 week period 11 December 2020 to 24 December 2020.

2. RECOMMENDATION

- 2.1 The Council agrees to suspend all off-street car parking charges across all areas of Argyll and Bute between 11 December 2020 and 24 December 2020.
- 2.2 The Council notes the proposal from Oban BIDS and agrees to the principle that an organisation or community group can pay the Council for additional days suspension of charging and this will be dealt with by the Executive Director with responsibility for Roads and Infrastructure Services.

3. DETAIL

- 3.1 Argyll and Bute Council operate a number of pay and display car parks. The council has received communication from Oban BIDS, Helensburgh Community Council and Dunoon presents with different requests in respect of suspension of festive car parking as follows:
- Oban BIDS: 28 November 2020 to 13 December 2020 and if successful in securing additional funding to pay for 14 December 2020 to 20 December 2020.
 - Helensburgh Community Council: 14 December 2020 to 24 December 2020.
 - Dunoon Presents: suspended for an indefinite period, but as a minimum until Christmas.
- 3.2 It is proposed that car park charging charges are suspended for a two week period up to an including Christmas Eve, from 11 December 2020 to 24 December 2020 across all Council areas.
- 3.3 Oban BIDS have confirmed that they were successful in securing grant funding and could pay the Council for additional days suspension of charging. The Executive Director with responsibility for Roads and Infrastructure will engage with Oban BIDS in this regard and arrangements will be based on no bottom line impact on the Council's revenue budget.
- 3.4 This year, more than ever, with the ongoing pandemic situation, it is hoped that the suspension of car parking charges will encourage residents to remain within Argyll and Bute and shop local.

- 3.5 The estimated loss in car parking revenue for the two week period is estimated to be approximately £20,000 however, it is considered that the suspension of charges is considered to provide an overall benefit to the local economy.

4. CONCLUSION

- 4.1 This report seeks approval from Council for the suspension of off-street parking charges, across all areas of Argyll and Bute for the 2 week period 11 December 2020 to 24 December 2020.

5. IMPLICATIONS

- 5.1 Policy – Temporary amendment to parking policy.
5.2 Financial – Loss of income from suspended car parking charges for the two weeks prior to Christmas is estimated to be approximately £20,000.
5.3 Legal – Notices will be displayed in Council car parks, advising of the suspension of charges.
5.4 HR – None.
5.5 Fairer Scotland Duty:
5.5.1 Equalities – None.
5.5.2 Socio-Economic Duty – None.
5.5.3 Islands Duty – None.
5.6 Risk – None.
5.7 Customer Service – Notices will be displayed in Council car parks, advising of the suspension of charges.

Kirsty Flanagan, Executive Director with responsibility for Roads and Infrastructure Services

Rory Colville, Policy Lead for Roads and Infrastructure Services

10 November 2020

For further information contact Jim Smith, Head of Roads and Infrastructure Tel: 01546 604324

ARGYLL AND BUTE COUNCIL

COUNCIL

COMMERCIAL SERVICES

26TH NOVEMBER 2020

RECOMMENDATIONS FROM CLIMATE CHANGE AND ENVIRONMENTAL ACTION GROUP

1.0 INTRODUCTION

- 1.1 The Council approved a motion in September 2019 acknowledging that Argyll and Bute local authority area currently has the lowest rate of CO2 emissions per head of population in the UK however amidst the growing concerns about the climate change emergency it was agreed to establish the Climate Change Environmental Action Group (CCEAG) to enhance Argyll and Bute's contribution to addressing this global issue.
- 1.2 The CCEAG was established as a political Short Life Working Group and has now met on 5 occasions and has held 2 Councillor and Officer Workshops. The original intention had been to report back on the findings of the CCEAG at the August 2020 meeting of Council however the impact of Covid19 delayed this.
- 1.3 The CCEAG met on Tuesday 9th November 2020 and agreed a number of recommendations which are now presented to the Council for approval.
- 1.4 The CCEAG also updated the activity plan and this is presented to Council for information at Appendix 1.

2.0 RECOMMENDATIONS

2.1 Council is asked to:-

1. Note the update to the Climate Change and Environmental Action Group activity plan as detailed in Appendix1.

2. Deliver net zero emissions target by 2045, as outlined in the Decarbonisation Plan 2021;
3. Review the ambition and 2045 target date within 12 months based on national direction of performance monitoring and performance of the plan;
4. Agree that a business case approach to climate change investment is adopted through the Council's Asset Management Board;
5. Agree that the Climate Change Environmental Action Group is disbanded from November 2020 and replaced with quarterly updates from the Climate Change Board being presented to Policy and Resources Committee;
6. Note specifically the commitments outlined in the Decarbonisation Plan relating to engagement with our communities and businesses through our communications and Community Planning teams:-
 - 'Comm1' – Develop and Deliver a Communication Plan to support the Decarbonisation Plan
 - 'Comm 2' – Engage with community and partners and deliver Climate Change Directory for our region.

3.0 DETAIL

- 3.1 The CCEAG recognises our Council's commitment to deliver the Climate Change (Scotland) Act and aims to enhance Argyll and Bute's contribution to addressing this global issue. The cross party political group has been considering and reviewing Climate Change work undertaken by the Climate Change Board for a year now across a broad range of topics as the Activity Plan has highlighted. Topics have included; (1) a review of international, national and local policy (2) review of local climate change indicators (3) oversight of submissions to government relating to climate change consultations and annual performance data (4) Officer / Member Workshop and (5) Development of first Decarbonisation Plan.
- 3.2 The CCEAG was always set up to be a Short Life Working Group and therefore time limited in delivery. Whilst the impacts of the global pandemic have extended the original lifespan from August to November it is considered that sufficient ground has been covered to draw the group to a close. Whilst the political group is being wound up it is explicit that the Officer led and operational Climate Change Board will certainly continue and they will be focused on delivering the actions of the Decarbonisation Plan and new performance indicators as they are developed at a national and local level. The scrutiny of Climate Change work will also be enhanced by regularised reporting on a quarterly basis to the Policy & Resources Committee.
- 3.3 At a national level new indicators and reporting methodologies which were anticipated this year have been postponed until 2021 and once the performance picture is clear we aim to review our plan once more including the specified 2045 ambition.

3.4 Any future changes to the 2045 target will need to be carefully considered and resourced in terms of officer time and funding to be achievable. The Climate Change Board operate a 'business case led approach' to investment to ensure value for money, deliverability and consider risk. It is considered that this case by case review of climate change investment continues and where appropriate reporting to the Council's asset management board for capital investment.

4.0 CONCLUSION

4.1 The Climate Change Environmental Action Group was set up as a short life working group with a remit to report and make recommendations to Council. The Group has overseen the development of the Decarbonisation Plan and now presents their recommendations to Council for agreement.

5.0 IMPLICATIONS

5.1	Policy	Commitment to activities as outlined in decarbonisation plan.
5.2	Financial	None at present beyond officer resource
5.3	Legal	Legal commitment as specified in the Climate Change (Scotland) Act
5.4	HR	None at present
5.5	Fairer Scotland Duty:	None at present
5.5.1	Equalities - protected characteristics	None at present
5.5.2	Socio-economic Duty	None at present
5.5.3	Islands	None at present
5.6.	Risk	None at present
5.7	Customer Service	None at present

Rory Colville
Chair
Climate Change Environmental Action Group

Douglas Hendry
Executive Director with responsibility for Commercial Services
For further information contact:

Ross McLaughlin
Head of Commercial Services

Ross.mclaughlin@argyll-bute.gov.uk

APPENDICES

Appendix 1 – CCEAG Activity Plan

ACTION	RESOURCE	MILESTONES	COMMENT
Council Policy			
1. Collate existing Council policy and corporate policy approach to address climate change matters for Members to note and consider;	All members of Climate Change Board including Economic Development , Procurement , Planning Department, Roads & Infrastructure , Property Services	January 2020	Complete to original timeframe
2. Consider the implications/opportunities of Government policy and legislation in relation to addressing Climate Change; a. Respond to SG Consultation	Climate Change Board	Ongoing Feedback from SG Consultation = January 2020	Complete to original timeframe. Scottish Government has now pushed their update on monitoring & evaluation timeframe back to May 2021 due to Covid19. Some

ACTION	RESOURCE	MILESTONES	COMMENT
			guidance has been produced such as consultation responses & Just Transition Commission: Advice on Green Recovery
3. Note and consider the Council's annual climate change submission to Scottish Government and other performance indicators in compliance with the Climate Change Act;	Climate Change Board Specific briefing notes on:- <ul style="list-style-type: none"> • Waste / BMW Carbon Impacts; • Renewable Energy Strategy & Windfarms 	January 2020	Completed to original timeframe
4. Hold informal workshop with wider range of officers to facilitate discussion around policy & indicators	Officers from Climate Change Board <ul style="list-style-type: none"> • Planning • Flood Risk • Transport • Waste 	March 2020	Completed to original timeframe

ACTION	RESOURCE	MILESTONES	COMMENT
	<ul style="list-style-type: none"> • Building Operations • Procurement • Education 		
Council Business			
5. Review the Action Plan and activities of the Climate Change Board;	Climate Change Board	March 2020	Completed to original timeframe
6. Consider the establishment of a climate change fund for innovation or development.	Climate Change Board	June 2020	June meeting did not take place to discuss. Covid has created budget pressures across a number of services and a business case approach to dealing with investment in Climate Change activities is proposed.
7. Endorse a new renewable energy sourcing strategy for Council assets (RSS2).	Property Services	August 2020	December 2020
Climate Change Champion			
8. Promote and champion the mitigation and adaption to the negative impacts of climate change, green investment	SLWG	Ongoing	Being taken forward as part of De-carbonisation Plan &

ACTION	RESOURCE	MILESTONES	COMMENT
in our region, sustainable development and resource efficiency for the Council & the communities we serve.			Communications Plan
9. Encourage effective partnership working across all community planning partners in relation to the impacts of climate change;	SLWG and Community Planning	Ongoing	<p>Community Planning Partnership held 2 meeting specific to Climate Change and further workshop scheduled. New mapping exercise of climate change activities and groups to be mapped by 31st December 2020 – undertaken by Community Development Team + ACT.</p> <p>In 2021 seek further engagement (virtually and face to face depending on social distancing)</p>

ACTION	RESOURCE	MILESTONES	COMMENT
10. Promote Argyll and Bute as a low carbon area and to develop and seek additional investment for green infrastructure including renewables, environmental and biodiversity business to develop;	Climate Change Board / Economic Development	May 2020	Not completed via Group but this forms key theme of Council's Covid19 Recovery Plan & De-carbonisation Plan.
11. Identify, acknowledge and champion positive climate change projects carried out by (A) the Council (B) our CPP partners, (C) our communities (D) our businesses and others	Climate Change Board	June 2020	Delay until 2021 and completion of De-carbonisation plan (item 15) and Mapping Exercise (item 8 &9)
12. Development of a communications and engagement strategy around the impacts of climate change and how we intend to mitigate and adapt	Communications Team	March - August 2020	Ongoing and under separate paper & De-carbonisation plan.
13. Recommended actions from the group are to be reported back to Full Council by August 2020	SLWG	August 2020	Report to full Council on 26 th November
14. Members Seminar on Climate Change - 15 th June	SLWG	De-carbonisation Plan workshop on 16 th November	Delayed due to Covid19
15. Development of 'Our Council's Commitments – De-carbonisation Plan'	Climate Change Board	New Action	Complete draft for 9 th November CCEAG, Members Seminar on 16 th November & Full

ACTION	RESOURCE	MILESTONES	COMMENT
			Council November. 26 th
16. Governance – Once updated Activity Plan has been agreed report back to Policy & Resources Committee, Business Continuity Committee or Full Council in October	Committee Services	New Action	To approve amended timescales

ARGYLL & BUTE COUNCIL**COUNCIL****LEGAL AND REGULATORY SUPPORT****26th NOVEMBER 2020**

**EXTRACT OF CLIMATE CHANGE ENVIRONMENTAL ACTION GROUP HELD ON 9,
NOVEMBER 2020**

**4. CLIMATE CHANGE ENVIRONMENTAL ACTION GROUP - DECARBONISATION
PLAN**

The group gave consideration to a report presenting the Council's Decarbonisation Plan, which sought to make a clear commitment that as our businesses, communities and services recover from the Covid-19 pandemic, the Council will be doing it in a low carbon and environmentally responsible manner.

Having given consideration to each chapter of the Decarbonisation Plan, Members provided comments in relation to waste; energy and water consumption; transport; offsetting emissions through partnership and innovation and future engagement and community planning mapping. The Head of Commercial Services undertook to liaise with colleagues in Roads and Infrastructure Services to provide further information in relation to Argyll and Bute Council emissions, specifically in relation to fleet and business miles, to Members at the Member Seminar scheduled for 16 November 2020.

Decision

The Climate Change Environmental Action Group –

1. Agreed the content of the Decarbonisation Plan 2021, as outlined at Appendix A of the report;
2. Noted that there will be a Members Seminar held on 16 November 2020 regarding the Plan; and
3. Recommended to Council that they adopt the Decarbonisation Plan at their meeting on 26 November 2020.

(Reference: Report by Executive Director with responsibility for Commercial Services, dated 9 November 2020, submitted.)

ARGYLL AND BUTE COUNCIL

Climate Change Environmental Action
Group

COMMERCIAL SERVICES

9th November 2020

Climate Change Environmental Action Group – Decarbonisation Plan

1.0 EXECUTIVE SUMMARY

1.1 Addressing Climate Change is a global issue that is hugely reliant on partnership, collaboration and the actions of us all. No single organisation can tackle it in isolation and as a Council we need to show clear leadership and lead by example in all that we do. Given the unprecedented year we have had in light of the global pandemic we have decided to accelerate the production of a Council Decarbonisation Plan and make a clear commitment that as our businesses, communities and services recover from the pandemic we will be doing it in a low carbon and environmentally responsible manner. The plan also supports and promotes activities undertaken by the Council's Climate Change Board and political Climate Change Environmental Action short life working group.

2.0 RECOMMENDATIONS

2.1 The Group are asked to:-

1. Agree the content of the Decarbonisation Plan 2021 outlined at Appendix A;
2. Note there will be a Members Seminar held on 16th November regarding the plan;
3. Recommend that Council adopt the Plan at meeting on 26th November;

3.0 DETAIL

3.1 Our area has long been a leader in wind and hydro power production and this coupled with sparse population, high forest, peatland cover and a low number of polluting sources means as a region we are already one of the lowest net producers of carbon in the UK and almost carbon neutral – way ahead of most other regions.

3.2 However, we wish to build on these strong foundations and specifically in the Decarbonisation plan aim to outline actions of the Council in our business operations to address our own carbon footprint. This will be a new reference point for our own journey towards being a 'net zero'

organisation by 2045 and also demonstrates our commitment to others in our region who we wish to bring with us. The behaviors and actions of our community, employees, service users and customers have a significant impact on our carbon emissions, so communication and engagement is key to our successful implementation of this plan.

- 3.3 The plan will evolve in future years and the intention is to widen out the scope to include greater integration with local communities and businesses. However this first plan aims to provide focus for the Council to respond to the diverse challenges and activities to urgently reduce and adapt to climate change.

4.0 IMPLICATIONS

4.1 Policy:	Commitment to activities as outlined in plan.
4.2 Financial:	Resources will required to be deployed to deliver actions of the plan.
4.3 Legal:	None at present.
4.4 HR:	None at present.
4.5 Fairer Scotland Duty:	None at present.
4.6 Equalities – protected Characteristics:	None at present.
4.7 Socio-economic Duty:	None at present.
4.8 Islands:	None at present.
4.9 Risk:	None at present.
4.10 Customer Service:	None at present.

Rory Colville

Chair

Climate Change Environmental Action Group

Douglas Hendry

Executive Director with responsibility for Commercial Services

29th October 2020

Ross McLaughlin

Head of Commercial Services

Ross.mclaughlin@argyll-bute.gov.uk

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CLIMATE COMMITMENTS

Argyll and Bute Council Decarbonisation Plan 2021

Foreword



Councillor Robin Currie, Leader

2020 has been a challenging and unexpected year for many across the globe due to COVID19. It's been a year of great change, anxiety, loss and has highlighted how fragile humanity is and how our way of life can be affected by unforeseen factors, and the importance of behavioural change to support each other.

Addressing Climate Change is also a global issue that is hugely reliant on partnership, collaboration and the actions of us all. No single organisation can tackle it in isolation and as a Council we need to show clear leadership and lead by example in all that we do. Given the unprecedented year we have had we have decided to accelerate the production of this **Decarbonisation Plan** and make a clear commitment that as our businesses, communities and services recover from the pandemic we will be doing it in a low carbon and environmentally responsible manner. The plan also supports and promotes activities undertaken by the Council's Climate Change Board and political Climate Change Environmental Action short life working group.

The Council's Recovery Plan and Strategy champions our area being built back better on a low carbon economy and making the most sustainable use of our assets and existing core industries such as renewable energy, food and drink, aquaculture, agriculture, forestry and tourism.



Council owned wind turbine @ Glengorm Landfill, Mull

Our area has long been a leader in wind and hydro power production and this coupled with sparse population, high forest, peatland cover and a low number of polluting sources means as a region we are already one of the lowest net producers of carbon in the UK and almost carbon neutral – way ahead of most other regions.

However, we wish to build on these strong foundations and specifically in this plan aim to outline actions of the Council in our business operations to address our own carbon footprint. This will be a new reference point for our own journey towards being a 'net zero' organisation by 2045 and also demonstrates our commitment to others in our region who we wish to bring with us. The behaviours and actions of our community, employees, service users and customers have a significant impact on our carbon emissions, so communication and engagement is key to our successful implementation of this plan.

This plan will evolve in future years and the intention is to widen out the scope to include greater integration with local communities and businesses. However this first plan aims to provide focus for the Council to respond to diverse challenges and to address activities required to urgently reduce carbon emissions and adapt to climate change.

Councillor Robin Currie

*Leader, Argyll and Bute Council
November 2020*



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Helensburgh • Tarbet • Mull



Our Vision and Aims

In Argyll and Bute Council we already have much to be proud of when it comes to addressing the causes and effects of climate change. For example, the Council's Climate Change Board has been in existence since 2017 and coordinates activities of the Council and key partners that have reduced CO₂ equivalent output by over 4,000 tonnes per annum in the past 4 years alone.

Now in 2020, we are only 10 years away from the interim target set by Scottish Government via the Climate Change (Emissions Reductions Target) (Scotland) Bill to reduce greenhouse gases by 75% by 2030 (with a target of net-zero emissions by 2045). These are ambitious targets that require all sectors to contribute and it is recognised that the public sector will play a key leadership and 'leading by example' role. We will continue to work with COSLA and emerging national groups to shape our activities in this regard.

Over 1MW of installed Solar Photovoltaic Panel capacity has already been installed on Council Buildings

The Scottish Government also declared a 'Climate Emergency' in May 2019 and the Programme for Government announced on 3rd September 2019 and 2020 encompasses a number of measures to address climate change that are likely to have implications for local authorities. In response to this our Council set up a political led Climate Change Environmental Action Group chaired by the Leader of the Council to oversee activities of the Climate Change Board and make recommendations to the Council for future improvements.

Much still requires to be done and achieved and a whole corporate Council approach is required to tackling Climate Change. Given its growing importance and technical advances the skillset and capacity for Council resource will need to evolve over the next 10 years to meet the interim 2030 targets set out nationally.

4

LED Streetlights installed across Argyll and Bute have reduced carbon emissions by more than 1,100 tonnes of carbon dioxide every year

This **Decarbonisation Plan** not only seeks to highlight work undertaken by the Council and promote planned activities but also to act as a routemap for our journey towards net zero.

1. Argyll and Bute Council to achieve 75% carbon reduction by 2030 and net zero before 2045

This is our starting point for this first Decarbonisation Plan and aligns with national requirements. As this and future plans develop and resource are aligned to specific activities then these timelines for delivery of targets will be reviewed.

2. Support our low carbon economy

We aim to assist our local communities and businesses to recover and build upon our low carbon economy.

3. Lead by example and develop practices and partnerships that inspire low carbon behaviours

We seek to be innovative, collaborative and ambitious with our climate change actions that inspire others and tackle impacts together.

4. Make 'Climate Friendly Argyll and Bute' a recognised brand and underpin behaviours of our staff and customers

Use the new branding (top left of page) to underpin messages of our Decarbonisation Plan.

Our area has 800 operational renewable projects including 15 large scale development projects. They have capacity to generate 1.5GW or power 700,000 homes



Our Climate Context

Argyll and Bute is the second largest Council authority in terms of land mass in Scotland and has a population of just under 90,000 making it one of the sparsest in Scotland with around 50% of our communities being defined as 'rural'. This rural and dispersed characteristic is coupled with the majority of the population living in coastal towns or our 23 inhabited islands and relying on transport links that largely follow shorelines or historic port and ferry routes. With 80% of the population living within 1km of the coast, rising sea levels and exposure from more extreme weather events is more relevant to our region than many others.

The severity of more extreme and frequent weather events has particularly impacted The Rest and Be Thankful (A83 trunk road near Arrochar) in 2020 with increased landslides and closures. Disruption to such important infrastructure has long lasting impacts on economic growth and the resilience of our communities. Our Decarbonisation Plan aims to start a long term climate wise investment in combating the sources of climate change but also to prepare for the inevitable impacts of adverse weather and rising sea levels.



Storm Brendan, waterfront Dunoon, January 2020

Whilst this is our first Decarbonisation Plan the Climate Change Board has been producing carbon management plans for several years and has had a statutory requirement to report on the environmental performance of our business as part of Climate Change Reporting Duties: (CCRD): the CCRD are a mandatory reporting mechanism for the Scottish Government to monitor public body performance and inform future policy. The reporting template captures how public bodies manage climate change in terms of our organisational profile, governance, corporate emissions, adaptation and procurement. This Decarbonisation Plan addresses these themes, and brings a further coherency to the work carried out across the organisation.



82 of our Schools & nurseries have registered with Eco-Schools Scotland Status – with some having received as many as 6 green flags

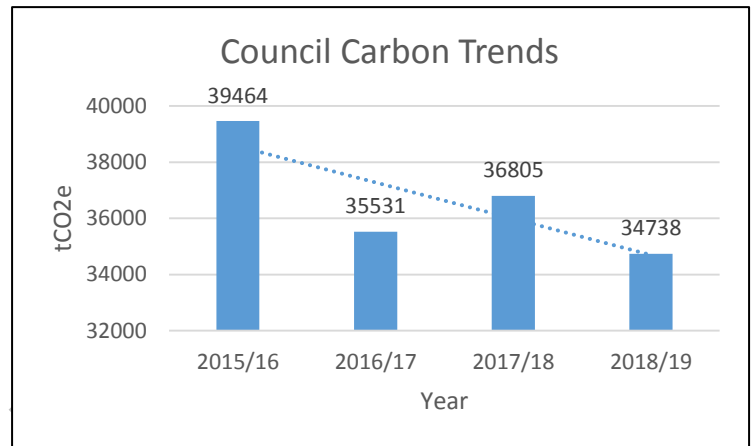
Many of our communities and businesses are already empowered and heading towards their own climate change journey. Whilst this first Decarbonisation Plan primarily focusses on activities of the Council we still aim to promote appropriate good practice of our partners in our area. Tackling climate change is also hugely diverse and under the 'Climate Friendly Argyll and Bute' branding we aim to promote all positive activity no matter how big or small – from installing a large scale windfarm to a community food growing project. We aim to engage and integrate future plans with our Community Planning Partnership, local businesses and communities.

Our Carbon Footprint

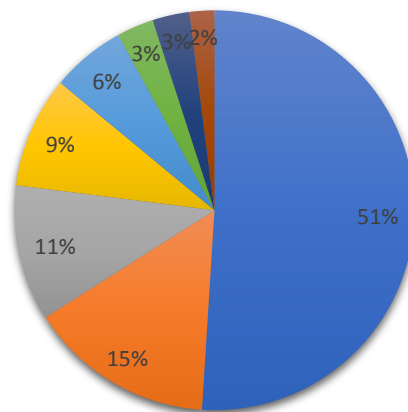
As a business, the Council owns over 300 buildings, runs hundreds of vehicles including cars, buses, ferries and bin lorries and runs multiple services like disposing of municipal waste. All of these assets and activities generate greenhouse gas emissions which are harmful to the environment and contribute towards climate change.

In order to achieve maximum impact from our Decarbonisation Plan it is first essential to understand our Carbon Footprint. This will allow resources and activities to be targeted towards the most beneficial actions that will reduce emissions.

Actions of the Climate Change Board have already set a positive downwards trend of emissions but an accelerated and targeted action is required to meet the ambitious targets by 2030 and 2045. Given that some projects and activities will be large scale and require investment and lead in time it is essential to plan for these as early as possible.



Argyll and Bute Council Emissions (CO₂e) - 2018/2019



- Refuse Municipal to Landfill - 51%
- Natural Gas - 15%
- Grid Electricity - 11%
- Fleet – all Diesel Vehicles - 9%
- Gas Oil & LPG - 6%
- Business Miles (unspecified fuel) - 3%
- Streetlighting - 3%
- All other activities - 2%

Our Climate Commitments

From recognising the main sources of our emissions we have now set out an action plan to decarbonise our activities from 2021 onwards to improve our overall sustainability. We aim to update and review the plan annually and in future years integrate further with work being done by our local communities and businesses.

We have grouped the actions into 6 themes and provide a full breakdown including a resource plan at **Appendix A**.

The themes of our Decarbonisation Plan are as follows:-

1. Waste

We will tackle waste in the most sustainable way. Emissions generated by the handling of municipal waste is by far the biggest contributor to the Council's greenhouse gas emissions at over 51% of total footprint. Whether its kerbside uplifts, recycling, food waste in school canteens or commercial waste we want to consume less, waste less and send less to landfill. This will require support from both our local households and businesses in terms of behavioural change as well as adopting new methods of process change.

2. Energy and Water Consumption

We want to reduce resource consumption in our buildings, particularly fossil fuels. We need to consume less energy and be more efficient with gas, electricity and water in our schools, offices, depots and other buildings. This will require building users to behave differently but also to switch to alternative sources of energy and generate renewable energy where conditions allow for it.

3. Transport

Emissions from our commercial fleet like buses, bin lorries, vans and cars including business miles equate to around 12% of the Council's overall Carbon Footprint. Changing the way we work by using technology during the COVID19 pandemic reduced business mileage by 90%. Reducing the need to travel and ways we work will contribute to this as well as changing to more efficient and environmentally friendly vehicles.

4. Prepare and adapt for impacts of climate change

Regardless of how successful we are in the delivery of our Decarbonisation Plan the impacts and effects of Climate Change are already being felt and we will continue to experience more frequent and severe weather events. We will need to plan and invest in infrastructure and resilience that will be ready for additional flooding, storm events, sea level rises and service disruption.

5. Offset our emissions through partnership and innovation

We benefit from outstanding natural resources and assets in Argyll and Bute and opportunities exist for carbon capture in peatland restoration, tree planting and other forms of offsetting. We will work with partners to deliver this.

6. Tell you about it and encourage community to do their bit #climatefriendlyABC

We will use our social media and communication outlets to promote, highlight and encourage activities of the Decarbonisation Plan and environmental sustainability in general. We will engage with communities, groups and service users on climate matters using #climatefriendlyABC.



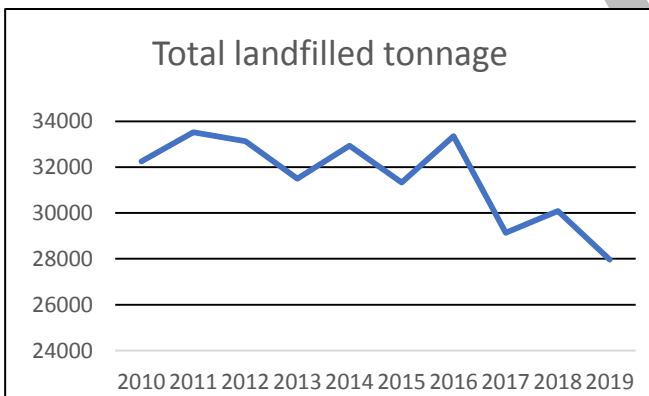
School led Beach Clean

Waste

The Scottish Government has several targets for reducing waste and increasing recycling. By 2025, they aim to:

- reduce total waste arising in Scotland by 15% against 2011 levels;
- reduce food waste by 33% against 2013 levels;
- recycle 70% of remaining waste; and
- send no more than 5% of remaining waste to landfill.

In Argyll and Bute since 2009 we have reduced the amount of waste we send to landfill by 13% and at the same time the amount of waste that we recover and recycle has gone up by around 6756 tonnes per year. Landfill accounts for around half of the Council's annual production of carbon dioxide equivalent emissions (CO₂e).

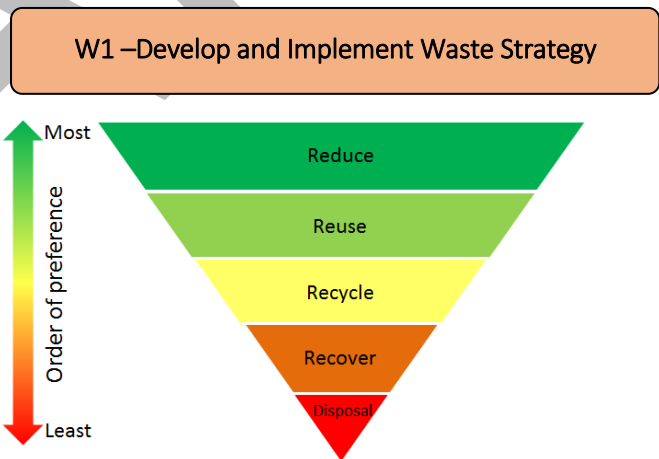


The landfill ban is a measure brought in under the Waste Regulations (Scotland) 2012. By ending landfill as a means of disposal and switching to disposal via Energy from Waste (EfW) the Scottish Government expect a significant reduction in CO₂e generated from waste. The ban was planned to come into force across all of Scotland from January 2021. However the deadline for compliance with the ban has now been put back to 2025.

Changing the Council's waste disposal methodology with a move away from landfill to EfW

is challenging particularly in Argyll and Bute where we have some unique circumstances such as our geography and long standing contracts with suppliers.

We are developing and implementing a Waste Strategy that commits the council to working to meet the Scottish Governments Zero Waste and Circular Economy targets by basing our waste disposal services around the waste hierarchy. Achieving this objective will have positive effect on the Council's greenhouse gas output. Through framing the policy initiative on the waste hierarchy we will also be able to achieve savings as a smaller decreasing amount of waste goes to disposal or recovery via energy from waste. Using promotional tools such as social media and the Council's website as well as direct engagement at events etc. we will educate residents, business, visitors and Council employees on the need to reduce, reuse and recycle following the waste hierarchy to reduce waste going for either disposal or recovery.



In the Waste Strategy the Council acknowledged that the public of Argyll and Bute has a crucial role to play in not only maintaining current recycling and diversion rates levels, but also in making positive changes supporting the Council's ability to increase those rates. Strong community education and communications will be implemented and sustained with regular refreshes of content to reinforce the waste reduction message.

Waste (cont)

- Cradle to grave information on all of our different waste streams, detailing the end destinations of our waste;
- Advice on how to reduce food waste;
- Active promotion of local reuse charities and groups;
- Guidance on beach cleans and marine litter;
- Publication of the council's annual waste performance information; and
- Clear unambiguous guidance on what can and cannot be recycled by the council.

W2 –Promote the Waste Hierarchy through community education

Food, Catering, PPE and Plastics

The theme of climate change and waste reduction is a thread that runs throughout all catering activities in our schools and commercial outlets. Pupils are also encouraged to retain their 'Eco Schools' standard and our catering service holds a Bronze Soil Association Accreditation.

As with many parts of the Council, Catering will continue to minimise the use of disposables and single use plastics - the service is keen to reduce its waste to landfill, and prior to Covid 19, many primary schools across Argyll and Bute had removed all disposables from their lunchtime service. In secondary schools, and commercial cafes, disposables were fully biodegradable and compostable, and incentives were in place to encourage individuals to use reusable cups, mugs, bottles and crockery. Straws and other non-essential plastics had been entirely removed from all services.

W3 –Reduce Council use of disposable and single use plastics across all departments and settings

Although the pandemic has resulted in the reintroduction of some disposables including PPE, the intention will be to remove these when it is safe to do so.

Tackling food waste - pre ordering is in effect across most schools which not only protects individual choice, but minimises food waste, as the catering staff only prepare food based on orders. This will be extended further with the exploration of a pre-order app for secondary schools and a home online ordering for Primary schools.

W4 –Extend and explore pre-ordering for school meals to reduce food waste



Schools

Many of our schools have uniform hubs to ensure no pre-loved uniform goes into landfill and often run classroom education themes about waste hierarchy or self-monitoring recycling.

Where possible we will continue to support school activities and where schools have gardens, poly tunnels and grow their own fruit and vegetables, the catering staff will work with the pupils to incorporate their produce into school lunches. They also support school composting activities to help reduce further any potential waste to landfill.



Energy and Water Consumption

Fossil Fuels and Biomass

Over the last 15 years, Argyll and Bute Council has steadily reduced its heating oil consumption by approximately 70% (from circa 23 million kWh of oil per annum to circa 7 million kWh per annum) largely through fuel conversions to biomass/gas fuel sources with lower cost and carbon emissions.

The Council has 13 biomass installations, with installed capacity of circa 3.2MW, using combinations of wood pellet and locally sourced wood chip for fuel. A further 140kW biomass boiler was integrated into the recently constructed Mull Progressive Care facility, a joint project between West Highland Housing Association, National Health Service and Argyll and Bute Council.

Argyll and Bute Council, in conjunction with a specialist consultant, has assessed the bulk of its estate (over 1,100 land/property assets) as part of phase 1 of the Renewables Sourcing Strategy (RSS1). The assessment reviewed the available renewable technologies and screened the Council's land/property asset information to identify and rank (using key benefits criteria) the most appropriate renewable energy installations. All of the most viable projects have now been delivered. Projects have been funded on a 'spend to save' basis and have accessed supportive UK Government funding in the form of Feed-in-Tariff (FIT) and Renewable Heat Incentive (RHI). We are aiming to update this study as part of a second phase of assessment.

E1 –Deliver Renewable Sourcing Strategy 2

Reduction in heating oil use continues to be a primary objective given its cost and carbon emissions. 10 sites still utilising heating oil are currently subject to feasibility/business case development for conversion to energy efficient heat pumps. It is proposed to convert any sites that can be funded by summer 2021.

E2 –Delivery of Renewable Heat Incentive (RHI) Projects

10 sites have been identified for energy efficiency improvements to be delivered through the Scottish Government Non Domestic Energy Efficiency Framework (NDEEF). An outcome will be enhanced energy solutions delivering carbon and cost reduction. Phase 1 of the NDEEF participation is expected to require capital investment of circa £1.1million with a project payback of circa 10 years (i.e. annual revenue saving of over £100,000). Works are expected to be implemented between easter and summer 2021 should funding be approved.

E3 –Delivery of Non Domestic Energy Efficiency Framework (NDEEF) Projects



Ardrishaig Primary School biomass boilerhouse

Solar

Argyll and Bute Council has installed around 1.1MW of solar photovoltaic (pv) panels across 19 sites, mainly on school buildings.

Solar photovoltaic options - feasibility work has been instructed for 9 sites; 2 sites involve extension to existing schemes but initial feedback from SSE is that grid connections are still constrained at 50kW at these locations; another 7 sites have been surveyed and business cases will be prepared for viable installations.

E4 –Deliver additional solar pv installations at Council assets

Energy and Water Consumption (cont)

Water

A total of 80 targeted water efficiency and asset verification audits are currently being conducted and recommendations arising are expected to be implemented by April 2021. Aspirations are that this project will deliver a reduction on water use of up to 15%.

E5 –Deliver water efficiency audits across our estate



Tobermory Pre5 Unit has Energy Performance Certificate rated at Level 'A'

Housing Services and Fuel Poverty

Since 2016, 1,123 households have received insulation measures through the Home Energy Efficiency Programme Scotland: Area Based Scheme (HEEPS: ABS). Insulation measures make homes warmer, reduce energy bills and decrease carbon emissions - (*this figure does not yet include households completed in 2019/20 as scheme is not complete yet due to COVID-19*).

As a result of installing insulation measures to 339 households in 2018/19, 245.2 tonnes of carbon emissions were saved.

The Energy Efficient Scotland programme is an area based scheme, funded by the Scottish Government and delivered by Argyll and Bute Council which will continue to run until at least

2024. This scheme will offer insulation measures to private households throughout Argyll and Bute. This scheme will contribute to reducing carbon emissions and improving energy efficiency of homes, as well as being part of the Scottish Government's route map to an energy efficient Scotland.

In 2020, Argyll and Bute Council are supporting Argyll Community Housing Association with their Warm Homes Project. £1million of funding is being used to install external wall insulation to private homes in mixed tenure blocks. This supports ACHA's wider programme where they are installing over 1000 air source heat pumps across Argyll and Bute.

Through the Energy Efficiency Forum, Argyll and Bute Council will continue to support key partners on their projects which will impact on reducing carbon emissions.



ACHA's External Wall Insulation works in Oban

The Council's Housing Service plans to pull together case studies on the HEEPS: ABS programme. Through the Strategic Housing Investment Fund, housing association partners have to build properties to greener standards.

E6 –Delivery of Energy Efficient Scotland Programme

Around 14,500 Street Lights are in process of being replaced with more energy efficient and automatic dimming light emitting diodes (LEDs).

E7 –Complete LED streetlight replacement programme



Energy and Water Consumption (cont)

Renewable Energy Alliance

The Argyll and Bute Renewable Energy Alliance (ABRA) was established in 2011 and brings together key public and private sector partners - including Argyll and Bute Council, the Scottish Government, Highlands and Islands Enterprise, Marine Scotland, Scottish Power Renewables, Scottish and Southern Energy, the Crown Estate Scotland, Nature Scotland and Skills Development Scotland - to ensure a greater awareness of all the issues relating to renewable development across Argyll and Bute, and to assist with delivering the Renewable Energy Action Plan.

ABRA have supported the development of community renewables through Community Renewables Opportunity Portal webpages and the development of the Council's wind turbine, Miss Hoolie. When constructing Miss Hoolie, the contractor engaged actively with local school pupils to discuss renewable energy generation.

ABRA work with on-shore wind developers to ensure that maximum benefit is realised at a local level including through local economic opportunities and voluntary benefit funds. We are working with a developer on a new strategic concordat that will ensure that a wider economic benefit can be delivered to our communities.

There are a total of **800** operational renewable sites in Argyll and Bute generating **1.5 GW** of Renewable Energy.

There are 15 operational commercial windfarms (**7 on Kintyre Peninsula**) with a combined Capacity of **348 MW**.

A number of our communities have developed and own their own wind turbines, solar panels, hydropower turbines and biomass boilers which all help to generate energy locally, provide income and support community investment and activities.

The [interactive renewables map](#) is a tool

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developed by the Council which allows people to access up to date information from our planning system on renewable energy sites across Argyll and Bute. https://www.argyll-bute.gov.uk/planning-and-environment/renewable-energy#in_map.

Islay Local Energy network

The Council is currently working with HIE, Scottish Government and the local community to look at the possible options and scenarios that would assist in the delivery of local energy networks on Islay to overcome grid capacity challenges. Consultants have been appointed to take this first piece of work forward and the work is due to be completed by November 2020 and a stakeholder event will then be held in early 2021 to discuss the next steps.

The project is one that currently sits within the Rural Growth Deal. www.argyll-bute.gov.uk/rgd

E8 –Continue support of ABRA and review Renewable Energy Action Plan annually

Supporting the development of off shore wind

The Scotwind Leasing Round was launched by Crown Estate Scotland in summer 2020. It is anticipated that the closing date for lease submissions will be early 2021.

Subject to a developer successfully securing a lease for the development of the W1 site off the west coast of Argyll, it will potentially lead to the development of an offshore wind farm north-west of Islay circa 2030 as consenting and financial requirements would need to be addressed before work can start.

We are providing online information available for all prospective developers and have developed a story map for desktop: [Scotwind Developers Prospectus](#).

E9 –Continue support for offshore development of renewables

Transport

Fleet

In 2020, the Council ordered and took delivery of 40 new hybrid vehicles for our fleet. Six pure electric vehicles were also introduced. This has displaced and removed 46 diesel vehicles from service. This is a statement of intent and our Fleet Replacement Strategy is looking at procuring more fuel efficient vehicles and ultimately reducing the Carbon Footprint.

T1 –Develop a Fleet Replacement Strategy supportive of fuel efficient, electric and hybrid vehicles



New hybrid fleet car with Climate Friendly ABC Branding

Fleet services are also due to trial an electric refuse lorry in Rothesay during November 2020 and seeking to be innovative with other vehicle types.

Fleet Services aim to introduce a new vehicle routing system to scrutinise existing routes and hopefully highlight a more efficient internal transport system.

T2 –Develop a vehicle routing system that will reduce road miles for operations

Given the increasing prominence of plug in hybrid and all electric vehicles being used by the Council and the public the Council has committed to develop an Electric Vehicle Infrastructure Strategy.

T3 –Develop an Electric Vehicle Infrastructure Strategy

Marine

Plans are in place to replace both engines in the Islay/Jura - Eilean Dhiura – ferry vessel. New engines will be ‘Tier 2’ emission which will be lower fuel consumption and lower NOx emissions. In addition, a replacement vessel for the Lismore ferry is currently at the design stage with much lower emissions targeted than existing.

Reduce the need to travel

One impact of the pandemic has been to increase the use of digital technology for communications and reduce the need for face to face contact and travel. Business mileage during mid 2020 reduced by over 90% and indications are that the majority of staff wish to continue working at home in part or full. This will evolve in time as part of the Council’s Recovery Plan and Digital by Default themed service review.

T4 –Support Digital by Default Themed Service Review and Recovery Plan to reduce travel

Active Travel

The Council has obtained £315,000 Spaces for People Funding to assist with active travel and social distancing in 2020. The Council and schools also encourage active travel to schools and offices.

T5 –Develop new active travel plans for Council buildings and our towns



Prepare and adapt for impacts of climate change

Roads and Infrastructure

The Council has a varied capital investment plan that includes a number of resilience and climate change related projects preparing for sea level rises, increased flood events and protection of essential infrastructure such as roads, bridges, ferry routes and buildings. During the summer of 2020, the Council agreed to invest over £20m and commence works on the Helensburgh Waterfront Development which will install new flood defences in the town centre of Helensburgh.

The Council will be reviewing both the flooding and coastal protection policies, ensuring climate change actions are included within these.



New flood defences being installed at Helensburgh Waterfront, October 2020

Capital works and procurement

The Council's Major Projects team is currently looking at ways to assess climate reduction targets for large capital works within the quality submission. *'How would you reduce carbon emissions by 20% during construction?'* Review/consider the likely increase/decrease in costs this could bring.

Services will review project inception documentation to ensure that it includes questions relating to climate change when beginning new projects such as:

- Can the design include ways to offset x% of carbon emissions from construction
- Can a new road be designed to aid fuel efficient driving
- Can alternative construction methods / materials be used to reduce carbon emissions
- Can the structure be repaired / maintained / repurposed instead of requiring a new asset creation
- Can any demolition materials / arisings be reused elsewhere on other relevant projects (e.g. suitable dredge material for beach replenishment, demolished stone as infill material).
- Can structure elements be standardised to minimise waste (e.g. rebar cutting, reused concrete formwork)
- Can felled trees for site clearance be used as timber, and replaced nearby

PA1 –Review Council flooding and coastal protection policy

PA2 –Review Sustainable Procurement Policy on an annual basis



Offset our emissions through partnership and innovation

Argyll and Bute benefits from outstanding natural assets and opportunities exist for carbon capture in peatland restoration, tree planting and other forms of offsetting. We will work with partners to deliver this.

Argyll and the Isles Coast and Countryside Trust (ACT)

ACT is a member of our Climate Change Board and partner with the Council on multiple projects and share a number of common objectives.

ACT's Woodland Enterprise is an innovative new venture supporting biodiversity improvements, carbon sequestration, and community access to and involvement with Argyll's woodlands.

Initial research of suitable woodland planting sites within Argyll and Bute Council's ownership has been undertaken. ACT's native species planting plans will involve communities and volunteers, and offer skills and training opportunities. ACT will establish a trading system to manage transactions between the investor, ACT, and the land manager/owner that recognises the carbon value, the improved biodiversity and social capital ACT will generate at each site.

Income generated can then be invested into further development of the enterprise, and improvement and expansion of Argyll's rainforest, and, thereby, contribute to the sustainable restoration and development of Argyll and Bute's unique and precious natural assets, and the economy they support.



Argyll's rainforest (credit Stan Phillips)

Some of our schools are working with the Woodland Trust to plant saplings this year. They will be supported by ACT and other local community groups, such as Hermitage Park, the Veterans Wood and Friends of Duchess Woods. Through these efforts they will gain accreditation towards the John Muir Awards.

Peatland Restoration on Islay

ACT is a partner in the Collaborative Action for Natura Network (CANN) Project and has a team that focuses on protecting and restoring peatland in designated conservation sites. As part of the CANN project, ACT are focusing on removing non-native invasive species that are encroaching on to protected peatland. Species such as rhododendron *ponticum* dry out the wet bog conditions needed for peat, halting the carbon sequestration process, and even releasing stored carbon back into the atmosphere. ACT are engaged with landowners and contractors to treat almost 150 ha of rhododendron across Islay and Colonsay in an effort to improve the condition of these protected sites, increasing their ability to sequester carbon. This includes developing conservation action plans and training courses, local people are being equipped to continue to combat rhododendron and improve these sites after the project end date in 2022.



Duich Moss, Islay – pre treatment

OFF1 –Develop opportunities for Carbon Offsetting with ACT and partners



Tell you about it and encourage community to do their bit

Both the Climate Change Board and Climate Change Environmental Action Group have dedicated communications plans. It is the intention, using the Climate Friendly Argyll and Bute Branding, to promote, highlight and encourage the type of activities highlighted in the Decarbonisation Plan and environmental sustainability in general. This will help in engaging with communities, groups and service users on climate matters using #climatefriendlyABC.

Leading by example, and showing others how they can get involved in making Argyll and Bute climate-friendly, will be key in achieving success for our environment.

The aim for communication about climate change therefore is to highlight the steps the Council and others are taking to involve as many people as possible in making Argyll and Bute climate-friendly.

There are many things we can do on a day to day basis that protect our environment – as individuals, as businesses and as organisations.

Argyll and Bute Council is committed to leading good practice and sharing ideas on how we can all do our bit.

We have developed and signed-up to a communications plan that will celebrate the great things going on in Argyll and Bute. This plan includes the ways we want to engage with people and this will be developed further as opportunities arise.

One of our first steps was to create a 'Climate Friendly Argyll and Bute' badge to use on publications, vehicles, social media etc.

This badge has been incorporated into the livery of our new fleet of hybrid and electric vehicles.

We are using social media and media releases to engage and encourage people to make small changes that, collectively, will make a big difference to Argyll and Bute's environment. Work done to date includes:

- How to avoid food waste;
- Inviting people to sign up to [government home energy programmes](#) that will help save money and reduce fuel usage;
- Encouraging people to recycle more and providing them with details on what happens to the [materials they recycle](#); and
- Highlighting the success of our [Eco Schools and congratulating the achievements](#) of our pupils.

Future projects will cover:

- Promoting active travel;
- Using local produce to create healthy meals;
- How our school meals are made sustainable and how we will make a 'Green Christmas';
- What to do with Christmas leftovers at home.

Moving forward, we will talk about what the Council is doing to meet and exceed its climate change obligations for the future. Addressing climate change means long-term action; communication about climate issues will therefore be regular and on-going.

We can all play the part we need to, to protect the environment on which we all depend. Argyll and Bute's council will inspire, engage and lead that drive.

COMM1 –Develop and Deliver a Communication Plan to support the Decarbonisation Plan

Future Engagement and Community Planning Mapping

This is our first Decarbonisation Plan that focuses on activities of the Council as an operational business. We have brought forward this plan to focus attention on our low carbon recovery in 2021.

We aim to review this plan in 2021 and also work with other organisations, partners and our communities to strengthen this plan and evolve into a wider Climate Change Strategy for our region. The actions of the plan identified in Appendix 1 will be monitored by the Climate Change Board and progress reported on.

In 2021 with our Community Planning Partners we aim to develop an online Climate Change Directory of what is happening in Argyll and Bute. This will involve working with a range of partners from within the Community Planning Partnership (CPP) including Youth Parliament, Nature Scotland (previously Scottish Natural Heritage) and the National Park. We will also be engaging with community groups working on mitigating climate change through our four Area Community Planning Groups and the Council’s Community Planning and Development Team.

COMM2 –Engage with community and partners and deliver Climate Change Directory for our region

We will investigate ways to map all our partner initiatives to show where there is positive action and learning. The expected outputs include:

- A web directory – signposting, to show what is happening.
- Looking at how can we make a directory fun and interesting to view? Animation, videos, links to picture rich and interactive sites.
- Highlight good practice, key initiatives.
- Work to showcase one or two particular Argyll and Bute focused projects.
- Have a particular focus on COP (2021) – identify what we would be able to show case. Things that will be happening; Worldwide

theme; high profile. In particular things that showcase Argyll and Bute.

- Identifying the gaps.
- Links to funding.

COMM3 –Monitor the delivery of actions in the Climate Change Action Plan and review in 2021

The Council is also a member of the Sustainable Scotland Network (SSN) and this plan has been reviewed by the Edinburgh Centre for Carbon Innovation. The SSN gives the Council national reach and helps improve alignment of efforts with SG and other public sector bodies. SSN also represents an opportunity to share good practice, develop common approaches and efficiencies.





APPENDIX 1 – Climate Change Action Plan

ACTION	LEAD (L) AND PARTNERS	PERFORMANCE INDICATORS (Where relevant)	TARGET or MILESTONE	FUNDING
W1 –Develop and Implement Waste Strategy	(L) Roads and Amenity Services, Community, commercial customers		Implementation of the Waste Strategy transitioning to Landfill ban compliant Residual Waste Recovery solutions by 2025.	External funding and support being sought from the Scottish Government
W2 – Promote the Waste Hierarchy through community Education	(L) Roads and Amenity Services		Evidence of community Education	Not secured
W3 – Reduce Council use of disposable and single use plastics across all departments and settings	(L) Procurement and Commercial Services, all Council Services		Adoption of new working practices and procurement	No specific funding in place, research required to impact on operation costs
W4 – Extend and explore pre-ordering for school food to reduce food waste	(L) Commercial Services and Education	Food waste per school (not currently measured and requires further	Evidence of extension of pre-ordering & food waste reduction	No specific funding in place, research required to impact on



ACTION	LEAD (L) AND PARTNERS	PERFORMANCE INDICATORS (Where relevant)	TARGET or MILESTONE	FUNDING
		development)		operation costs
E1 – Deliver Renewable Sourcing Strategy 2	(L) Commercial Services		Adoption of Strategy	Yes
E2 – Delivery of Renewable Heat Incentive (RHI) Projects	(L) Commercial Services	Carbon saved by delivery of RHI Projects	Evidence of delivery of projects	Study work yes – delivery subject to individual business case
E3 – Delivery of Non-domestic Energy Efficiency Framework (NDEEF) Projects	(L) Commercial Services	Carbon saved by delivery of NDEEF Projects	Evidence of delivery of projects	Study work yes – delivery subject to individual business case
E4 – Delivery of additional solar installations at Council assets	(L) Commercial Services	Carbon saved by delivery of new solar projects	Evidence of delivery of projects	Study work yes – delivery subject to individual business case
E5 – Delivery of Water Efficiency Audits across our Estate	(L) Commercial Services	Carbon saved by delivery of water efficiency works	Evidence of delivery of projects	Study work yes – delivery subject to individual



ACTION	LEAD (L) AND PARTNERS	PERFORMANCE INDICATORS (Where relevant)	TARGET or MILESTONE	FUNDING
				business case
E6 – Delivery of Energy Efficiency Scotland Programme	(L) Housing Services, Registered Social Landlords	Number of homes improved	Evidence of delivery of projects	Part for current financial year
E7 – Complete LED streetlight replacement programme	(L) Roads and Infrastructure Services	Number of streetlights upgraded, carbon equivalent saved	Evidence of delivery of projects	Fully funded through prudential borrowing
E8 – Continue support of ABRA and review Renewable Energy Strategy annually	(L) Economic Development	GW of renewable energy produced in Argyll and Bute	Evidence of delivery of projects	Officer resource to support currently funded
E9 – Continue support for offshore development of renewables	(L) Economic Development		Evidence of delivery of projects	Officer resource to support currently funded
T1 – Develop a Fleet Replacement Strategy supportive of fuel efficient, electric and hybrid vehicles	(L) Roads and Infrastructure Services	Number of alternative fuel and fuel efficient vehicles in fleet, Carbon equivalent saving	Adoption of Strategy	Part for current financial year



ACTION	LEAD (L) AND PARTNERS	PERFORMANCE INDICATORS (Where relevant)	TARGET or MILESTONE	FUNDING
T2 – Develop a vehicle routing system that will reduce road miles for operations	(L) Roads and Infrastructure Services	Number of vehicle miles reduced	Evidence of delivery of projects	Part for current financial year
T3 – Develop an electric vehicle infrastructure strategy	(L) Roads and Infrastructure Services	Number of electrical vehicle charging points in Argyll and Bute	Evidence of delivery of projects	Part for current financial year
T4 – Support Digital by Default theme Service Review & Recovery Plan to reduce need to travel	All Council Departments	Business Mileage	Evidence of delivery of projects	Part for current financial year
T5 – Develop new active travel plans for Council buildings and our towns	(L) Economic Development	Number of active travel plans in place	Evidence of delivery of projects	Part for current financial year
PA1 – Review Council Flooding & Coastal Protection Policy	(L) Roads and Infrastructure Services		Review of policy	No specific funding in place, research required to impact on operation costs
PA2 – Review Council Sustainable Procurement Policy	(L) Procurement		Review of policy	No specific funding in place, research required to impact on operation costs



ACTION	LEAD (L) AND PARTNERS	PERFORMANCE INDICATORS (Where relevant)	TARGET or MILESTONE	FUNDING
OFF1 – Develop opportunities for Carbon Offsetting with ACT and partners	(L) Climate Change Board, ACT and partners	Carbon savings achieved through offsetting	Delivery of projects	Limited funding via ACT for existing projects
COMM1- Develop and deliver Communications Plan to support Decarbonisation Plan	(L) Climate Change Board and Communications Team		Delivery of Communications Plan	Part of Communications Support
COMM2 - Engage with community and partners and deliver Climate Change Directory for our region	(L) Community Planning and Development Team	Number of Community Groups and initiatives mapped and engaged with	Delivery of engagement map	In place until end of financial year
COMM3 - Monitor the delivery of actions in the Climate Change Action Plan and review in 2021	(L) Climate Change Board		Review of this plan by December 2021	

ARGYLL & BUTE COUNCIL**COUNCIL****ROADS AND INFRASTRUCTURE SERVICES****26 NOVEMBER 2020**

EXTRACT OF MINUTE OF COVID LEADERSHIP GROUP 29.10.20

*** Extension to Relaxation of Planning Enforcement in Town Centres in Response to Covid 19**

Leadership Group agreed to the recommendation to extend existing measures for relaxation of planning enforcement in relation to recovery of town centre business activity be extended until 31st March 2021, subject to periodic review in the event of updated guidance being provided by the Scottish Government.

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ARGYLL AND BUTE COUNCIL
Development & Economic Growth

Leadership Group
29th October 2020

**EXTENSION TO RELAXATION OF PLANNING ENFORCEMENT IN TOWN
CENTRES IN RESPONSE TO COVID-19**

1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks approval for the extension of existing planning relaxations relating to recovery of town centre business activity previously approved in July 2020.
- 1.2 It is recommended that
- i) The guidance provided by the Scottish Government's Chief Planner on relaxation of planning enforcement in response to Covid-19 be noted.
 - ii) Extension to existing measures for relaxation of planning enforcement in relation to recovery of town centre business activity be extended until 31st March 2021, subject to periodic review in the event of updated guidance being provided by the Scottish Government.

ARGYLL AND BUTE COUNCIL

Leadership Group

Development & Economic Growth

29th October 2020

EXTENSION TO RELAXATION OF PLANNING ENFORCEMENT IN TOWN CENTRES IN RESPONSE TO COVID-19

2.0 INTRODUCTION

- 2.1 It is recognised that the extraordinary circumstances arising from Covid-19 and resultant restrictions have given rise to a situation where businesses may require to take rapid action in order to respond to restrictions upon their ability to operate. This can in some cases give rise to unintentional or deliberate breaches of planning control where development requires to be undertaken immediately in response to rapidly changing circumstances.
- 2.2 The Scottish Government has previously provided guidance on relaxation planning enforcement in relation to specific activities that were expected to be undertaken in response to the evolving Covid-19 pandemic and restrictions imposed upon 'normal' business operations.
- 2.3 The Council has also sought to support businesses through this challenging period and recognises that the inherent time periods built into the planning process to facilitate engagement and transparency are not always capable of being aligned with the rapid pace of change seen over recent months. In order to address this shortcoming, the Council previously adopted a Planning Position statement setting out a formal relaxation to planning enforcement and the requirement to apply for planning permission, in relation to temporary changes of use and structures within town centres where these were required to facilitate resumption of business activity following 'lockdown'. The Planning Position statement expired on 30th September 2020.

3.0 RECOMMENDATIONS

- 3.1.1 It is recommended that
- i) The guidance provided by the Scottish Government's Chief Planner on relaxation of planning enforcement in response to Covid-19 be noted.
 - ii) The Planning Position statement providing an extension to existing measures for relaxation of planning enforcement in relation to recovery of town centre business activity be extended until 31st March 2021, subject to periodic review in the event of updated guidance being provided by the Scottish Government.

4.0 DETAIL

- 4.1 The Scottish Government has issued advice that planning authorities should take a “common sense approach to enforcement, with actions proportionate to the severity of suspected breaches of planning control”. The Scottish Government’s Chief Planner has issued further instruction setting out guidance for relaxation of planning enforcement on identified activities that may give rise to a breach of planning control as businesses responded initially to ‘lockdown’ restrictions arising from Covid, and then subsequently as they adapted to a new operating environment as restrictions were initially eased.

Summary of Scottish Government Chief Planner’s Guidance on Planning Enforcement Relaxations:		
Date Issued	Scope/Activity Covered	Expires:
11 th March 2020 (updated 16 th June 2020)	Relaxation of enforcement of conditions relating to retail distribution	To be reviewed September 2020
18 th March 2020 (updated 16 th June 2020)	Relaxation of enforcement where public houses and restaurants offer a takeaway service during the current outbreak	To be reviewed September 2020
29 th May 2020	Relaxation of enforcement in relation to hours of operation on construction sites; and in relation to changing business practices during physical distancing restrictions	Remove when physical distancing restrictions no longer apply.
2 nd July 2020	Relaxation of enforcement in relation to 28 day rule on temporary uses	To be reviewed September 2020, to be withdrawn when physical distancing is no longer required.

Supporting Town Centre Economic Recovery in Argyll and Bute

- 4.2 During Summer 2020. Development Management have participated in the Council’s Easing of Lockdown working group which has had a focus on providing support to the recovery of town centre business activity as the initial ‘lockdown’ measures were eased, and includes a variety of internal and external stakeholders. It was identified at an early stage that proposals to utilise town centre spaces to provide outdoor eating/drinking facilities would give rise to breaches of planning control in many cases, and as such had potential to be problematic to licencing activity necessary to regulate this function. In response to this concern officers prepared an update for the Council’s Strategic Group (paper attached as Appendix A) setting out a formal relaxation of planning enforcement activity which was approved in 29th July 2020. The position statement (set out below for reference) has provided certainty that has allowed temporary outdoor eating/drinking areas to be created without the requirement for planning permission and has facilitated engagement between the Council’s statutory role as planning authority and other regulatory activity, including Licencing.

*“For a temporary period up until **30th September 2020** Argyll and Bute Council as planning authority will not invite applications for planning permission or pursue planning enforcement action for development providing for the temporary change of use of outdoor areas and/or erection of temporary structures within the designated Town Centre areas of the Main Towns and Key Settlements (as defined in the adopted LDP) which are intended to provide on-street seating for existing cafes, bars, beer gardens and similar to accommodate physical distancing in relation to the resumption of operations in town centre businesses subject to the appropriate authorisations being obtained from Environmental Health, Licencing and Roads Authorities.*

Following the expiry of the defined temporary period, or any subsequently prescribed extension of this period, all temporary uses shall require to be discontinued, temporary structures removed, and the land restored to its former condition unless express planning permission has been sought and obtained in the intervening period.

The installation of any permanent or semi-permanent structures or alterations to the public realm are not supported by these temporary measures and shall require the benefit of express planning permission in advance of works commencing.”

- 4.3 The Planning Position statement was initially aligned to the time period provided in the Scottish Government Chief Planner’s letter of 2nd July 2020 which indicated that a review of the requirement for this planning enforcement relaxation would be undertaken in September 2020. No formal update has yet been provided on this matter by the Scottish Government although, when enquiries were made, it has been indicated that the advice remains in force.
- 4.4 Whilst the expiry of the Planning Position statement does not prevent the Council as planning authority from continuing to deliver planning enforcement in a pragmatic and proportionate manner which gives due consideration to the requirement of businesses to react to Covid-19 restrictions, the absence of a formally agreed exemption (as noted in the Planning Position statement) would prevent/impede positive engagement with other regulatory processes, Licencing in particular, where any breach of planning control, or requirement for permission would require to be flagged up. Whilst the Planning Position statement was in force such matters were identified but accompanied by commentary advising that new uses/erection of temporary structures could proceed temporarily without the benefit of express planning permission. Whilst it is expected that the demand for outdoor eating/drinking facilities will reduce over the winter months it is identified that, if demand for these facilities does arise, the requirement for planning permission would remain a significant barrier in a circumstance where businesses are continuing to react to a fast changing situation impacting upon their ability to operate with restrictions on opening hours/use of indoor facilities/social distancing

etc. It is therefore considered that it would be prudent to make appropriate provision to extend the Planning Position statement for the duration of the 'emergency period' until 31st March 2021 (as it is currently defined by the Coronavirus (Scotland) Act 2020) to reduce regulatory requirements for temporary changes to operating arrangements by town centre businesses during this challenging period.

5.0 CONCLUSION

- 5.1 The recommendations set out proposals that will provide sufficient certainty to ensure that the Development Management Service can remain fully engaged in support for other regulatory activity of the Council which supports town centre recovery.

6.0 IMPLICATIONS

- 6.1 Policy - None
6.2 Financial - None
6.3 Legal - None
6.4 HR - None
6.5 Fairer Scotland Duty: - None
6.5.1 Equalities - protected characteristics - None
6.5.2 Socio-economic Duty – Positive impact through support for business activity as it responds to Covid-19
6.5.3 Islands - None
6.6 Risk - None
6.7 Customer Service – Positive impact through management of customer expectations.

Executive Director of Development & Economic Growth - Kirsty Flanagan

Policy Lead David Kinniburgh

25th October 2020

For further information contact: Peter Bain – 01546 604204

APPENDICES

Appendix A – Previous report to Strategic Group July 2020

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ARGYLL & BUTE COUNCIL

COUNCIL

DEVELOPMENT AND ECONOMIC GROWTH

26 NOVEMBER 2020

EXTRACT OF MINUTE OF COVID LEADERSHIP GROUP 29.10.20

* **Extension to Permission Under Covid 19 Emergency Powers to Waive Fees for Use of Public Space for Business Use**

Leadership Group agreed to the recommendation to extend until 31st March 2021 a waive of fees for use of public space for business space in relation to Covid 19.

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Covid 19 Leadership Group 29.10.20

Request for Decision; Extension to Permission Under Covid 19 Emergency Powers to Waive Fee for Use of Public Space for Business Use

In July 2020 an application was received seeking to use up to 9 bays of the off street parking at the Esplanade Car Park in Oban which is owned by the Council. Off street parking charges are directed by Area Committees and there was a requirement for a quick decision on this request.

The advice from Roads and Infrastructure Services that in normal circumstances the fee to license the 9 bays requested would cost £526.50 per week). The license request was until the end of September 2020.

The Strategic Management Team agreed 20 July to email the Covid 19 Leadership Group and recommend in this instance be waived.

The Leadership Group agreed by email the recommendation.

Recommendation; It is recommended that the Leadership Group agrees to extend this permission until 31 March 2021.

The decision will be recorded and the Council will be notified at its next meeting.

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ARGYLL AND BUTE COUNCIL**COUNCIL****REFUGEE RESETTLEMENT PROGRAMME****26TH NOVEMBER 2020**

Year 5 Evaluation of the Argyll and Bute Refugee Resettlement Programme

1.0 EXECUTIVE SUMMARY

- 1.1 Argyll and Bute Council agreed to resettle Syrian refugee families through the Home Office's Syrian Vulnerable Persons Relocation Scheme in 2015. We support refugee families to rebuild their lives on the island of Bute. This year we have repeated the self-evaluation exercise carried out previously to seek the views of the families who have been resettled on the island on the support they receive. This year's evaluation has been set in the context of the Covid-19 crisis and the lockdown restrictions.
- 1.2 The model of care we deliver is constantly reviewed to ensure that it best meets the needs of the families as they integrate into the community. Both learning and support is now being delivered remotely and this has provided challenges for the refugees and those who support them.
- 1.3 The strength of the partnership working, support from the local community and the commitment to improve the lives of our Syrian families by everyone involved, continues to drive the success of the programme.

It is recommended that the Council:

- a) Notes the continued good work of the Refugee Resettlement Group and the local community in resettling Syrian refugees on the island of Bute.
- b) Notes the Council continues to resettle refugees, on the Island of Bute, through the Home Office's rebranded Refugee Resettlement Scheme.

ARGYLL AND BUTE COUNCIL

COUNCIL

REFUGEE RESETTLEMENT PROGRAMME

26TH NOVEMBER 2020

Year 5 Evaluation of the Argyll and Bute Refugee Resettlement Programme

2.0 INTRODUCTION

- 2.1 The Refugee Resettlement Programme in Argyll and Bute was established in December 2015 when our first Syrian refugee families were resettled on the Island of Bute. We have continued to resettle families and this report is the fifth annual evaluation of the programme, informed by the feedback of the families rebuilding their lives in Argyll and Bute.
- 2.2 The refugees arriving in Argyll and Bute are resettled through the Syrian Vulnerable Persons Relocation (SVPR) Scheme. This scheme is managed and funded by the Home Office.
- 2.3 Argyll and Bute's Refugee Resettlement Group was formed under the banner of the Community Planning Partnership with membership from both Council services and partner agencies. Members include Resettlement team, Education, Community Learning, Health and Social Work, Business Gateway, ACHA, Fyne Homes, Police Scotland, Scottish Fire and Rescue, Department for Work and Pensions (DWP) and Bute Advice Centre.
- 2.4 Inviting refugee families to evaluate their support enables us to review the resettlement programme in relation to the support and advice provided under the following headings: learning English, welfare support, employability and entrepreneurialism, education, housing, health, understanding the law, cultural, social and leisure activities and feeling safe. We are also able to compare scores from previous year and ensure we develop policies and strategies informed by our families to meet their needs as they become less dependent on support and more integrated into their new communities.
- 2.5 This year the refugee's lives have been dominated by Covid-19 and their experiences of lockdown. The spread of the pandemic has resulted in a significant change in the way support is provided to families and the refugees spoke about the impact of the virus and fear they had for their families both here in Argyll and Bute and for those living in other parts of the world.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Council:

- a) Notes the continued good work of the Refugee Resettlement Group and the local community in resettling Syrian refugees on the Island of Bute.
- b) Notes the Council continues to resettle refugees, on the Island of Bute, through the Home Office's rebranded Refugee Resettlement Scheme.

4.0 DETAIL

4.1 Refugees arriving in the UK under the Syrian Vulnerable Persons Relocation (SVPR) Scheme are entitled to a 5 year refugee visa which allows them access to benefits and the ability to work in the UK. Refugee resettlement is currently on pause worldwide due to the Covid-19 pandemic. There are currently 14 families living in Rothesay, 3 new families arrived in January 2020 and this is their first time participating in the evaluation exercise

4.2 The families are supported by a range of agencies who work with them. Bute Advice Centre are commissioned to provide a support worker for each family who provides welfare and budgeting advice. The Council has a Resettlement Team of Arabic speaking Support Workers and an ESOL coordinator who provide support for day to day living and to coordinate the work of all of the agencies. These services and staff costs are all funded by the grant provided by the Home Office.

5.0 Impact of the Covid-19 pandemic:

5.1 *"Covid-19 has affected us mentally more than anything else. We were scared of the virus and we could not socialise like before. Once a person is alone, they would start to remember things and feel down."*

5.2 The resettlement team had to adapt its support very quickly when we introduced lockdown back in March. The support team began working from home and appointments with Bute Advice were held using conference call with the family, advisor and interpreter. The ESOL classes moved on to a virtual learning platform. Whilst the schools were closed the Syrian pupils made good use of the iPads and dongles provide to them, though Home Schooling was quite a challenge. Parents benefited from the IT skills their children had learnt at school and online English classes were occasionally interrupted by children who decided to join in and show off their language skills.

5.3 The biggest impact of Covid has been on the mental health of families, they spoke openly about the detrimental effect lockdown had on their health and worsening of conditions such as depression. They were very frightened of the virus and frustrated with the restrictions. There was relief when school re-opened and restrictions eased. Lockdown was frequently referred to as being in

prison and the children spoke about missing friends. The families frequently travel to the mainland for shopping and missed this.

6.0 Learning English:

6.1 *“Our English is very limited. Covid-19 didn’t help as classes became virtual. Face to face classes are easier. We used to go out to the Café and to the park and talk to people.”*

6.2 English classes moved from face to face classes to online learning in March. The Home Office require a minimum of 8 hours per week accredited English for Speaker of Other Languages (ESOL) to be delivered to newly resettled refugees. In Rothesay this is delivered by the Education Service’s Community Learning team. Online learning continues and is very challenging due to the poor IT and literacy skills of many of the refugees. Devices including laptops, tablet and dongles were provided but delivering classes to a virtual audience is challenging for the tutors and a much less enjoyable experience for their students.

6.3 When lockdown restrictions eased in the summer activities were organised with trips to the beach and cycling. These were enjoyed by everyone who took part. The Resettlement project had benefitted from additional funding to deliver a peer to peer language project and although this is still on hold the refugees spoke about enjoying the activities they took part in with others in the community. Sports classes for both men and women have proven very successful.

6.4 In the evaluation, support to achieve English language skills scored an average of 5.93, higher than last year’s score of 4.17. Everyone was appreciative of the efforts that had been made to continue with classes during such a challenging time.

6.5 We also asked families if they felt they were able to use the English they had learnt in the community. We would usually ask this to get a sense of independence and identify any barriers which could lead to a lack of confidence. Scores were lower than last year with the average being 4.14 with Covid restrictions preventing people going out and meeting up with friends and neighbours as they would previously have done.

7.0 Welfare Support:

7.1 *“Bute Advice Centre has been very good, they have helped me with my family a lot especially during Covid-19. I stopped work and they helped apply for welfare support for housing and everything for me. The support was both financial and mental.”*

7.2 On arrival in Rothesay the families are supported to make benefits claims by Bute Advice Centre and the Job Centre Plus. It is important that families understand the benefits process and support is now delivered over the phone rather than face to face. When asked if they have been supported to understand their rights to welfare support and the benefits they receive the

average score given this year was 5.93, the average score last year was 5.19. Families really appreciate the time taken to explain the benefits system to them and the efforts taken to maximise the benefits they receive.

8.0 Moving into Employment:

8.1 *“Volunteering is good, it helps with language, to learn skills, to do something good and prepare for work. Our language doesn’t allow us to do more at the moment.”*

8.2 Regrettably the employability programme has been a casualty of Covid and it wasn’t possible to replicate that support online. However the resourceful resettlement team managed to identify and secure volunteering opportunities with Oxfam and Fyne Futures. Two refugees have also remained in full time employment, many have tried out work experience and two of the business start-ups have expanded their operations and are now trading on the mainland as well.

8.3 Families were asked if they have been supported to participate in volunteering opportunities or work experience should they wish to. The average score given was 6.55, an increase on last year’s score of 5.47 and appreciative that the failure to identify and secure opportunities was out with everyone’s control.

8.4 We next asked families to evaluate the support we have provided to allow them to access employment, asking have you been supported to apply for jobs or are you aware of the support that is available for this locally. The average score here was 6.38 a slight increase on the past years’ scores. This shows continued optimism in the opportunities available, the employability strategy and the approach taken by the partnership.

8.5 Business Gateway continue to offer ongoing support to the start-up businesses however no new business plans have been progressed this year. Families were asked if they were aware of the support available to develop entrepreneurial skills and set up business in Argyll and Bute. Not all families have asked for or received this support and the average score for entrepreneurial support was 4.44 with a range of scores given.

9.0 Education:

9.1 *“The education is good here, all aspects of it. They care. The children can become something. You can see your child can do something in society. Every father dreams his child will do better, this is not impossible here”*

9.2 The Syrian children attend Rothesay Joint Campus and Rothesay Playgroup. The involvement of both establishments has very much been at the heart of the support to the families, reflecting their role in the community and acknowledging that the decisions the families made to come to the UK were to afford their children a safer and better life. The closure of schools and the introduction of home schooling back in March was challenging for pupils and their parents.

- 9.3 Additional resources have been put in place to support learning at the joint campus funded by the Home Office grant. These include additional staffing and the purchase of appropriate materials. Educational Psychology continue to provide additional support as and when required. The scale of work undertaken to support pupils arriving with English as an Additional Language (EAL) has strengthened the overall provision. It has enabled the school to develop a focused strategy and to implement effective systematic processes to engage and support children and young people with EAL. Not only the Syrian pupils but those who speak other languages too. Progress of all new pupils is continually monitored to ensure that each child is working to their full potential.
- 9.4 We continue to work with Rothesay Playgroup after successfully receiving additional ESOL childcare funding from the Home Office for a further year. Having Rothesay Playgroup included in the overall support programme and introducing younger children to their peers through play has been very beneficial to all and is supporting language development for both children and parents.
- 9.5 The education opportunities and support at Rothesay Joint Campus and Rothesay Playgroup scored an average of 6.15 a slight increase in the previous year's scores 5.83. Eight families did score the support the highest possible score of 7.
- 9.6 This year we asked parents if their children had had the opportunity to participate in the extra-curricular activities with their school. Families scored this an average of 5.29. Families regretted that the variety of school trips that their children had previously been on both on and off the island hadn't been able to happen this year. Pupils said they missed playing football in the playground with friends the most.
- 10.0 Housing:
- 10.1 We continue to work closely with the Registered Social Landlords (RSLs) on Bute, ACHA and Fyne Homes who have been able to provide appropriate housing for all of our families. As families' needs change so do their housing requirements and we support the family with their housing application form, ensuring that we can maximise the number of points available to them.
- 10.2 We asked families if they had been supported to develop an understanding of the housing options available to them in the UK. Managing the expectations of those looking to move is sometimes a challenge and an appreciation of timescales and process which can otherwise lead to frustration. The average housing options score this year is 5.23 and this score has increased year on year as families gain experience and develop a greater understanding of options for housing.
- 11.0 Healthcare:
- 11.1 *"It is wonderful but slow sometimes"*

- 11.2 The model of health care in the UK is very different to that experienced by our families in Syria, where private health care was prevalent. Whilst families were living in the countries surrounding Syria as refugees it was very difficult to access any health treatment. Developing an understanding and managing the expectations of the health service in the UK has been a key issue for health colleagues working with the Syrian families. This coupled with a need for an interpreter at appointments has meant that responding to health needs can be both challenging and resource intensive.
- 11.3 Families were asked if they have been supported to develop an understanding of the model of health care in Scotland. The average score was 5.75 a slight increase on last year's score of 5.53.
- 11.4 Many of the families are in poor health when they arrive with us. All members of the family were given a full medical assessment by the International Organisation of Migration prior to leaving for the UK and this information is shared with us and passed on in turn to the relevant health professionals. This allows for a degree of preparation to be made in advance. Primary care is delivered on island and the majority of secondary care is provided off island in the Greater Glasgow and Clyde area.
- 11.5 Families were also asked if their health needs had been met. The average score for last year was 5.81. This year's score is slightly lower 5.39, though seven families awarded this maximum points. Families are seeing an improvement in their health though distance to travel to hospital and telephone interpreters can still cause frustration. Several families commented on increased waiting times and delays to planned procedures due to Covid.
- 12.0 Understanding the Law:
- 12.1 Families were asked if they have you been supported to understand UK / Scottish Law and social responsibilities in the UK. The planned sessions on law in Scotland, especially around families, child protection and domestic assault that would normally take place haven't happened this year due to Covid. The support team have however ensured that they have explained the zero tolerance approach that we have in Scotland. Information on these topic is also provided in the families welcome packs.
- 12.2 There was much appreciation of the information provided on the Coronavirus restrictions and families appeared to have a very good understanding of this. In answering this question families were keen to ask about their own rights and spoke positively about the support from the police. The average score for having been supported to understand UK /Scottish Law and social responsibilities in the UK was 6.21 a significant increase on last year's score of 4.69.
- 13.0 Leisure Activities and Culture and Social Activities:
- 13.1 *"In Syria my father, may he rest in peace, used to take us to the sea to walk beside it. I like to be by the sea and remember these things."*

- 13.2 The pace and tranquillity of Bute is much appreciated. However leisure, cultural and social activities have been hugely impacted by Covid and the families are saddened but are accepting of this. They are looking forward to a time when they can celebrate in the community and partake in Middle Eastern and Scottish events. Leisure Activities scored 5.67 and cultural and social activities scored 5.21. Both scores up on last year and the sports centre and activities in the Moat Centre much enjoyed.
- 14.0 Safe and welcomed:
- 14.1 *The safety we have here I haven't felt anywhere else that I've lived. There is respect for you as a human being, not just like an animal. Not like other countries. I don't give 7, I give 100%!"*
- 14.2 In our final question we asked families to score how safe and welcoming the community was and for the fifth consecutive year this question scored highest of all with an average of 6.79, last year's score was 6.72. Those interviewed said the island was their home now and they are very grateful for all the support the local community gives them. Twelve families scored this question the highest possible 7.

15.0 CONCLUSION

- 15.1 In conclusion, feedback of the support provides us with an opportunity to evaluate the programme and to ensure the support we provide moving forward meets both the needs and aspirations of our families. We operate a person centred model of care acknowledging that no two families' needs are the same. This year has thrown up new challenges and the refugee families and those that support them have had to adapt to new ways of working.
- 15.2 The success of the refugee programme on Bute should be built on and as needs change, the partners and services working with the families will change. It is very important when providing such a comprehensive programme of support that we do not create dependency and all of our families are encouraged and supported to be as independent as possible as ultimately the support will be time limited.
- 15.3 Across all of the interviews scores have generally been higher than in previous years and this optimism bias has most likely been a result of Covid and appreciation of the enormous efforts that everyone has made to continue to provide support whilst we all have experienced the same fears and challenges.
- 15.4 The strength of partnership working in Argyll and Bute has been integral to the success of this programme which would never have achieved what it has without the support of the community on Bute and the commitment of the Syrian families to rebuild their lives on the island.
- 15.5 *"Thank you so much for standing by us. I am very happy to be with Argyll and Bute Council."*

16.0 IMPLICATIONS

- 16.1 Policy – No implications
- 16.2 Financial – Funding is received from the Home Office and the budget is fully committed with a contingency in place to deal with unexpected costs
- 16.3 Legal – No implications
- 16.4 HR – A number of posts have been created on a temporary basis to support the refugee programme and funded by the Home Office grant
- 16.5 Fairer Scotland Duty
 - 16.5.1 Equalities – protected characteristics
All staff working with refugee families have received Equalities training.
 - 16.5.2 Socio-economic duty
No implications
 - 16.5.3 Islands
No implications
- 16.6 Risk – No implications
- 16.7 Customer Service – Translating material into Arabic has been an important consideration to ensure refugees can access information and use local services.

Douglas Hendry, Executive Director

Cllr Robin Currie, Council Leader

For further information contact:

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Business Improvement Manager
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Email morag.brown@argyll-bute.gov.uk

October 2020

APPENDICES

Appendix 1 Evaluation interview scores

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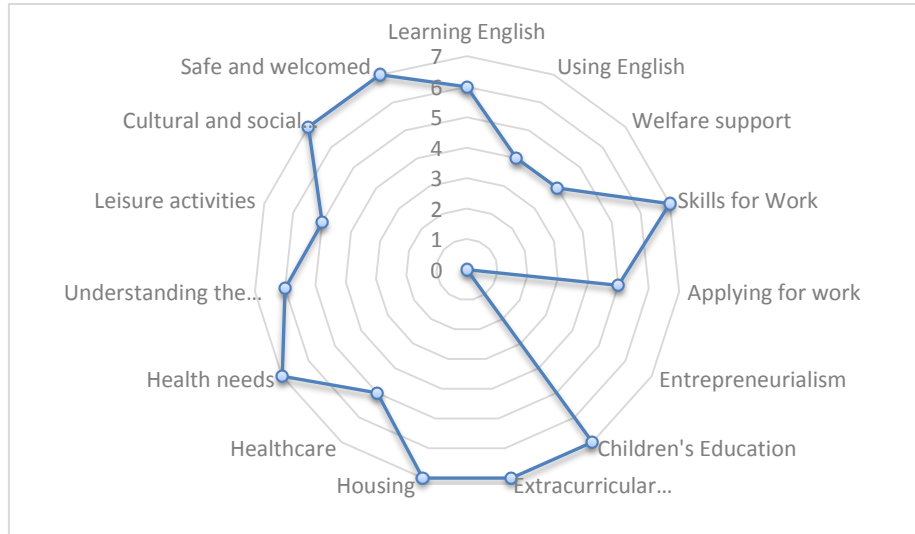
Appendix 1 – Summary of refugee evaluation scores

14 Syrian families participated in this year's self-evaluation process. Interview took place over the phone and the majority of the families chose to participate as a family group including their children on the call too. Summary scores are shown below for each family who were asked to score the support that they had received in the past year from all agencies and volunteers. The lowest score awardable was 1 and the highest score was 7, though some families did opt to score 0 for something they felt was not relevant to them or their family. The questions asked are based on the indicator set in the Scottish Government's New Scots Refugee Integration Strategy 2018-2022.

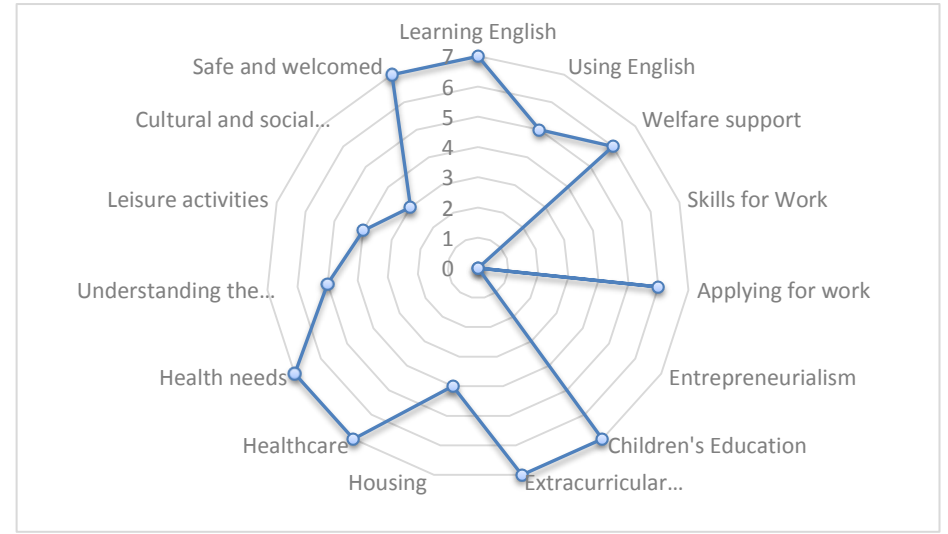
The questions asked were:

1. Do you and your family feel you have been supported to learn English?
2. Are you and your family able to use the English you have learnt in the community?
3. Have you been supported to understand your rights to welfare support and the benefits you receive?
4. Have you been supported to participate in volunteering or work experience should you wish to?
5. Have you been supported to apply for jobs or are you aware of the support that is available for this locally?
6. Are you aware of the support available to develop entrepreneurial skills and set up business in Argyll and Bute
7. Have the children in your family been supported at school and are able to reach their potential?
8. Have your children had the opportunity to participate in the extracurricular activities with their school?
9. Have you been supported to develop an understanding of the housing options that are available to your family in the UK?
10. Have you been supported to develop an understanding of the model of health care in Scotland?
11. Have your health needs been met?
12. Have you been supported to understand UK / Scottish Law and social responsibilities in the UK?
13. Are you able to participate in sports and other leisure activities in the community?
14. Do you feel that you are able to engage in social and cultural activities which reflects the diversity of the population of Scotland?
15. Do you feel the community is safe and welcoming?

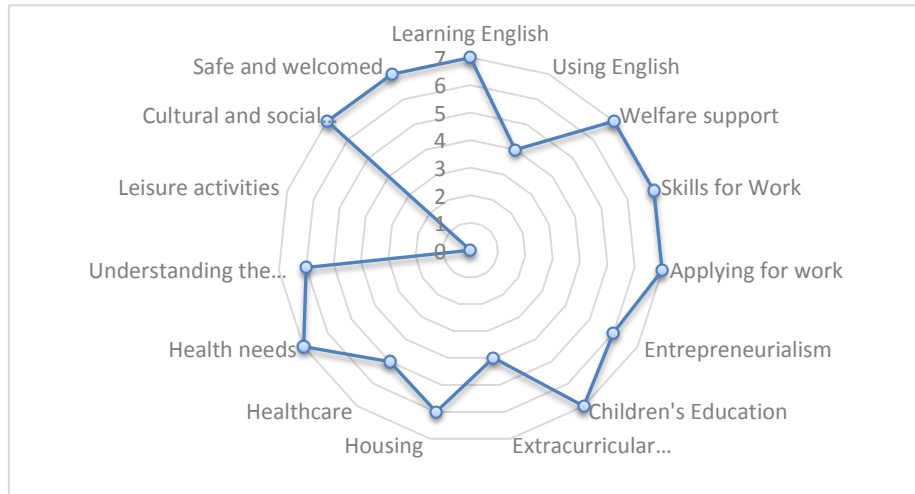
Family A



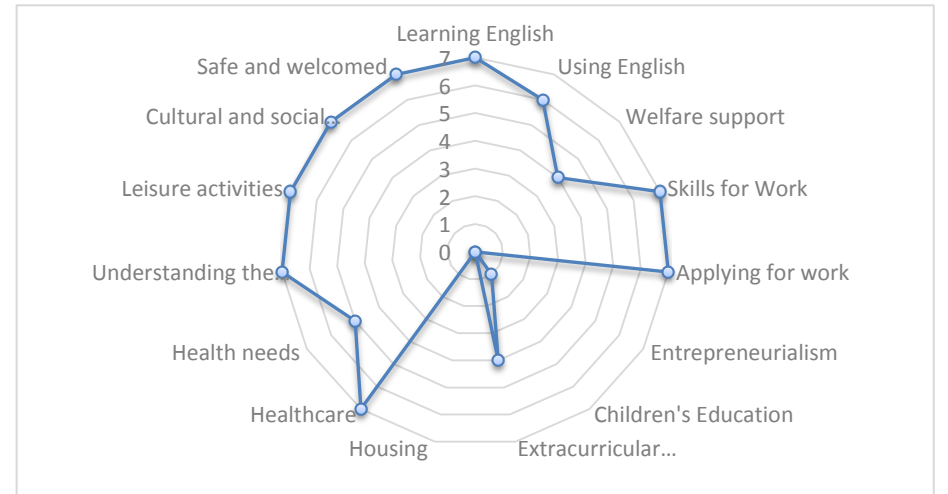
Family B



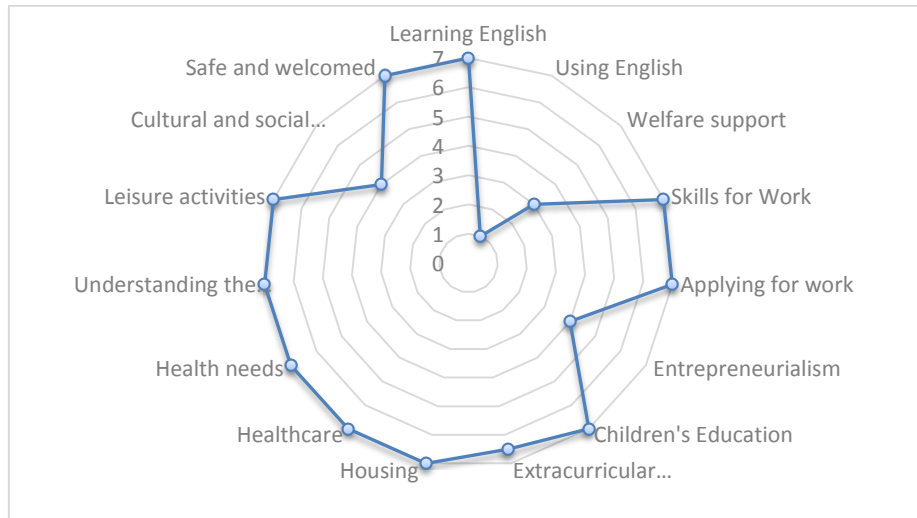
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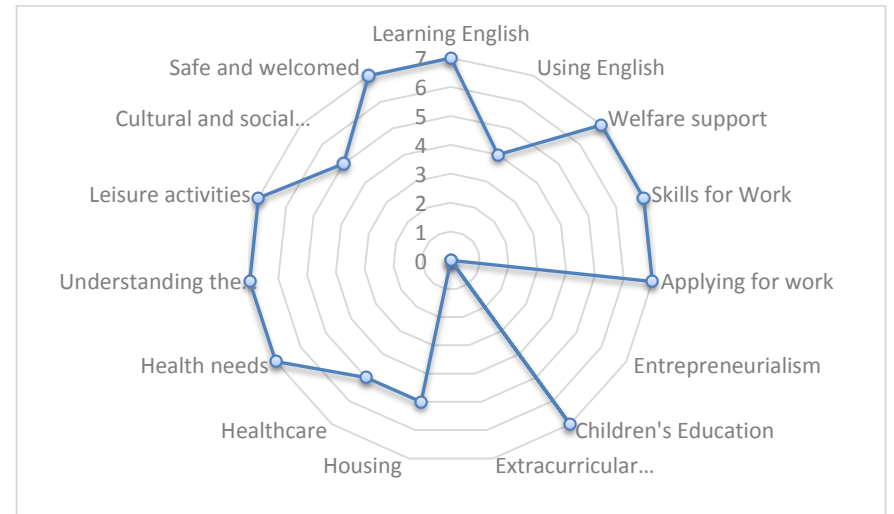
Family D



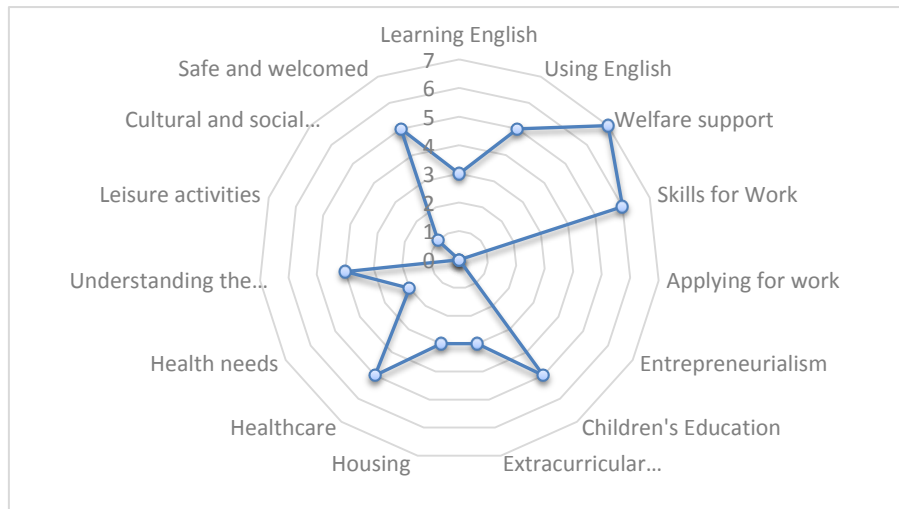
Family E



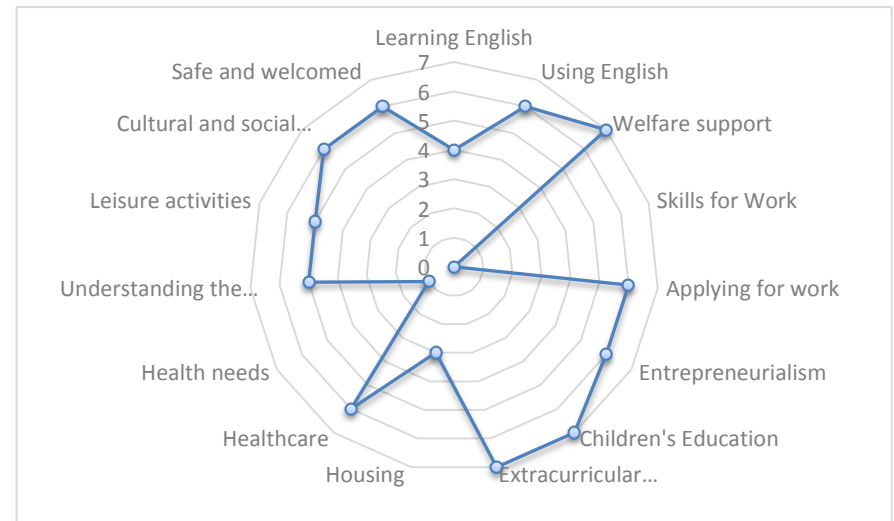
Family F



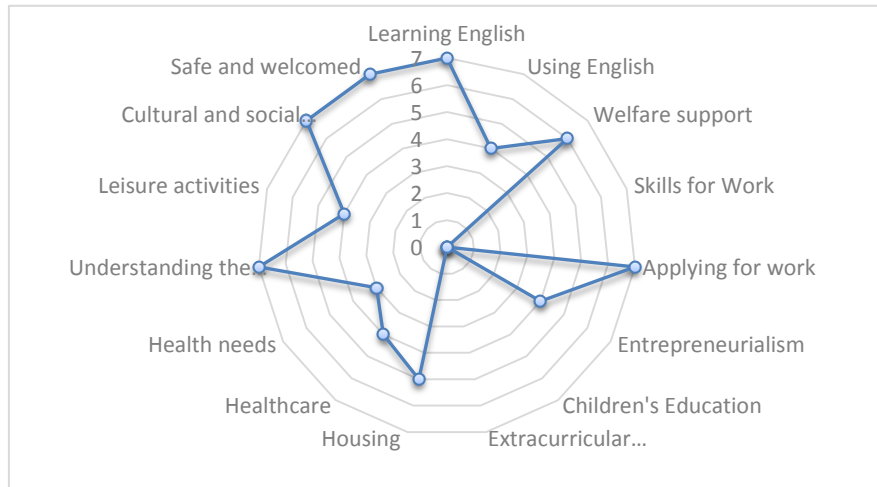
Family G



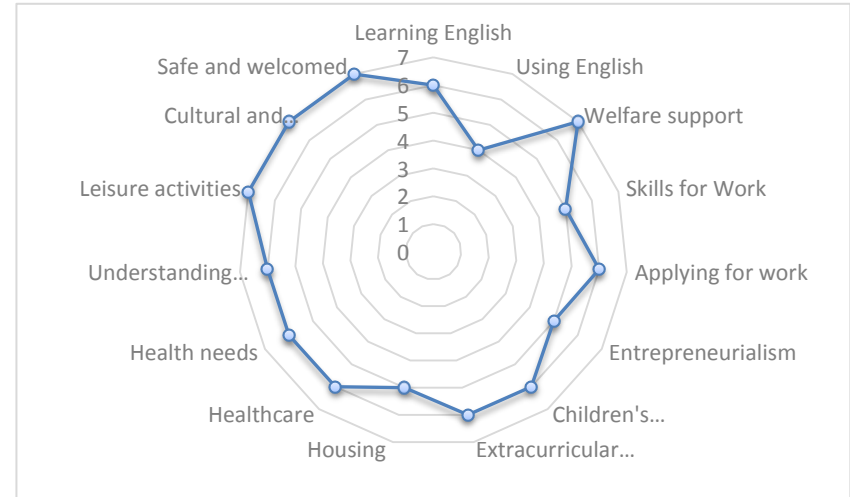
Family H



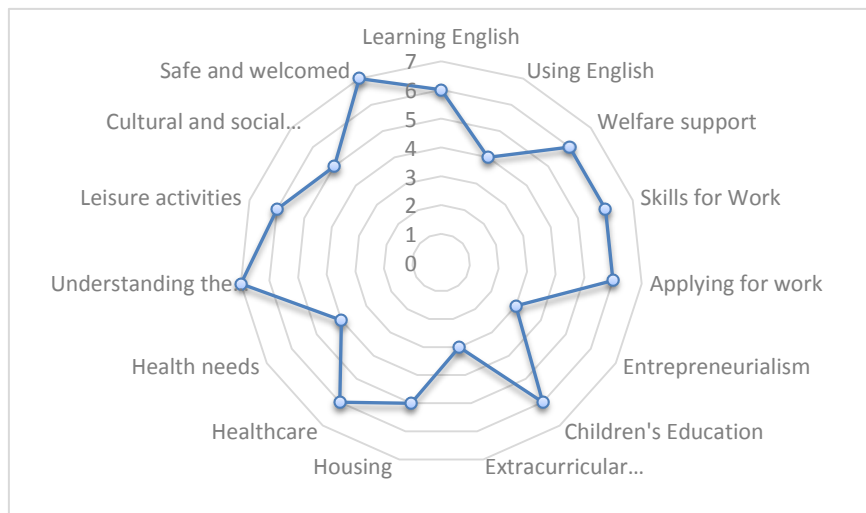
Family I



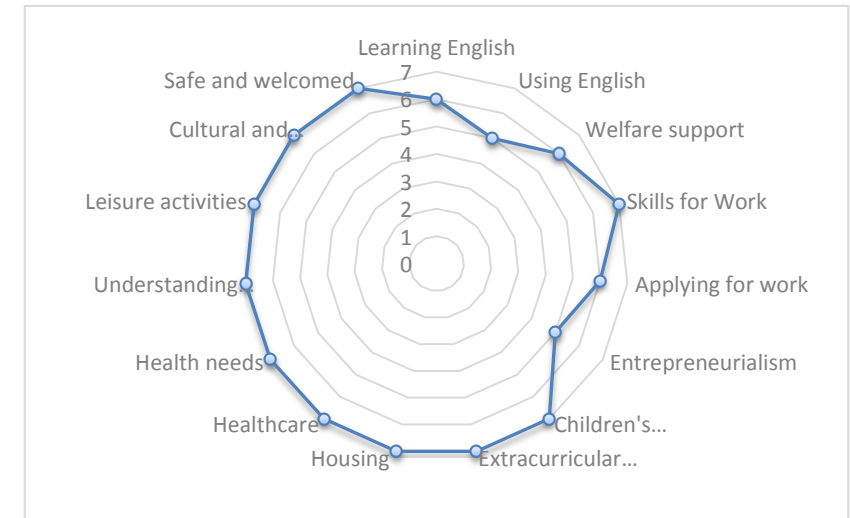
Family J



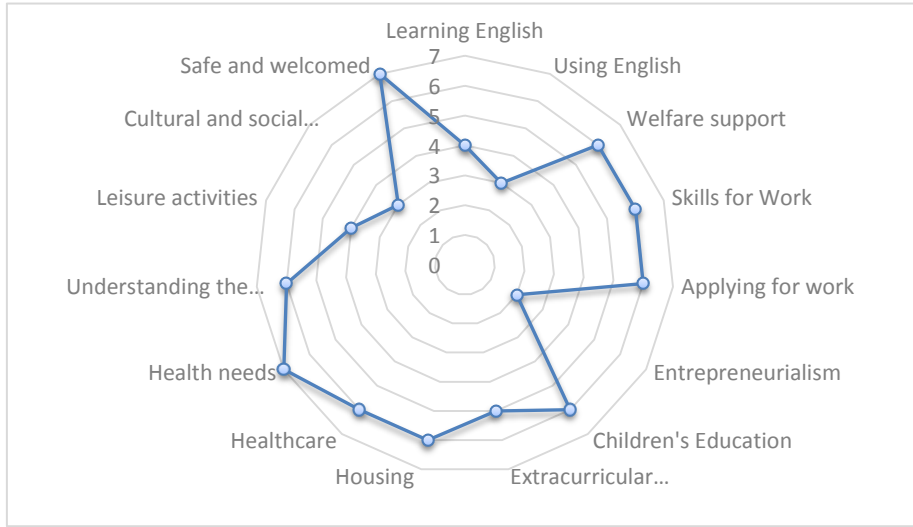
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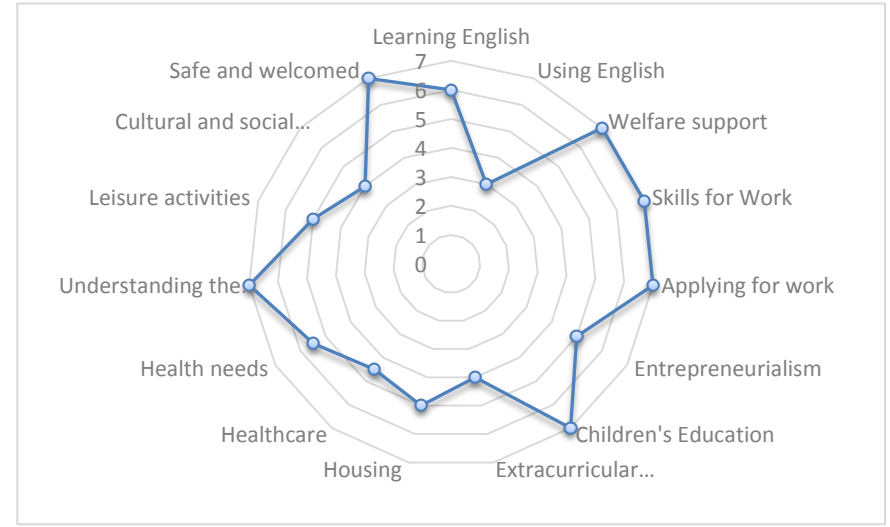
Family L



Family M



Family N



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