

Public Document Pack

Argyll and Bute Council

Comhairle Earra-Ghàidheal Agus Bhòid

Executive Director: Douglas Hendry



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3 May 2023

NOTICE OF MEETING

A meeting of the **POLICY AND RESOURCES COMMITTEE** will be held **BY MICROSOFT TEAMS** on **THURSDAY, 11 MAY 2023** at **10:30 AM**, which you are requested to attend.

Douglas Hendry
Executive Director

BUSINESS

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST (IF ANY)

3. MINUTES (Pages 3 - 8)

Policy and Resources Committee held on 16 February 2023

4. BUDGET OUTLOOK 2024-25 TO 2028-29 (Pages 9 - 28)

Report by Section 95 Officer

5. BUDGET APPROACH (Pages 29 - 32)

Report by Section 95 Officer

6. PUBLIC SECTOR REFORM UPDATE (Pages 33 - 46)

Report by Chief Executive

7. ARGYLL AND BUTE EQUALITY MAINSTREAMING REPORT 2023 AND EQUAL PAY AUDIT (Pages 47 - 76)

Report by Executive Director with responsibility for Customer Services

8. STRATEGIC EVENTS AND FESTIVALS FUND - ROUND 5.2 2023/2024
(Pages 77 - 84)

Report by Executive Director with responsibility for Development and Economic Growth

9. CLIMATE CHANGE BOARD

- (a) **DEPOSIT RETURN SCHEME (DRS) IMPLICATIONS FOR ARGYLL AND BUTE INCLUDING COUNCIL SERVICES AND STAKEHOLDERS**
(Pages 85 - 98)

Report by Executive Director with responsibility for Commercial Services and Executive Director with responsibility for Development and Infrastructure

- (b) COUNCIL CARBON EMISSIONS AND CARBON LITERATE ORGANISATION (CLO) BRONZE AWARD (Pages 99 - 108)
Report by Executive Director with responsibility for Commercial Services
- (c) COUNCIL DECARBONISATION PLAN TRACKER (Pages 109 - 134)
Report by Executive Director with responsibility for Commercial Services
- (d) UPDATE ON LOCAL HEAT AND ENERGY EFFICIENCY STRATEGY (LHEES) AND ENERGY EFFICIENT SCOTLAND: AREA BASED SCHEME (EES: ABS) (Pages 135 - 142)
Report by Executive Director with responsibility for Commercial Services
- (e) NON-DOMESTIC ENERGY EFFICIENCY FRAMEWORK (NDEEF) PROGRESS UPDATE (Pages 143 - 150)
Report by Executive Director with responsibility for Commercial Services

REPORTS FOR NOTING

10. POLICY AND RESOURCES COMMITTEE WORK PLAN (Pages 151 - 154)

EXEMPT REPORT FOR DECISION

E1 11. KILMARTIN MUSEUM - REQUEST FOR FUNDING (TO FOLLOW)

Report by Executive Director with responsibility for Development and Economic Growth

The Council will be asked to pass a resolution in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for items of business with an "E" on the grounds that it is likely to involve the disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 7a to the Local Government (Scotland) Act 1973.

The appropriate paragraphs are:-

E1 Paragraph 6 Information relating to the financial or business affairs of any particular person (other than the authority).

Policy and Resources Committee

Councillor Gordon Blair	Councillor Robin Currie (Chair)
Councillor Audrey Forrest	Councillor Kieron Green
Councillor Amanda Hampsey	Councillor Fiona Howard
Councillor Willie Hume	Councillor Andrew Kain
Councillor Reeni Kennedy-Boyle	Councillor Jim Lynch
Councillor Liz McCabe	Councillor Yvonne McNeilly
Councillor Ross Moreland	Councillor Gary Mulvaney (Vice-Chair)
Councillor Dougie Philand	Councillor Alastair Redman

Contact: Hazel MacInnes Tel: 01546 604269

MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held ON A HYBRID BASIS IN THE COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD AND BY MICROSOFT TEAMS on THURSDAY, 16 FEBRUARY 2023

Present: Councillor Robin Currie (Chair)

Councillor Gordon Blair	Councillor Jim Lynch
Councillor Audrey Forrest	Councillor Liz McCabe
Councillor Kieron Green	Councillor Yvonne McNeilly
Councillor Amanda Hampsey	Councillor Ross Moreland
Councillor Fiona Howard	Councillor Gary Mulvaney
Councillor Willie Hume	Councillor Douglas Philand
Councillor Andrew Kain	Councillor Alastair Redman
Councillor Reeni Kennedy-Boyle	

Also Present: Councillor Jan Brown Councillor Peter Wallace
Councillor Paul Kennedy

Attending: Pippa Milne, Chief Executive
Douglas Hendry, Executive Director
Kirsty Flanagan, Executive Director / Section 95 Officer
Anne Blue, Head of Financial Services
Jane Fowler, Head of Customer Support Services
Ross McLaughlin, Head of Commercial Services
Fergus Murray, Head of Development and Economic Growth
Shona Barton, Governance Manager

1. APOLOGIES FOR ABSENCE

There were no apologies for absence intimated.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTES

(a) Policy and Resources Committee held on 8 December 2022

The Minutes of the meeting of the Policy and Resources Committee held on 8 December 2022 were approved as a correct record.

(b) Special Policy and Resources Committee held on 19 January 2023

The Minutes of the meeting of the Special Policy and Resources Committee held on 19 January 2023 were approved as a correct record.

* **4. FINANCIAL REPORTS MONITORING PACK - 31 DECEMBER 2022**

The Committee gave consideration to a report providing a summary of the financial monitoring reports as at the end of December 2022. There were five detailed reports setting out the position as at 31 December 2022 which were summarised in the executive summary.

Decision

The Policy and Resources Committee –

1. noted the revenue budget monitoring report as at 31 December 2022;
2. noted the financial risks for 2022-23;
3. noted the capital plan monitoring report as at 31 December 2022 and approved the proposed changes to the capital plan as outlined in Appendix 4 of that report;
4. noted the treasury monitoring report as at 31 December 2022;
5. noted the reserves and balances report as at 31 December 2022; and
6. agreed to recommend to Council that the revenue virements over £0.200m during November and December 2022 are approved.

(Reference: Report by Section 95 Officer dated 13 January 2023, submitted)

Councillors Amanda Hampsey and Yvonne McNeilly joined the meeting during consideration of the following item of business.

* **5. BUDGETING PACK 2023 - 2024**

The Committee gave consideration to the full package of papers included in the Budgeting Pack 2023-24 in relation to the Revenue and Capital Budgets for 2023-24.

Decision

The Policy and Resources Committee agreed to refer consideration of the Budgeting Pack 2023-24 to the Council meeting on 23 February 2023, without recommendation.

(Reference: Budgeting Pack 2023-24 dated 9 February 2023, submitted)

* **6. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY**

The Committee gave consideration to a report seeking approval of the proposed Treasury Management Strategy Statement and Annual Investment Strategy. The report also set out the Policy for the repayment of loans fund advances for 2023-24.

Decision

The Policy and Resources Committee agreed to recommend to Council approval of –

- a) the proposed Treasury Management Strategy Statement and Annual Investment Strategy and the indicators contained within; noting that the figures within the Strategy would be updated to reflect the budget decisions agreed at Council;
- b) the continued use of the asset life method for the repayment of loan fund advances using a 5.1% annuity interest rate, with the exception of spend to save schemes where the funding/income profile method could be used;
- c) the proposed asset repayment periods as detailed within section 2.7 of the Treasury Management Strategy Statement; and
- d) the ability to continue to use countries with a sovereign rating of AA- and above, as recommended by the Council's external treasury management advisors.

(Reference: Report by Section 95 Officer dated 9 February 2023, submitted)

7. CORONATION HOLIDAY - 8 MAY 2023

The Committee gave consideration to a report seeking approval of an additional day's annual leave for staff scheduled to work on 8 May 2023 which had been announced by the UK and Scottish Governments as an additional bank holiday to commemorate the coronation of King Charles. The additional day's leave would allow staff and their families to participate in the planned long weekend of commemorative events.

Decision

The Policy and Resources Committee agreed to authorise an additional day's annual leave on 8 May 2023 to allow staff to participate in celebrations related to the coronation of King Charles.

(Reference: Report by Executive Director with responsibility for Customer Support Services dated 23 December 2022, submitted)

*** 8. STRATEGIC EVENTS AND FESTIVALS FUND - ROUND 5 2023/2024**

The Committee gave consideration to a report providing an update on Round 5 – 2023-24 of the Council's Strategic Events and Festivals Fund (SEF). The report provided details of the applications submitted and recommendations regarding all eligible applications put forward to receive grant funding. The report also sought agreement to allocate any underspend from this round to a future SEF round (Round 5.2); and agreement to allocate funding to allow a future round (Round 6) for 2024-25.

Decision

The Policy and Resources Committee –

- a) agreed to the award of eligible SEF Round 5 grants amounting to £78,975 as detailed in Table 1 of Appendix 1 to the submitted report;
- b) agreed to award £3,600 to West Highland Yachting Week on the basis declared in the body of the report as detailed in Table 2 of Appendix 1 to the submitted report;
- c) agreed that any SEF grant offer only be formally issued upon confirmation from the

individual event organisation that the event is formally confirmed, is definitely going ahead and still meets the SEF Round 5 criteria. These grants are detailed in Appendix 1, Tables 1 & 2, to the submitted report;

- d) agreed to continue delegation of powers to the Executive Director with responsibility for Development and Economic Growth to allow any subsequent amendment to existing grant requests to be made brought about as a consequence of changes to the event/event budget. Any amendment to a current grant request/offer would only be considered if the amendment related to either the same level or a reduction in the request from and constitute up to 75% of legitimate and eligible expenditure;
- e) agreed to continue to assist with the economic recovery of the fragile events and festivals sector within Argyll and Bute and agree that any underspend from SEF Round 5 is made available to a second call for applications (SEF 5.2) with a deadline of April 2023; and
- f) agreed to recommend to the Council that as part of the budget in February 2023, that they agree £90,000 base funding for Strategic Events and Festivals in order that the application process can commence during 2024/25 and that this fund be augmented by any underspend remaining from the current financial year.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated 23 December 2023, submitted

Councillor Reeni Kennedy-Boyle left the meeting during consideration of the following item of business.

9. PLACE BASED INVESTMENT AND CROWN ESTATE UPDATE

The Committee gave consideration to a report providing an update in respect of the allocation of both Place Based Investment (PBI) and Crown Estate (CE) funding for 2022/23. The report also sought approval of a number of changes in regard to specific allocations of funding as already agreed in regard to both PBI and CE funding against respective projects.

Decision

The Policy and Resources Committee –

- 1. noted the update in regard to PBI and CE funding allocations for 2022/23;
- 2. noted that following the announcement of the final allocation of funding, the Cemetery Maintenance and Roads Access Fund and the Public Conveniences project could now proceed, as agreed in principle at the Policy and Resources Committee in October 2022;
- 3. agreed to switch the allocation of £100,000 PBI funding 2022/23 against the Glenmorag Campsite, Dunoon project to £100,000 CE funding allocation 2022/23 and to then in turn allocate the PBI funding to those projects as detailed in Table 1 that previously had the CE funding allocated against them thereby simply changing the funding source;

4. agreed to use the allocation of £400,000 CE funding currently allocated against the delivery of the Tobermory Car Park project to instead deliver the extension to the cemetery at Tobermory;
5. agreed that delegated authority be given to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Leader, Depute Leader, and the Leader of the largest Opposition Group in regard to any necessary future changes required to be made between specific CE and PBI funding allocations already agreed by members to individual projects. This delegation would ensure that funding timelines could be met and funding does not require to be paid back. This would not impact the projects that had been agreed but simply change the source of funding that would support their delivery and officers would report any updates to Elected Members.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated January 2023, submitted)

10. ISLANDS PROGRAMME 2023-24

The Committee gave consideration to a report providing an update on the Scottish Government 2023/24 Islands Programme and how it would be delivered. The report also sought agreement to put in place a delegation to ensure that the Council could adhere to the tight timescales set by the Scottish Government in bidding for funding for the 2023/24 Islands Programme.

Decision

The Policy and Resources Committee –

1. noted that the next round of funding would likely be a one stage process;
2. agreed that arrangements for the fund be delegated to the Executive Director with responsibility for Development and Economic Growth in consultation with the Leader, Depute Leader, Leader of the largest Opposition Group and the Policy Lead for Islands to ensure that the Council could submit a bid(s) within the short timescales proposed by the Scottish Government for round 2023/24; and
3. noted that the delegation would also engage with the Argyll Islands Sounding Board in relation to any potential bids for funding for the round in 2023/24.

(Reference: Report by Executive Director with responsibility for Development and Economic Growth dated January 2023, submitted)

11. POLICY AND RESOURCES COMMITTEE WORK PLAN

The Policy and Resources Committee workplan was before the Committee for noting.

Decision

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

(Reference: Policy and Resources Committee Workplan dated February 2023, submitted)

12. ROTHESAY PAVILION

(a) **Rothesay Pavilion Update**

The Committee gave consideration to a report providing an update on the current situation facing the Rothesay Pavilion project including a summary of the work undertaken by the Rothesay Pavilion Lobbying Group. The report contained an accompanying Action Plan that had been taken forward by the Lobbying Group and a number of recommendations in relation to the delivery of the associated Action Plan and the continuation of the project for completion.

Decision

The Policy and Resources Committee –

1. noted the content of the report and the progress made to date as contained within the report and Action Plan at Appendix B of the submitted report;
2. agreed the continuation of the Rothesay Pavilion project as detailed in the accompanying report entitled Rothesay Pavilion – Financial and Contractual Issues.

(Reference: Report by Executive Director with responsibility for Commercial Services and Executive Director with responsibility for Development and Economic Growth dated 2 February 2023, submitted)

The Committee 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 8 & 9 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

* (b) **Rothesay Pavilion - Financial and Contractual Issues**

The Committee gave consideration to a report seeking approval of a package of interim works to the Rothesay Pavilion.

Decision

The Policy and Resources Committee approved the recommendations contained within the submitted report.

(Reference: Report by Executive Director with responsibility for Commercial Services and Executive Director with responsibility for Development and Economic Growth dated 2 February 2023, submitted)

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES COMMITTEE****FINANCIAL SERVICES****11 MAY 2023**

BUDGET OUTLOOK 2024-25 TO 2028-29

1. EXECUTIVE SUMMARY

- 1.1 This report summarises the budget outlook covering the period 2024-25 to 2028-29 taking into consideration the budget decisions at the Council Budget meeting on 23 February 2023. This is the first outlook of the financial year and rolls forward previous estimates as well as updating some estimates and also extends the budget outlook out to 2028-29. The assumptions will continue to be updated and refined as the year progresses.
- 1.2 The estimates within the report are based on the mid-range scenario with best and worst case scenarios noted in Appendix 1.
- 1.3 The assumptions in respect of future years Scottish Government funding have been updated from those reported to full Council on 23 February 2023 and these now range between 0.5% increase (best case) and 0.5% reduction (worst case) with a mid-range of 0%. This assumption has been updated in light of the settlement over the last few years and the estimates within the spending review which indicate that a flat cash settlement in future years may be the most likely position, however this assumption will be kept under review and updated as necessary during 2023-24.
- 1.4 There are no changes to my previous assumptions around the growth in Council Tax. The Council tax base has been assumed to grow by 0.25% in the worst case scenario, 0.5% in the mid-range scenario and 0.75% in the best case.
- 1.5 The starting point for the 2024-25 budget is the approved budget for 2023-24 as agreed at Council on 23 February 2023 with the following updates:
- Removal of one-off release of £1.536m funding from the Earmarked Reserves in relation to the Capital Fund
 - Adjustment for £0.442m one-off 2023-24 cost pressures
 - Adjustment for £0.008m one-off 2022-23 Management/Operational savings
 - Adjustment for £2.581m one-off 2023-24 Management/Operational savings
- 1.6 The assumptions in respect of employee costs for Council services are as follows:
- The SJC pay award for 2023-24 has still to be agreed and may have an impact on the base budget if the pay award is greater than the 3.5% allowed for in the budget. The teachers' pay award for 2023-24 has already been agreed to 31 July 2024 and the current budget is sufficient to cover

the deal.

- For future years, the mid-range scenario has been estimated at 2% on the basis that it is expected that as inflation reduces it could take pressure off pay awards. . It also reflects what is affordable to Local Government and this 2% assumption is currently in line with many other Councils assumptions.
 - Increments are estimated between £0.329m and £0.657m with mid-range £0.657m.
- 1.7 For non-pay inflation, only unavoidable/inescapable inflation has been built in for the best case and mid-range scenarios with a contingency of £0.250m built into the mid-range. A further general inflationary increase has been built into the worst case scenario.
- 1.8 There are a number of cost and demand pressures for Council services built into each scenario:
- Universal Credit – HB Admin grant
 - Implementation of IFRS16 Software
 - ASN Support
 - SEEMiS Group – Education Management System
 - Sustainable Rate for Partner Providers
 - NPDO/HUB Schools 2023-24 inflation
 - Local Government Election
 - Leisure SLA's 2023-24 inflation
 - Waste
 - Impact of BMW Ban
 - Waste PPP contract 2023-24 inflation
 - Local Development Plan
- 1.9 In addition to the identified cost and demand pressures an allowance for unidentified cost and demand pressures has been included in mid-range of £0.500m per year (best case scenario £0.250m per year and worst case scenario £1m per year).
- 1.10 There will be a political decision to be made as to the future allocation to the Health and Social Care Partnership. As part of the budget agreed in February 2023, indicative allocations for 2024-25 to 2025-26 were agreed on the basis of a flat cash allocation. In the budget outlook I have assumed flat cash allocations across all three scenarios.
- 1.11 The budget gap in the mid-range scenario after allowing for the current base commitments, employee adjustments, non-pay inflation and cost and demand pressures and not factoring in any previous savings decisions or future potential options is an estimated gap over the five year period of £40.888m with a gap of £10.663m in 2024-25.
- 1.12 The measures to balance the budget over the next five years are as follows:
- Proposed increase to fees and charges of between 3% and 9% (6% mid-range).

- Proposed increase to Council Tax (5% increase in 2024-25 in all scenarios, reducing to a 3% increase in the mid-range and worst case scenarios in future years with the best case scenario remaining at 5%).
 - Policy savings already agreed by Council in February 2022.
 - Management/Operational savings already agreed by Council February 2023.
 - Policy savings already agreed by Council in February 2023.
- 1.13 In the mid-range scenario, the budget gap estimated over the five year period 2024-25 to 2028-29 is £23.795m with a gap of £6.762m in 2024-25.
- 1.14 The budget gap in the best case scenario over the five years is £3.261m with a gap of £3.959m in 2024-25 and in the worst case scenario, the budget gap over the five years is £83.311m with a gap of £13.803m in 2024-25. A summary of all three scenarios is included within Appendix 1.
- 1.15 It is recommended that the Policy and Resources Committee consider the current estimated budget outlook position for the period 2024-25 to 2028-29.

BUDGET OUTLOOK 2024-25 TO 2028-29

2. INTRODUCTION

2.1 This report summarises the budget outlook covering the period 2024-25 to 2028-29 taking into consideration the budget decisions at the Council Budget meeting on 23 February 2023. This is the first outlook of the financial year and rolls forward previous estimates as well as updating some estimates and also extends the budget outlook out to 2028-29. The assumptions will continue to be updated and refined as the year progresses.

2.2 The budget outlook has been prepared using three different scenarios, best case, worst case and mid-range. Relatively small variations in assumptions can lead to fairly significant changes in the outcome. In the paragraphs that follow, the mid-range outlook is shown, however, all three scenarios are detailed within Appendix 1.

3. RECOMMENDATIONS

3.1 It is recommended that the Policy and Resources Committee consider the current estimated budget outlook position for the period 2024-25 to 2028-29.

4. DETAIL**4.1 Funding****Scottish Government Finance Settlement**

4.1.1 In considering the assumption relating to future years funding, I have reflected on the funding change in the last 4 years after accounting for new policy commitments:

- 2020-21 funding reduction of 0.3%
- 2021-22 funding increase of 0.39%.
- 2022-23 funding decrease of 0.01%
- 2023-24 funding increase of 0.09%

The spending review published in May 2022 indicated that the total budget for Local Government would remain flat cash until 2026-27.

4.1.2 On further reflection since the budget meeting, the assumptions in respect of future years Scottish Government funding have been updated and these now range between 0.5% increase (best case) and 0.5% reduction (worst case) with a mid-range of 0%.

- 4.1.3 The table below summarises the mid-range scenario estimates based on a flat cash settlement.

	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Estimated SG Funding	223,738	223,738	223,738	223,738	223,738

Council Tax

- 4.1.4 The Council Tax base for 2023-24 was set at £58.896m which reflected a 5% inflation increase and 1.5% growth in the Council Tax base in 2023-24 and 0.5% growth in future years as agreed by the Council on 23 February 2023.
- 4.1.5 There are no changes to my previous assumptions around the growth in Council Tax. It has been assumed that there will be a 0.5% growth in the mid-range scenario for all years from 2024-25 (0.75% in best case and 0.25% in worst case).
- 4.1.6 As part of the 2023-24 budget setting process, a business process review was undertaken of the Revenues and Benefits Service where one of the outcomes was anticipated increased Council Tax recoveries equating to £0.264m in 2024-25. Furthermore, the creation of the self-funded Counter Fraud team also ensures minimum additional collections of £0.085m in 2024-25. These additional Council Tax recoveries totalling £0.349m in 2024-25 have now been built into the budget outlook.
- 4.1.7 Within this report, I will present the budget gap, prior to any Member based decisions and therefore at this stage in the report, the Council tax base is assumed to remain at the same level as 2023-24.
- 4.1.8 The table below summarises the estimated total funding in the mid-range scenario.

	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Estimated SG Funding	223,738	223,738	223,738	223,738	223,738
Council Tax Base	58,896	58,896	58,896	58,896	58,896
Council Tax Growth	294	590	887	1,186	1,486
Additional Council Tax recoveries (para 4.1.6)	349	200	202	204	206
Total Estimated Funding	283,277	283,424	283,723	284,024	284,326

4.2 Base Budget

- 4.2.1 The 2023-24 budget approved by Council on 23 February 2023 was £284.536m.
- 4.2.2 For future years, there are adjustments required to the base budget from decisions by Council on 23 February 2023 and other adjustments as noted in the table below:

	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Base Budget 2023-24	284,536	284,536	284,536	284,536	284,536
Remove one-off release of funding from the Earmarked Reserves in relation to the Capital Fund	(1,536)	(1,536)	(1,536)	(1,536)	(1,536)
Adjust for one-off 2023-24 cost pressures	(442)	(442)	(442)	(442)	(442)
Adjust for one-off 2022-23 Management/ Operational savings	8	0	0	0	0
Adjust for one-off 2023-24 Management/ Operational savings	2,581	2,581	2,581	2,581	2,581
Revised Base Budget	285,147	285,139	285,139	285,139	285,139

4.3 Employee Cost Changes

Pay Award

- 4.3.1 The SJC pay award for 2023-24 has still to be agreed and this may have an impact on the base budget if the pay award is greater than the 3.5% allowed for in the budget. The Scottish Government have agreed funding towards the SJC 2023-24 pay award equivalent to 2.5%, however negotiations are still ongoing..
- 4.3.2 The Teachers pay award for 2023-24 has already been agreed (28 months deal covering the period 1 April 2022 – 31 July 2024) and the current year budget is sufficient to cover the deal. As noted above, the teachers' pay award has been agreed to 31 July 2024 and future negotiations will have an impact on the budget outlook.
- 4.3.3 For future years, the mid-range scenario has been estimated at 2% on the basis that it is expected that as inflation reduces it could take pressure off pay awards. It also reflects what is affordable to Local Government and this 2% assumption is currently in line with many other Councils assumptions. The best case scenario also assumes a 2% increase (on the basis that the increase is not likely to be less than this) and the worst case scenario assumes a 5% increase. There remains a risk that the pay award could be higher and this will be monitored and updated throughout the year if more information becomes available. Every 1% over and above what is budgeted would add an additional pressure of circa £1.5m

Increments

- 4.3.4 The cost of employee increments for 2023-24 was £0.657m. There remains a fairly regular turnover of staff within posts and when this happens the cost of increments can, in some cases, be absorbed by the budget provision for the previous post holder, who may have been at the top of the spinal column point

for the grade. This is shown in adjustments to the employee base budget.

4.3.5 In terms of the budget outlook it has been assumed that for future years, the best case is assumed to be half of the previous year cost, for mid-range and worst case, assumes equal to the cost in 2023-24.

4.3.6 The table below summarises the employee cost increases in the mid-range scenario for Council services. The employee cost increases relating to Social Work within the Health and Social Care Partnership are summarised within paragraph 4.6.3.

	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Pay Award	3,049	6,159	9,331	12,567	15,867
Increments	657	1,314	1,971	2,628	3,285
Total Employee Cost Changes	3,706	7,473	11,302	15,195	19,152

4.4 Non-Pay Inflation

4.4.1 Over the last few years, the Council have only included non-pay inflation within the budget where it was deemed to be unavoidable or inescapable. In terms of the budget outlook, only unavoidable/inescapable non-pay inflation is built into the best case and mid-range scenarios with a general inflation allowance over and above this built into the worst case.

4.4.2 Since the budget was set in February, officers have undertaken a review of areas of non-pay inflation of significant value and volatility. The principle of only budgeting for unavoidable/inescapable remains, however, it has to be noted that in this current financial climate, some budgets with no inflation allowed for are now stretched beyond the point of containing the cost within budget and therefore the budget will now buy less than what it used to be able to buy (so in effect, we will see some cuts as a result).

4.4.3 When creating a budget outlook for future years, there is a risk that inflation assumptions could change during the year. Due to the current inflation uncertainty, it would be prudent to include a contingency for other inflation increases not included in the calculations. A contingency allowance of £0.500m is included within the worst case scenario and a £0.250m allowance included within the mid-range scenario each year. No contingency is included within the best case scenario. This contingency will either be required, reduced or removed to reflect changing circumstances before the 2024-25 budget is set.

4.4.4 The table below summarises the non-pay inflation in the mid-range scenario for Council services with more detail available in Appendix 2. The non-pay inflation increases relating to Social Work within the Health and Social Care Partnership are summarised within paragraph 4.6.3.

Inflation Category	2024-25 Previous estimates (as at Feb 2023) £000	2024-25 Updated estimates £000	Increase £000
Utilities - Electricity, Gas, Oil, Water	661	644	(17)
Street Lighting Electricity	121	121	0
Vehicle Fuel	64	36	(28)
Central Repairs - Outside Contractors	68	68	0
Waste PPP/Landfill Tax	567	578	11
NPDO/HUB Schools	881	938	57
Community Pool Subsidies	94	95	1
Residential Schools	61	37	(24)
Pre-Primary Partner Providers	393	119	(274)
ICT	132	110	(22)
Catering Purchases and Milk	118	371	253
Insurance	88	53	(35)
Bitumen – Roads	28	17	(11)
Contingency for unidentified/insufficient inflation estimate	250	250	0
Total	3,526	3,437	(89)

4.4.5 The most significant movements in non-pay inflation since last reported in February 2023 relate to:

- Pre-Primary Partner Providers which have reduced by £0.274m due to a reduction in RPI percentage from 8% previously applied to 3%, as projected for the first quarter of 2023-24.
- Catering Purchases which have increased by £0.253m due to ongoing significant price hikes in food costs which have increased year on year by 17.1% as at January 2023 and indications suggest this will continue to rise.

4.4.6 The cumulative inflation for years 2025-26 to 2028-29 is noted in the table below and is based on future years estimates of inflation at this point in time, however, due to the volatility of inflation recently it is very difficult to predict and the estimates will be kept under close review.

	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Unavoidable/Inescapable	5,897	8,528	11,344	14,359
Total Non-Pay Inflation	5,897	8,528	11,344	14,359

4.5 Cost and Demand Pressures

4.5.1 Over the last few years, services have worked on the basis of having to contain any cost and demand pressures within current resources, however, there are a

number of cost and demand pressures already identified for Council services which were reported as part of the budget in February 2023. Since the budget meeting on 23 February 2023 the following changes have been made to the cost and demand pressures:

- New – NPDO and HUB Schools contracts due to 2023-24 rate of inflation being higher than anticipated.
- New – Leisure Service Level Agreements due to 2023-24 rate of inflation being higher than anticipated.
- New – Waste PPP Contracts due to 2023-24 rate of inflation being higher than anticipated.

4.5.2 As with inflation, when creating a budget outlook beyond one year, there is a risk that unknown cost and demand pressures will emerge that have not been included within the outlook. It is suggested that a £0.250m general allowance for this is included within the best case scenario, £0.500m within the mid-range scenario and a £1m allowance included within the worst case scenario each year.

4.5.3 The cost pressures are detailed in appendix 3 and are summarised in the table below and will be subject to review during the financial year.

	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Universal Credit – HB Admin Grant	40	80	120	160	200
IFRS16 Implementation Software	18	18	18	18	18
ASN Support	75	206	206	206	206
SEEMiS Membership Fees	2	4	7	7	7
Sustainable rate for partner providers	327	327	327	327	327
NPDO/HUB Schools – 2023-24 inflation	480	480	480	480	480
Election costs	0	0	0	300	0
Leisure SLA's – 2023-24 inflation	10	10	10	10	10
Waste	(107)	87	(242)	128	128
Compliance with BMW Ban	0	608	2,433	2,433	2,433
Waste PPP Contracts – 2023-24 inflation	255	255	255	255	255
Local Development Plan	50	0	50	0	0
Allowance for pressures in future years	500	1,000	1,500	2,000	2,500
Total Cost and Demand Pressures	1,650	3,075	5,164	6,324	6,564

4.5.4 The cost and demand pressures relating to Social Work within the Health and Social Care Partnership are summarised within paragraph 4.6.3.

4.6 Health and Social Care Partnership

- 4.6.1 The Council, at the budget meeting on 23 February 2023, agreed a base allocation to the HSCP of £76.253m for 2023-24 as well as indicative flat cash allocations for 2024-25 to 2025-26.
- 4.6.2 In the budget outlook, I have assumed flat cash allocations across all scenarios. These are only assumptions and it will be a matter for Council to consider as part of the budget process next year.
- 4.6.3 Social Work services have already identified a number of cost and demand pressures and these are summarised below and included within Appendix 4 for information purposes. It is expected that the HSCP absorb their cost and demand pressures from their funding allocation. Note that these only extend to three years rather than the five years within this Council budget outlook.

	2024-25 £000	2025-26 £000	2026-27 £000
Pay Inflation	698	1,410	2,136
Pay Increments	152	304	456
Non-Pay Inflation	4,061	7,485	10,352
Care Services for Younger Adults	496	1,002	1,519
Adult Services - Supported Living	497	994	994
Continuing Care for Looked After Children	0	250	500
Unknown Cost and Demand Pressures	500	1,000	1,500
Total Cost Increase estimates for Social Work	6,404	12,445	17,457

4.7 Estimated Budget Gap PRIOR to Measures to Balance the Budget

- 4.7.1 The budget gap in the mid-range scenario after allowing for the current base commitments, employee adjustment, non-pay inflation and cost and demand pressures is summarised in the table below. This is the budget gap prior to factoring in any previous savings decisions or potential options towards balancing the budget.

	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Base Budget	285,147	285,139	285,139	285,139	285,139
Employee Cost Changes	3,706	7,473	11,302	15,195	19,152
Non-Pay Inflation	3,437	5,897	8,528	11,344	14,359
Cost and Demand Pressures	1,650	3,075	5,164	6,324	6,564
Total Estimated Expenditure	293,940	301,584	310,133	318,022	325,214
Estimated Funding	283,277	283,424	283,723	284,024	284,326
Estimated Budget Surplus / (Gap) Cumulative	(10,663)	(18,160)	(26,410)	(33,978)	(40,888)

4.8 Measures to Balance the Budget

- 4.8.1 In 2023-24 a general inflationary increase of 6% was applied to fees and charges. For the budget outlook a range of between 3% (worst case) and 9% (best case) with a mid-range of 6% has been included.
- 4.8.2 Some of the policy options were agreed at the Council meeting on 23 February 2023 that impacted on 2024-25 and beyond. These are now factored into the budget outlook, reducing the budget gap.
- 4.8.3 In terms of Council Tax, a 5% increase has been assumed across all scenarios for 2024-25 on the basis that the majority of Councils increased their Council Tax by at least 5% in 2023-24 and this is something that Council could consider for another year. From 2025-26 the assumption on the Council Tax increase has been reduced to 3% in the mid-range and worst case scenarios and left at 5% within the best case scenario. It will be a matter for Council to decide the level of Council Tax increase.
- 4.8.4 The table below summarises the proposed measures to balance the budget in the mid-range scenario.

	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Fees and Charges Increase	848	1,696	2,544	3,392	4,240
5% Council Tax Increase	2,960	4,848	6,795	8,811	10,896
Policy Savings agreed February 2022	3	3	3	3	3
Management/Operational Savings agreed February 2023	45	80	80	80	80
Policy Savings agreed February 2023	45	293	769	1,405	1,874
Total Measures to Balance the Budget	3,901	6,920	10,191	13,691	17,093

4.9 Estimated Budget Gap AFTER Measures to Balance the Budget

- 4.9.1 The table below summarises the estimated budget gap in the mid-range scenario.

	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000	2028-29 £000
Estimated Budget Gap Prior to Measures to Balance Budget	(10,663)	(18,160)	(26,410)	(33,978)	(40,888)
Savings Measures	3,901	6,920	10,191	13,691	17,093
Estimated Budget Surplus / (Gap) Cumulative	(6,762)	(11,240)	(16,219)	(20,287)	(23,795)
Estimated Budget Surplus / (Gap) In Year	(6,762)	(4,477)	(4,979)	(4,068)	(3,508)

- 4.9.2 In the mid-range scenario, the budget gap estimated over the five year period 2024-25 to 2028-29 is £23.795m with a gap of £6.762m in 2024-25.
- 4.9.3 The budget gap in the best case scenario over the five years is £3.261m with a gap of £3.959m in 2024-25 and in the worst case scenario, the budget gap over the five years is £83.311m with a gap of £13.803m in 2024-25. A summary of all three scenarios is included within Appendix 1.
- 4.9.4 The changes from the previous anticipated outlook to 2026-27 (as noted at the budget meeting on 23 February 2023) are summarised in the table below. Note that the budget meeting report was not extended to 2028-29 which is why the table below only extends to 2027-28.

	2024-25 £000	2025-26 £000	2026-27 £000	2027-28 £000
Previously reported budget surplus / (gap) Cumulative	(8,125)	(14,633)	(22,077)	(28,510)
Adjustment to Capital funding relating to pay award	(3)	(3)	(3)	(3)
Council Tax Calculation Adjustment	(27)	(30)	(33)	(36)
Correction re policy saving in future years			287	287
Updated funding assumptions to flat cash	1,108	2,221	3,329	4,431
Council Tax increase of 5% in 2024-25 instead of 3% previously included	1,184	1,225	1,261	1,299
Adjustment to Fees and Charges calculation		(11)	(34)	(68)
Adjustment to Non-Pay Inflation	89	1,219	2,528	4,039
Cost & Demand Pressures – general allowance increase	(250)	(500)	(750)	(1,000)
Cost Pressure – NPDO/HUB Schools 2023-24 inflation	(480)	(480)	(480)	(480)
Cost Pressure – Leisure SLA's 2023-24 inflation	(10)	(10)	(10)	(10)
Cost Pressure – Waste PPP Contract 2023-24 inflation	(255)	(255)	(255)	(255)
Counter Fraud Team increased income recovery	10	11	13	15
Rounding adjustment	(3)	6	5	4
Revised Budget Surplus / (Gap) Cumulative	(6,762)	(11,240)	(16,219)	(20,287)

5. CONCLUSION

- 5.1 In the mid-range scenario, the budget gap estimated over the five year period 2024-25 to 2028-29 is £23.795m with a gap of £6.762m in 2024-25. Council officers are continuing to explore savings options during 2023-24 and these will be presented to members at a future date to help balance the budget in future years.
- 5.2 This is a very challenging budget outlook position and the level of Scottish Government grant and the pay award are the two assumptions that could alter the figures significantly. Both will be kept under close review and the budget outlook updated as and when further information becomes available.

6. IMPLICATIONS

- 6.1 Policy - Sets out the budget outlook that provides the financial envelope for policy decisions.
- 6.2 Financial - Sets best, worst and mid-range scenarios in respect of the budget outlook. The medium to longer term financial strategy is being updated and the Council are actively continuing to pursue opportunities to mitigate against future budget gaps.
- 6.3 Legal - None directly from this report but Council will need to balance the budget.
- 6.4 HR - None directly from this report but there is a strong link between HR and budgets.
- 6.5 Fairer Scotland Duty - See below
- 6.5.1 Equalities None directly from this report but any proposals to address the estimated budget gap will need to consider equality issues.
- 6.5.2 Socio Economic Duty None directly from this report but any proposals to address the estimated budget gap will need to consider socio economic issues.
- 6.5.3 Islands Duty None directly from this report but any proposals to address the estimated budget gap will need to consider any island specific issues.
- 6.6 Climate Change The Council is committed to addressing climate change and reviews how Services are delivering this on an ongoing basis within the available budget resources.
- 6.7 Risk - None directly from this report but any proposals to address the estimated budget gap will need to consider risk.
- 6.8 Customer Service - None directly from this report but any proposals to address the estimated budget gap will need to consider customer service.

Kirsty Flanagan
Executive Director/Section 95 Officer
21 April 2023

Policy Lead for Finance and Commercial Services: Councillor Gary Mulvaney

APPENDICES:

Appendix 1 – Budget Outlook, Best, Worst and Mid-Range Scenarios

Appendix 2 – Non Pay Inflation

Appendix 3 – Cost and Demand Pressures (Council Services)

Appendix 4 – Cost and Demand Pressures (Social Work)

For further information contact Anne Blue, Head of Financial Services
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	Best Case Scenario					Mid-Range Scenario					Worst Case Scenario				
	2024-25	2025-26	2026-27	2027-28	2028-29	2024-25	2025-26	2026-27	2027-28	2028-29	2024-25	2025-26	2026-27	2027-28	2028-29
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Base Budget	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536	284,536
Base Budget Adjustments	611	603	603	603	603	611	603	603	603	603	611	603	603	603	603
Revised Base Budget	285,147	285,139	285,139	285,139	285,139	285,147	285,139	285,139	285,139	285,139	285,147	285,139	285,139	285,139	285,139
Pay Award	3,049	6,159	9,331	12,567	15,867	3,049	6,159	9,331	12,567	15,867	7,622	18,892	30,725	43,150	56,196
Pay Increments	329	658	986	1,315	1,643	657	1,314	1,971	2,628	3,285	657	1,314	1,971	2,628	3,285
Adjustment to Employee Base	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Employee Cost Changes (Council Services)	3,378	6,817	10,317	13,882	17,510	3,706	7,473	11,302	15,195	19,152	8,279	20,206	32,696	45,778	59,481
Non-Pay Inflation - Council Services	2,984	5,214	7,592	10,127	12,833	3,437	5,897	8,528	11,344	14,359	3,640	8,182	12,671	17,374	22,309
Housing Benefits Admin Grant	40	80	120	160	200	40	80	120	160	200	40	80	120	160	200
IFRS16 Implementation	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
ASN Support	0	198	198	198	198	75	206	206	206	206	145	444	444	444	444
SEEMIS Membership Fees	2	4	7	7	7	2	4	7	7	7	2	4	7	7	7
Sustainable Rate for Partner Providers	327	327	327	327	327	327	327	327	327	327	327	327	327	327	327
NPDO and HUB Schools 2023/24 inflation	480	480	480	480	480	480	480	480	480	480	480	480	480	480	480
Election Costs	0	0	0	250	0	0	0	0	300	0	0	0	0	350	0
Leisure SLA's 2023/24 inflation	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Waste	(117)	9	(263)	37	37	(107)	87	(242)	128	128	(97)	165	(221)	218	218
Compliance with BMW Ban	0	0	462	925	925	0	608	2,433	2,433	2,433	0	608	2,433	2,433	2,433
Waste PPP Contract 2023/24 Inflation	255	255	255	255	255	255	255	255	255	255	255	255	255	255	255
Planning (Local Development Plan)	50	0	50	0	0	50	0	50	0	0	50	0	50	0	0
Allowance for Cost and Demand Pressures Future Years	250	500	750	1,000	1,250	500	1,000	1,500	2,000	2,500	1,000	2,000	3,000	4,000	5,000
Total Cost and Demand Pressures	1,315	1,881	2,414	3,667	3,707	1,650	3,075	5,164	6,324	6,564	2,230	4,391	6,923	8,702	9,392
Total Estimated Expenditure PRIOR to measures to balance the budget	292,824	299,051	305,462	312,815	319,189	293,940	301,584	310,133	318,002	325,214	299,296	317,918	337,429	356,993	376,321
Scottish Government Grant	224,846	225,971	227,101	228,237	229,378	223,738	223,738	223,738	223,738	223,738	222,630	221,517	220,409	219,307	218,211
Council Tax	59,687	59,983	60,433	60,887	61,344	59,539	59,686	59,985	60,286	60,588	59,394	59,397	59,549	59,702	59,856
Total Funding	284,533	285,954	287,534	289,124	290,722	283,277	283,424	283,723	284,024	284,326	282,024	280,914	279,958	279,009	278,067
Budget Surplus / (Gap) PRIOR to measures to balance the budget	(8,291)	(13,096)	(17,928)	(23,691)	(28,467)	(10,663)	(18,160)	(26,410)	(33,978)	(40,888)	(17,272)	(37,004)	(57,471)	(77,984)	(98,254)
Measures to Balance the Budget:															
Fees and Charges	1,272	2,544	3,816	5,088	6,360	848	1,696	2,544	3,392	4,240	424	848	1,272	1,696	2,120
Council Tax Increase	2,967	6,105	9,422	12,927	16,630	2,960	4,833	6,771	8,777	10,852	2,952	4,816	6,741	8,728	10,779
Council Tax Increase (Growth element)	0	59	122	188	259	0	15	24	34	44	0	30	48	67	87
Policy savings agreed February 2022	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Management/Operational Savings agreed Feb 2023	45	80	80	80	80	45	80	80	80	80	45	80	80	80	80
Policy Savings agreed February 2023	45	293	769	1,405	1,874	45	293	769	1,405	1,874	45	293	769	1,405	1,874
Total Measures to Balance the Budget	4,332	9,084	14,212	19,691	25,206	3,901	6,920	10,191	13,691	17,093	3,469	6,070	8,913	11,979	14,943
Budget Surplus / (Gap) Cumulative AFTER measures to balance the budget	(3,959)	(4,012)	(3,716)	(4,000)	(3,261)	(6,762)	(11,240)	(16,219)	(20,287)	(23,795)	(13,803)	(30,934)	(48,558)	(66,005)	(83,311)
Budget Surplus / (Gap) In Year AFTER measures to balance the budget	(3,959)	(53)	296	(284)	738	(6,762)	(4,477)	(4,979)	(4,068)	(3,508)	(13,803)	(17,132)	(17,623)	(17,447)	(17,306)

NON-PAY INFLATION (COUNCIL)

APPENDIX 2

Service	Category	Basis of Inflation	Inflation Percentage	Mid Range 2024/25
Council Wide	Electricity	Due to current market condition for electricity 16% increase mid range, with a 0.5% tolerance for best and worst case.	16.00%	500,244
Council Wide	Gas	Due to current market condition for gas 10.4% increase mid range reflecting February 2023 CPI rate, with a 0.5% tolerance for best and worst case.	10.40%	77,176
Council Wide	Heating Oils	Due to current market condition for gas 10.4% increase mid range reflecting February 2023 CPI rate, with a 0.5% tolerance for best and worst case.	10.40%	41,627
Council Wide	Solid Fuel	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	3.00%	8,640
Council Wide	Water Charges	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	3.00%	16,280
Council Wide	Vehicle Fuel	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	3.00%	35,945
Council Wide	Central Repairs - Outside Contractors	Based on labour and materials costs survey data from the Royal Institute of Chartered Surveyors (RICS) and information from the property team on the typical allocation of their costs between labour and materials.	3.39%	68,223
Council Wide	Insurances	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	3.00%	53,034
Council Wide	Contingency for unidentified/insufficient inflation estimate	£250k built in to mid-range and £500k built in to worst case scenario		250,000
Council Wide Total				1,051,169
Education	Pre-Primary Partner Provider Uplift	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	3.00%	119,156
Education	External School Placements	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	3.00%	36,679
Commercial Services	Catering Purchases	Based on Office for National Statistics Inflation Rate for Food for Domestic Market, with a 0.5% tolerance for best and worst case .	17.10%	371,651
Legal & Regulatory Support	Leisure SLA-MAKI/Islay Pools	Based on Bank of England Monetary Policy Committee CPI Forecast for 2023 Q2, with a 0.5% tolerance for best and worst case.	8.50%	16,282
Legal & Regulatory Support	Leisure SLA-Atlantis	Based on RPI at September 2022 with a 0.5% tolerance in the best and worst case scenarios.	12.64%	78,857
Legal & Regulatory Support	NPDO-Variable Element	Based on Bank of England Monetary Policy Committee CPI Forecast for 2023 Q2, with a 0.5% tolerance for best and worst case.	8.50%	709,919
Legal & Regulatory Support	NPDO-Utilities Rebate	Based on Bank of England Monetary Policy Committee CPI Forecast for 2023 Q2, with a 0.5% tolerance for best and worst case.	8.50%	-26,856
Legal & Regulatory Support	NPDO-Electricity	Due to current market condition for electricity 16% increase mid range, with a 0.5% tolerance for best and worst case.	16.00%	93,528
Legal & Regulatory Support	NPDO-Gas	Due to current market condition for gas 10.4% increase mid range reflecting February 2023 CPI rate, with a 0.5% tolerance for best and worst case.	10.40%	24,852
Legal & Regulatory Support	NPDO-Heating Oil	Due to current market condition for gas 10.4% increase mid range reflecting February 2023 CPI rate, with a 0.5% tolerance for best and worst case.	10.40%	10,733
Legal & Regulatory Support	NPDO-LPG	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	3.00%	2,695
Legal & Regulatory Support	NPDO-Water	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	3.00%	11,581
Legal & Regulatory Support	HUB-Variable Element	Based on Bank of England Monetary Policy Committee CPI Forecast for 2023 Q2, with a 0.5% tolerance for best and worst case.	8.50%	111,111
Executive Director Douglas Hendry - Total				1,560,188
Customer and Support Services	ICT	Carried forward 2024/25 assumption from February 2023 budget outlook.	10.00%	109,842
Roads and Infrastructure	Waste PPP-Private Contractor Inflation	Based on 85% of the Bank of England Monetary Policy Committee CPI Forecast for 2023 Q2, with a 0.5% tolerance for best and worst case.	7.00%	509,360
Roads and Infrastructure	Waste PPP-Central Government Inflation	Based on Landfill Tax increase between 22/23 and 23/24 with a 0.5% tolerance for best and worst case. Will be updated once the 2024/25 rate is published.	3.55%	68,777
Roads and Infrastructure	Roads - Bitumen for Road Surfacing	Based on Bank of England Monetary Policy Committee CPI Forecast for 2024 Q1, with a 0.5% tolerance for best and worst case.	3.00%	16,644
Roads and Infrastructure	Electricity - Street Lighting	Due to current market condition for electricity 16% increase mid range, with a 0.5% tolerance for best and worst case.	16.00%	120,958
Executive Director Kirsty Flanagan - Total				825,581
Total Non-Pay Inflation in the Mid Range				3,436,938

Department	Service	Cost/Demand Pressure	Best Case					Mid Range Scenario					Worst Case				
			2024-25 £,000	2025-26 £,000	2026-27 £,000	2027-28 £,000	2028-29 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,000	2027-28 £,000	2028-29 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,000	2027-28 £,000	2028-29 £,000
Executive Director - Douglas Hendry	Education	The demand for ASN support in Argyll and Bute has continued to grow with a significant increase in, and early identification of children and young people presenting with complex additional support needs, including mental health difficulties. It is anticipated that growth continues over the next 5 years however the extent of this growth is difficult to determine. Scottish Government statistics show that the number of pupils identified with ASN has increased markedly since 2010 and there continue to be year on year increases. These increases are likely due to continued improvements in recording and the introduction of the additional need types 'Child plans' and 'Other' in 2011. Scottish Government statistical datasets show that the percentage of school roll in mainstream schools of pupils with ASN has increased by approximately 3% year on year. Within many authorities, this means increased numbers of children accessing specialist provision.	0	198	198	198	198	75	206	206	206	206	145	444	444	444	444
Executive Director - Douglas Hendry	Education	The SEEMIS group, provider of the Council's Education Management Information System, recently reviewed their long term financial plan and refreshed it to cover the period 2021/22 to 2025/26. As a result of this exercise there were implications on Membership fees with a cost pressure on the Education service arising from financial year 2023/24. Indicative membership fees were provided for financial years 2021/22 to 2022/23 and these have been factored in accordingly.	2	4	7	7	7	2	4	7	7	7	2	4	7	7	7
Executive Director - Douglas Hendry	Education	The Council has had a requirement to deliver 1140 hours of Early Learning and Childcare from August 2021. The Council has been notified that the ring fenced funding will be reduced by £1.124m from 2022-23. Also, as part of the 1140 expansion programme, the Scottish Government 'Funding Follows the Child' guidance, requires local authorities to set a rate locally that is paid to funded providers in the private and third sectors, including childminders, to deliver the funded entitlement that allows them to deliver a high quality ELC experience for all children. This rate should be sustainable and reflect national policy priorities, including funding to enable payment of the real Living Wage to all childcare workers delivering the funded entitlement and have a margin for re-investment built in. The service has worked hard to mitigate the effects of this and has reduced expenditure as far as possible. However there remains a funding gap, the service are able to cover the over spend for 2022-23 and 2023-24 from carry forwards so the cost pressure is requested from 2024-25 onwards. The service will continually review their plans looking for efficiencies where possible.	327	327	327	327	327	327	327	327	327	327	327	327	327	327	327
Executive Director - Douglas Hendry	Education	Adjustment to the base budget for the Schools NPDO and Hub Schools contracts due to the rate of inflation at February 2023 being higher than forecast when the 2023/24 budget was prepared.	480	480	480	480	480	480	480	480	480	480	480	480	480	480	480
Executive Director - Douglas Hendry	Legal and Regulatory Services	Estimated cost (to be borne by the Council) of carrying out local Government elections in May 2027 (and in financial year 2027/28). Operating approx. 100 polling stations and carrying out poll and count for 11 Multi member wards – requiring 11 separate counts	0	0	0	250	0	0	0	0	300	0	0	0	0	350	0
Executive Director - Douglas Hendry	Commercial Services	Adjustment to the base budget for the swimming pools service level agreements due to the rate of inflation at February 2023 being higher than forecast when the 2023/24 budget was prepared.	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Executive Director - Kirsty Flanagan	Financial Services	Universal Credit "Full" Service went live in Sept 2018, but managed migration has been deferred to 2021 and will not be completed until 2024. The DWP will reduce the Housing Benefit Administration Subsidy they pay to the Council as some claimants come off of Housing Benefit processed by Council staff and go onto Universal Credit processed by the DWP. The Council's caseload has reduced marginally since implementation of Universal Credit but it is hard to predict just how quickly the rest of the working age caseload will migrate from Housing Benefit to Universal Credit between now and 2024. These figures represent our best estimates at this time.	40	80	120	160	200	40	80	120	160	200	40	80	120	160	200
Executive Director - Kirsty Flanagan	Financial Services	Implementation of new IFRS16 system to manage leases and accounting requirements of the IFRS Finance Leases accounting standard.	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18

COUNCIL COST AND DEMAND PRESSURES 2024-25 to 2028-29

APPENDIX 3

Department	Service	Cost/Demand Pressure	Best Case					Mid Range Scenario					Worst Case				
			2024-25 £,000	2025-26 £,000	2026-27 £,000	2027-28 £,000	2028-29 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,000	2027-28 £,000	2028-29 £,000	2024-25 £,000	2025-26 £,000	2026-27 £,000	2027-28 £,000	2028-29 £,000
Executive Director - Kirsty Flanagan	Waste	Additional costs derived from the current waste model. Note that the treatment of waste going forward has not been fully costed due to uncertainty as to how the council will deal with the Bio Municipal Waste ban and the Deposit Return Scheme. Pressure has increased due to an updated waste model.	(117)	9	(263)	37	37	(107)	87	(242)	128	128	(97)	165	(221)	218	218
Executive Director - Kirsty Flanagan	Waste	Achieving compliance with ban on biodegradable municipal waste in 2025. This is the estimated revenue costs from potential scenarios, remaining in or coming out of the current waste PPP contract. Coming out of the Waste PPP contract would create an additional one-off cost. There are also capital cost implications that are not included within these estimates. Due to the complexity of the model, estimates are subject to change. The best case scenario reflects option 4 detailed in the report to the Environment, Development and Infrastructure Committee on 01/12/2022. The mid range and worst case scenarios reflects option 3 included in the same report and take into account the risk that the SG will not agree a derogation.	0	0	462	925	925	0	608	2,433	2,433	2,433	0	608	2,433	2,433	2,433
Executive Director - Kirsty Flanagan	Waste	Adjustment to the base budget for the Waste PPP contract due to the rate of inflation at February 2023 being higher than forecast when the 2023/24 budget was prepared.	255	255	255	255	255	255	255	255	255	255	255	255	255	255	255
Executive Director - Kirsty Flanagan	Planning	Local development plan will require to be done under the new Planning legislation which is a revised process from the current one and will have a 10 year life. The new process has 2 stages where there is likely to be a cost pressure - a gate check followed by an examination some time later.	50	0	50	0	0	50	0	50	0	0	50	0	50	0	0
Council Wide	Council Wide	General provision for unidentified Cost and Demand Pressures	250	500	750	1,000	1,250	500	1,000	1,500	2,000	2,500	1,000	2,000	3,000	4,000	5,000
TOTAL			1,315	1,881	2,414	3,667	3,707	1,650	3,075	5,164	6,324	6,564	2,230	4,391	6,923	8,702	9,392

SOCIAL WORK COST AND DEMAND PRESSURES - 2024-25 to 2026-27

APPENDIX 4

Service	Cost/Demand Pressure	Best Case			Mid Range			Worst Case		
		2024-25 £000	2025-26 £000	2026-27 £000	2024-25 £000	2025-26 £000	2026-27 £000	2024-25 £000	2025-26 £000	2026-27 £000
All Social Work	Estimated Pay inflation reflecting a best case and mid-range of 2% and worst case of 5%.	698	1,410	2,136	698	1,410	2,136	1,745	3,578	5,502
All Social Work	Estimated Pay increments, best case is that 50% of the incremental changes based on 2023/24 are absorbed and in the mid-range and worst case, the increase is in line with the increase in 2023/24.	76	152	228	152	304	456	152	304	456
All Social Work	Non-pay inflation, best and worst case based on unavoidable/inescapable inflation and worst case.	3,514	6,390	8,670	3,862	7,123	9,819	4,210	7,862	10,982
All Social Work	Non-pay inflation impact of payroll inflation on NHS posts which are recharged to Social Work.	184	330	482	199	362	533	214	394	584
Adult Care	Younger Adults Demand Growth (Excluding Physical Disability): There has been continuing increase in demand for care and support services for profoundly disabled younger adults (ie under 65) whose parents have historically provided care but are no longer able to. The best case assumes a 1% increase in spending reflecting the limited service capacity in the area, the mid-range reflects 2% growth and the worst case reflects 3% growth.	210	422	636	420	849	1,287	630	1,280	1,950
Adult Care	Younger Adults Demand Growth - Physical Disability: There has been continuing increase in demand for care and support services for profoundly disabled younger adults (ie under 65) whose parents have historically provided care but are no longer able to. The best case assumes a 1% increase in spending reflecting the limited service capacity in the area, the mid-range reflects 2% growth and the worst case reflects 3% growth.	38	76	115	76	153	232	113	230	351
Adult Care	Learning Disability Budget Adjustment - The Learning Disability Supported Living and Residential budgets are carrying a recurring unbudgeted commitment. To address this situation, it is proposed to continue to realign the budget over 2024-25 and 2025-26 whilst also reviewing cases and redesigning services. The adjustment will be reviewed annually to reflect spending reductions delivered as well as any changes to funding and practice resulting from the implementation of the Independent Review of Adult Social Care.	391	782	782	391	782	782	391	782	782
Adult Care	Physical Disability Budget Adjustment - The Physical Disability Supported Living and Residential budgets are carrying a recurring unbudgeted commitment. To address this situation, it is proposed to continue to realign the budget over 2024-25 and 2025-26 whilst also reviewing cases and redesigning services. The adjustment will be reviewed annually to reflect spending reductions delivered as well as any changes to funding and practice resulting from the implementation of the Independent Review of Adult Social Care.	25	50	50	25	50	50	25	50	50

Service	Cost/Demand Pressure	Best Case			Mid Range			Worst Case		
		2024-25 £000	2025-26 £000	2026-27 £000	2024-25 £000	2025-26 £000	2026-27 £000	2024-25 £000	2025-26 £000	2026-27 £000
Adult Care	Mental Health Budget Adjustment - The Mental Health Supported Living and Residential budgets are carrying a recurring unbudgeted commitment. To address this situation, it is proposed to continue to realign the budget over 2024-25 and 2025-26 whilst also reviewing cases and redesigning services. The adjustment will be reviewed annually to reflect spending reductions delivered as well as any changes to funding and practice resulting from the implementation of the Independent Review of Adult Social Care.	81	162	162	81	162	162	81	162	162
Children and Families	Continuing Care demand for Looked After young people who are cared for by the HSCP. The best case scenario is that the expected additional demand can be funded from within existing resources as a result of planned improvements to the service delivery model (eg shift away from high cost external residential care to local foster and kinship care), the mid case reflects that additional demand in 24/25 be funded from existing resource with £250k per annum thereafter and the worst case reflects £250k per annum.	0	0	0	0	250	500	250	500	750
All Social Work	Allowance for unknown cost and demand pressures which could arise. The best case assumes unknown pressures totalling £250k per annum, the mid range £500k per annum and the worst case £750k per annum.	250	500	750	500	1,000	1,500	750	1,500	2,250
TOTAL COST AND DEMAND PRESSURES		5,467	10,274	14,011	6,404	12,445	17,457	8,561	16,642	23,819

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES COMMITTEE****FINANCIAL SERVICES****11 MAY 2023**

BUDGET APPROACH

1. INTRODUCTION

- 1.1 The purpose of this report is to update the Policy and Resources Committee on the budget approach for 2024-25 and provide a high level draft budget timetable.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Policy and Resources Committee:
- (a) Agree the 2024-25 budget approach as set out in this report; and
 - (b) Agree the creation of a Budget Working Group as set out in paragraph 4.2.

3. BUDGET OUTLOOK

- 3.1 The budget outlook position is continually monitored with an update reported to each Policy and Resources Committee. The latest budget outlook which is included within today's agenda advises that in the mid-range scenario, the budget gap estimated over the five year period 2024-25 to 2028-29 is £23.795m with a gap of £6.762m in 2024-25.

4. 2024-25 BUDGET APPROACH

- 4.1 Officers have already commenced discussions on a budget approach for 2024-25.

Budget Working Group

- 4.2 As part of the budget setting process, the last three years have seen the creation of a cross party Budget Working Group (BWG) comprising of six Members from the administration, three Members from the opposition and two Trade Union representatives. The BWG did not have any decision making authority but could report to and make recommendations to either the Council or the Policy and Resources Committee. Its primary purpose was to engage with officers and provide scrutiny on the identification of savings options as they were developed.
- 4.3 Given the significant budget gap over the next five years it is recommended that a similar group is established to support the 2024-25 budget approach.

Budget Consultation

- 4.4 The Council is facing a challenging budget gap and in order to bridge this gap Service reductions are inevitable which in turn affects our Communities. A Budget Simulator has been created which will allow the public to engage with the Council and understand potential implications of budget decisions at a high level.
- 4.5 The budget simulator is presented at activity level and allows the user to reduce spending across each area and also includes narrative explaining the consequences of the choices made. There is also a section on income generation including Council Tax where the user can indicate whether they would be willing to pay more council tax in order to minimise reductions to Council Services.
- 4.6 The user must achieve a “balanced budget” upon completion of the simulator. This consultation will not only assist officers and Members when looking at budget options but will also assist the Community in understanding the difficult choices the Council faces with continued real term settlement reductions from Scottish Government.
- 4.7 Once all data has been uploaded into the budget simulator it is the intention to hold a Members Seminar and also have a focus group to test the simulator, prior to it going live on 19 June 2023.

5 Budget Timetable

- 5.1 A high level budget timetable has been produced and is included in Appendix 1. The timetable includes the following:
- 19th June 2023 – budget simulator goes live to the public
 - August 2023 – results from budget consultation collated
 - September 2023 – meeting of Budget Working Group
 - October 2023 – P&R Committee.

Should further budget working groups be necessary in addition to those within the timetable these can be scheduled as required. A Members Seminar has been scheduled for the end of January prior to the budget pack being published.

6. CONCLUSION

- 6.1 Officers continue to monitor the budget outlook position regularly and update and report to Members any changes. The Council is facing a significantly challenging budget gap which will likely require some services to be stopped in order to balance the budget.
- 6.2 A budget approach has been developed by ELT alongside a budget timetable and a set of proposals will be brought forward in due course for consideration.

7. IMPLICATIONS

- 7.1 Policy – sets out that budget approach that will inform policy decisions.
- 7.2 Financial – Sets out the budget position as reported in the budget outlook.
- 7.3 Legal – None directly from this report but the Council will need to balance the budget.
- 7.4 HR – None directly from this report but there is a strong link between HR and budgets.
- 7.5 Fairer Scotland Duty – See below
 - 7.5.1 - Equalities – None directly from this report but any proposals to address the estimated budget gap will need to consider equality issues.
 - 7.5.2 - Socio Economic Duty - None directly from this report but any proposals to address the estimated budget gap will need to consider socio economic issues.
 - 7.5.3 - Islands Duty - None directly from this report but any proposals to address the estimated budget gap will need to consider any island specific issues.
- 7.6 Climate Change – The Council is committed to addressing climate change and reviews how Services are delivering this on an ongoing basis within the available budget resources.
- 7.7 Risk - None directly from this report but any proposals to address the estimated budget gap will need to consider risk.
- 7.8 Customer Service - None directly from this report but any proposals to address the estimated budget gap will need to consider customer service.

Kirsty Flanagan
Executive Director/Section 95 Officer
21 April 2023

Policy Lead for Finance and Commercial Services: Councillor Gary Mulvaney

APPENDICES:

Appendix 1 – 2024-25 Draft Budget Timetable

For further information contact Anne Blue, Head of Financial Services
anne.blue@argyll-bute.gov.uk

2024-25 DRAFT BUDGET TIMETABLE

APPENDIX 1

Date	Event	Purpose
11 May 2023	P& R Committee	Budget Outlook and the proposed Budget Approach.
W/C 5 th June 2023	Members Seminar	Demonstration of budget simulator and feedback from Members.
W/C 5 th June 2023	Testing of budget simulator	Focus group to test budget simulator.
19 June 2023	Budget Simulator	Budget Simulator goes live to public until 11 th August 2023.
July/August	Officers Development of Potential Savings Options	Officers working through savings to be explored further.
August 2023	Budget Simulator Results	Collation of results from budget simulator process
September 2023	Budget Working Group	Updated budget gap, results of budget simulator and provide information on emerging options.
Month of September	Officers Development of Potential Savings Options	Officers working through savings to be explored further.
11 October 2023	P&R Committee	Updated Budget Outlook 2024/25 to 2028/29, results of budget simulator and consideration of identified savings options.
Post P&R Committee	Employee statutory consultation/Trade Union Consultation where/if required.	Where/if required employee statutory consultation period begins for those at risk of redundancy and also consultation with Trade Unions.
Late October 2023	Budget Working Group	Update on emerging saving options.
7 December 2023	P&R Committee	Updated Budget Outlook 2024/25 to 2028/29 and consideration of identified savings options.
Post P&R Committee	Employee statutory consultation/Trade Union Consultation where/if required.	Where/if required employee statutory consultation period begins for those at risk of redundancy and also consultation with Trade Unions.
Mid December 2023 (estimated)	SG Budget Announcement	
Week beginning 18 December 2023	Budget Working Group	Update following SG Budget Announcement.
Week beginning 15 January 2024	Budget Working Group	Update on proposals to balance the budget.
End of January 2024	Elected Members Seminar	Budget 2024/25 Update.
8 February 2024	Budget Pack published	Budget pack included in release of P&R papers. Including: Individual EqSEIA's; EqSEIA covering budget as a whole.
15 February 2024	P&R Committee	Consider budget proposals and make recommendations to Council.
Mid February 2024	EJCC	Budget 2024/25 Update.
22 February 2024	Council	Set Budget.

ARGYLL AND BUTE COUNCIL**POLICY & RESOURCES COMMITTEE****CHIEF EXECUTIVE****11 MAY 2023**

PUBLIC SECTOR REFORM UPDATE

1.0 EXECUTIVE SUMMARY

- 1.1 Despite the hectic pace of change in the public sector over previous years, this is anticipated to accelerate in the next period through comprehensive public sector reform which has the potential to significantly change the models (e.g. local government, integrated health and social care model) in which we currently operate.
- 1.2 This paper sets out the primary mechanisms through which these reforms will be applied to the Council and HSCP at a time when the implications and scale of some these reforms remain unknown. There is a limited window of opportunity to consider what models of delivery may best improve outcomes for our communities and this paper seeks an endorsement from Members to explore a Single Authority Model.
- 1.3 The recommendation is that the Committee agree that:
- There is further exploration of the option for a Single Authority Model for Argyll and Bute.
 - Exploratory discussions with the Scottish Government (SG) are commenced and that the Chief Executive seek inclusion in the SIA meetings already in train.

ARGYLL AND BUTE COUNCIL

POLICY & RESOURCES COMMITTEE

CHIEF EXECUTIVE

11 MAY APRIL 2023

PUBLIC SECTOR REFORM UPDATE

2.0 INTRODUCTION

- 2.1 This paper provides an overview of the emerging public sector reform and associated legislation that is likely to result in fundamental changes to how public services are delivered and equally important, how decisions around public services are made.
- 2.2 The application of national policy resulting in structural change to public services gives rise to the risk that future models do not consider our unique local characteristics and therefore have the potential to have adverse effects on our communities.
- 2.2 The review of local governance provides an opportunity to consider alternative models that may offer more advantageous arrangements for delivering efficient and effective public services for Argyll and Bute.

3.0 RECOMMENDATIONS

- 3.1 The recommendation is that the Committee agree that:
- There is further exploration of the option for a Single Authority Model for Argyll and Bute.
 - Exploratory discussions with the Scottish Government (SG) are commenced and that the Chief Executive seek inclusion in the SIA meetings already in train.

4.0 DETAIL

- 4.1 The Scottish Government has committed to a number of strands of reform that affect local government but three have potential to result in significant

change. These are the Local Governance Review, Fiscal Framework and the National Care Service.

A. Local Governance Review

- 4.2 The Local Governance Review was launched jointly by COSLA and Scottish Government in December 2017 (Democracy Matters) to explore how power, responsibilities and resources might be shared across 'spheres' of government and with local communities with a particular objective to devolve powers as far as reasonably possible in a manner that improves outcomes for communities.
- 4.3 Activity to progress this initiative paused during the pandemic and response to Ukraine and the Scottish Government has reaffirmed their commitment to this and the pace of work has recently picked up.
- 4.4 COSLA's Plan 2022-27 confirms that the Local Governance Review remains a key priority and supports the three inter-related empowerments set out by the Scottish Government as follows:
 - a. Community empowerment through a new relationship with public services where communities have a greater control over decisions.
 - b. Functional empowerment of public sector partners to better share resources and work together.
 - c. Fiscal empowerment of democratic decision-makers to deliver locally identified priorities.
- 4.5 Democracy Matters' engagement took place in 2018 and an estimated 4,240 people participated.
- 4.6 The second phase of the Review invited public bodies to submit proposals for alternative governance arrangements at local, regional, and national level. Several councils put forward proposals for a Single Island Authority (SIA) model and Scottish Government has now invited relevant senior local authority officers in the Councils that wish to, to review the SIA model proposals and a meeting involving SG Ministers, the COSLA Presidential Team and local authority Chief Executives of the island councils took place on 9th March 2023. Further meetings with officers are now planned to explore these proposals further.
- 4.7 The Scottish Government and COSLA intend to launch 'Democracy Matters 2' consultation in April 2023 and will explore community empowerment and decision-making. This will include conversations taking place up to and

during the summer period of 2023. More detail on the next phase of the consultation is available in appendix 1.

- 4.8 The Scottish Government intend to pass a Bill before the dissolution of this Parliament (2027) to enable any agreed changes arising from the Local Governance Review which may require legislative change.
- 4.9 It remains unknown at this stage what the proposed Local Democracy Bill will contain, however it could have a long term and significant impact on how decisions are made affecting our communities in Argyll and Bute. This may include organisational or structural change or introduce the transfer of powers between or from spheres of government and communities. Examples of what we may expect to see in the bill when it comes forward could be further powers around;
- Participatory budgeting
 - Citizens assemblies
 - Smaller more local units of democracy.
- 4.10 Argyll and Bute Council will need to consider if it wishes to a) respond to the consultation and b) undertake its own engagement with our communities on the Democracy Matters 2 consultation of which more details are available in appendix 1 of this report.

B. Fiscal Framework:

- 4.11 The Programme for Government 2022 – 2023 sets out a commitment to agree a 'New Deal' between the Scottish and Local Government including a fiscal framework that will support;
1. Working together to achieve better outcomes for people and communities especially on national priorities including addressing poverty, inequality, and supporting the economy.
 2. Balancing greater flexibility over financial arrangements with improved accountability.
 3. Providing certainty over inputs, outcomes and assurance, alongside scope to innovate and improve services.
 4. Recognising the critical role played by local authorities in tackling the climate emergency, for example through delivering our heat and buildings, waste, active travel and nature restoration goals.

4.12 Scottish Government Ministers invited COSLA to join a Ministerial Working Group to look at sources of Local Government Funding and Council Tax and are progressing discussion on developing a new Fiscal Framework for Scottish Local Government as part of an emerging 'new deal'. COSLA's aim is to:

- Seek a substantial shift in the balance of funding to local government.
- Ensure local government is empowered to deploy resources locally without government restriction.
- Ensure that equalisation is fair (i.e. when block grants are reduced relative to increase in local tax raising powers).

4.13 Ultimately the aim of COSLA is to provide Local Government with more certainty about funding as well as look to increase funding available. COSLA is focused on three areas:

1. Local government funding
2. Local taxation
3. Fiscal flexibilities

4.14 Specific matters of relevance which fall under these 3 headings include:

1. Structure of Local Government Settlement
2. Population
3. Council tax
4. Other options for local taxation.
5. Local discretion – fees, charges, discounts and exemptions.
6. Non Domestic Rates

4.15 COSLA has progressed a number of workstreams to develop these matters from which 3 draft principles have emerged:

1. The fiscal framework should promote stability, certainty, transparency, affordability and sustainability.
 - More certainty on its total grant settlement over the longer term (min 3 years).
 - Settlement should be a fair reflection of costs and needs on a day to day basis and proportionate to overall SG budget.
 - National commitments to be fully funded.
2. The fiscal framework should promote effective use of fiscal flexibilities and levers to address local priorities and improve outcomes.
 - Power to raise Council Tax if it so wishes.
 - Powers to raise additional (local) taxes.

- Flexibility to decide on local variation to Council Tax, NDR and fees/charges to support local priorities and address issues.
3. The fiscal framework should enable discussion of fiscal empowerment of Local Government.
- Reduce use of ring fenced grants.
 - Joint understanding of impacts of funding decisions.
- 4.16 Efforts to change how local government is funded and freedom to make decisions is maturing and the Council will be required to be prepared for changes that are agreed. Equally important is noting that once the fiscal framework is agreed, COSLA will recommence its review of the distribution formula. This has a potentially significant adverse impact on our funding like all other Council's and we may be required to lobby to protect the interests of our communities.
- 4.17 As part of taking this extensive agenda forward, the Chief Executive is currently seeking to procure the expertise of an independent third party to support the development of policy options for Members to consider and agree to support effective lobbying to promote the area's interest to national decision makers. This will be done within the Council's Procurement Framework.

C. National Care Service Bill (NCS):

- 4.18 A Bill has been produced which proposes to establish a National Care Service and allow the Scottish Ministers to transfer social care responsibility from local authorities to a NCS. This covers Adult Care Services and could be extended to cover children's services, as well as areas such as justice social work. Scottish Ministers would also be able to transfer healthcare functions from the NHS to the National Care Service. This will be the most significant change to care in Scotland since the creation of the NHS.
- 4.19 The Council's formal response to the consultation included as key points:
- a) Argyll and Bute has a unique set of challenges currently delivered by a fully integrated workforce enabling community based, locality designed partnership approaches to delivering care.
 - b) The Council and HSCP supports the principle and ambition of the NCS and that the proposed legislation is an insufficient framework upon which to deliver such potential radical change.
 - c) The Bill should include options for local arrangements based on the principle of health and social care integration and aligned with the principles of the Christie Commission.

- d) Children's services and justice services should remain within local government (and notes these were out-with the scope of the Independent Review of Adult Social Care).
- e) The financial implications set out in the Financial Memorandum are substantially inaccurate.
- f) The Council is of the view that the current proposals will have an adverse impact on outcomes for patients and communities.

4.20 COSLA, and a wide range of other bodies, including Audit Scotland, have raised concerns about the proposals and formally opposed many aspects of the bill, seeking a reset of the work on NCS and to collaborate with the Scottish Government to develop models of care that will deliver an improved outcome for local government.

4.21 At the time of writing this report and in light of the SNP leadership contest, the legislation (which was due to be debated and voted on at Holyrood in March 2023) has been delayed until June 2023 and Scottish Government have now indicated that they will seek to extend Stage 1 beyond June. Other Parliamentary committees already raised concerns or concluded that the Bill should not progress in its current form.

D. Where we are now:

4.22 The public sector is operating in a dynamic landscape which brings with it many challenges, some of which have been described above. The operations of the Council and HSCP have done well to meet the challenges faced so far and there is a need to develop the organisations to be in a position to continue to meet the financial, policy and societal challenges ahead.

4.23 The operations of the Council so far have risen to the challenge of meeting substantial savings and to date has made over £70million in recurring savings since 2010-2011, including £500k reduction in senior management costs. This equates to around 26% of the total budget and with each passing year it becomes more difficult to identify savings.

4.24 Assuming public sector finance will continue to fall (in real terms and against a background of high inflation and demands for increased pay) and demands for services will increase, the Scottish and Local Governments are seeking to reform the public sector to improve outcomes whilst reducing costs.

4.25 We know from experience that policies which apply a universal 'one size fits all' approach can be practically difficult to implement and Argyll and Bute has unique challenges that require a bespoke approach for the best possible outcomes. With a decreasing and ageing population, and a decreasing percentage of economically active residents spread out across a remote rural

and islands area, there is a clear argument for a joined up public sector with decisions made at the lowest possible level. Specific challenges that need to be addressed via public sector reform include;

- Provision of health and social care against increasing demand and costs.
- Transportation is vulnerable and is impacting on sustainable economic growth, access to services and promoting our vision for a growing population and thriving economy.
- Lack of housing in both social and private markets equally impacting on the vision.
- Split between highland and central belt for national agency support e.g. enterprise agencies, NHS, transport partnerships.

4.26 Anecdotally Health and Social Care integration is acknowledged by ministers and civil servants to have progressed well in Argyll and Bute. We are also unique in having a comprehensive model including acute health, children's services and justice services, the only partnership of its type in Scotland. This provides great opportunities for further partnership working transformation through a place-based systems approach and better outcomes for local people. Taking all the above into account, it may be an opportune moment to consider a new model that may bring us closer to achieving the principles of the Christie report.

E. A Single Authority Model (SAM)

4.27 A SAM could possibly be described as whole system and an efficient public service approach to improve outcomes for our communities. A single model would mean concentrating the efforts of a range of public services on delivering integrated services that delivers improvements. Recipients of services are viewed as being agnostic of service provider and much more interested in quality of service. The focus thus far has been primarily on local authorities and health but a fully developed SAM could be much wider.

4.28 The Commission on the Future Delivery of Public Services (Christie 2011) has already established the shortcomings in the capacity of public services to improve outcomes and noted an estimate that as much of 40% of all spending on public services is accounted for by interventions that could have been avoided by prioritising a preventative approach.

4.29 A SAM model could take a number of forms including:

Community Planning Plus -

A model is based on the current Community Planning Model and maintaining separate organisations. It would assist in the integration of budgets but not employees and structures which would remain separate.

An Integrated Authority -

A model that would establish an elected single legal entity with fully integrated service budgets and empowered by its elected status to give clear and accountable leadership.

A fully empowered local board -

A model that would strengthen the current IJB structure with fully integrated services and retained local accountability linked to the Council's governance arrangements.

4.30 The above options are only indicative at this stage and further feasibility work would be needed to consider appropriate mechanisms of governance, accountability and employment. The objective would be to maintain and build upon the current level of integration together with sufficient flexibility to deliver in a way that reflects our unique circumstances.

4.31 Possible benefits that could arise from a Single Authority Model are as follows:

- Maximising scarce resources.
- Simplifying and reducing bureaucracy
- Increase financial flexibilities.
- Improved public sector collaboration on medium to long term outcomes.
- Reduced silos.
- Protection and enhancement of local democracy by keeping accountability at local level.
- Protection of front-line services.
- Opportunity to;
 - Reform public services.
 - Engage in a new approach to community engagement and building services around people and communities.
 - Increase approaches to prevention and early-intervention.
 - Reduce inequality.
- Making Argyll and Bute a place people want to live, to work and to do business in.

F. Our Communities:

- 4.32 The most important objective of creating a SAM is improved outcomes for our communities. We know from our engagement with communities in 2018 that there is a demand from our communities for;
- More creative and inclusive opportunities for communities to participate in decision making e.g. locality based planning.
 - More influence over services or decision making.
 - Less demand for direct management and control.
 - Increased local autonomy of decisions and governance.
- 4.33 The Scottish Government has indicated a desire to reduce ring fencing and move towards agreed outcomes. An integrated, place-based approach with competent governance would provide an opportunity for a new and mutually beneficial relationship between spheres of government to deliver national and local outcomes in line with the National Performance Framework.

G. How do we take this forward?

- 4.34 Even the consideration of a pursuing a Single Authority Model is hugely significant and therefore the approach requires to be in small steps at this stage although the window of opportunity to engage with Scottish Government is now. The SG have shown their willingness to consider islands pilots, we understand that a further invitation to submit pilot proposals may be forthcoming.
- 4.35 The Committee is being asked at this stage only to agree to enter exploratory discussions with the SG and to seek inclusion in the SIA meetings already in train.
- 4.36 Officers will also undertake further feasibility work to consider the implications and to develop proposals for community consultation should members decide to progress proposals further.

5.0 CONCLUSION

- 5.1 Public sector reform at national and level is progressing and whilst the mechanisms through which these may happen (i.e. Local Governance Review, a 'new deal' fiscal framework and NCS) are clear, what those reforms will look like, the practical implications and the impact on our communities is wholly unknown.
- 5.2 A limited window of opportunity is available to influence the emerging reforms for the best possible outcome for our communities.

6.0 IMPLICATIONS

- 6.1 Policy; currently none but with the potential for significant implications due to emerging national policies.
- 6.2 Financial; currently none and exploration of a Single Authority Model will explore the financial implications of any changes.
- 6.3 Legal; none at present and exploration of a Single Authority Model will require to look at the legal implications of any proposals.
- 6.4 HR; none at present and exploration of a Single Authority Model will require to look at the HR implications of any proposals.
- 6.5 Fairer Scotland Duty: none
 - 6.5.1 Equalities - protected characteristics; none
 - 6.5.2 Socio-economic Duty; none
 - 6.5.3 Islands; none
- 6.6. Climate Change; none.
- 6.7 Risk; failure to explore options to for the best model for our communities and influence the national development of reforms.
- 6.8 Customer Service; none.

Pippa Milne - Chief Executive

6 April 2023

For further information contact:

- Stuart Green, Corporate Support Manager, Chief Executives Unit

APPENDICES

Appendix 1; Democracy Matters Consultation 2

Appendix 1 – Democracy Matters Consultation 2

[Democracy Matters - local governance review: phase 2 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/democracy-matters-local-governance-review-phase-2/pages/11.aspx)

More than 4,000 people took part in the first phase of Democracy Matters conversations.

Responses showed a desire for much greater control over what happens in people's communities. The Scottish Government promotes this as "an exciting opportunity to promote what could be the biggest transformation to democracy since devolution".

The discussion document builds on the first Democracy Matters conversations (2018). It would have provided the basis for a second phase of deliberation on future scenarios for community decision-making in different settings if the pandemic had not prevented these from taking place as planned.

The potential legal framework consulted on included:

- A general power which allows the community to act – this is designed to support creative responses to local issues which other parts of government might find difficult to do. Funding is key and can be raised locally or secured through agreement with public sector partners.
- Specific powers to take over decision-making responsibility for a range of functions where equality duties can also be met.
- Examples of this might include, but are not restricted to, taking control over, recycling, management of green spaces, the design of employability programmes, and out of hour's health services.
- Power to direct associated budgets.
- Power to employ staff to undertake administrative and specialist roles, such as community development.
- Power to enter into collaborative arrangements with neighbouring communities to take over services where economies of scale can be achieved.

The new community decision-making bodies proposed in the consultation were half, directly elected and half, selected by different methods. Those who are directly elected include local councillors. The other selection methods used are very deliberately constructed to ensure diversity of age and gender and include voices that are seldom heard in decision-making processes or for whom public services too often fail to meet their needs.

In the first phase of Democracy Matters, people fed back that setting boundaries and setting priorities are interrelated and that communities should be helped to decide these for themselves.

The Democracy Matters democracy imagined each community identifying a "natural" and "publicly recognised" physical boundary through a highly participative process. In the example communities would receive public and third sector support to develop

a multi-year community action plan. Citizens' Assemblies and extensive community engagement would inform community action plans. The plan for each place included the suite of powers each community wanted in order to help achieve their vision. A process similar to Community Right to Buy land was then used to test whether people wanted to establish new decision-making bodies in order to implement their plans.

A Community Charter – also set out in legislation – was also proposed. To give clarity on relationships with community groups and covering the following issues:

- a) Funding arrangements which might include any money raised through taxation being matched by national or local government. Incentives might be created for the most deprived areas by offering more generous terms.
- b) A framework for calculating budgets when new decision-making bodies take on responsibility for functions.
- c) Support for new decision-making bodies to involve the community. This will involve a focus on strengthening human rights through an equal opportunity to participate, and will recognise the structural barriers to participation faced by some groups such as disabled people.
- d) An approach to community participation which also involves the use of innovative techniques such as digital platforms to extend reach, or Citizens' Juries to deliberate where there is disagreement.
- e) What specialist advice public sector partners will provide to the community bodies on matters such as HR, procurement, legal or financial matters.
- f) Light-touch regulation, including arrangements for regulatory intervention if corruption or conflict arises.

Argyll and Bute

Mull and Iona Community Trust (MICT) are one of the examples of current community decision making. MICT said - "We have good relationships with partners, but decision-making processes can be slow and hard to predict. More decisions taken by the community, including how resources are deployed, could better support and improve important services on Mull and Iona."

Feedback from the community engagement undertaken by the previous Chief Executive and reported to the Council in 2018 noted the following general observations, which informed the council's consultation response in relation to DM1:

- a) The divergence of views – there was a divergence of opinions on a wide range of points at most events. It was impossible to report consensus on all of the main themes – often there were divergent views expressed in the same group, far less across attendees at one event. As such it was not possible to draw broad conclusions that suggested any specific community held a

consistent view or that all island communities universally agreed on a specific issue.

- b) There is a sense of dissatisfaction with current arrangements leading to apathy in the traditional 'townhall' model of local democracy. Nonetheless there is a clear appetite for communities to feel better connection to decision makers and have access to decision making processes at a local level.
- c) The capacity of communities and community organisations varies across Argyll and Bute and the confidence and resilience of different communities was reflected in the feedback received.
- d) Concerns about a "one size fits all" approach to reform was a recurring theme in all events with a strong preference for permissive legislation that allows flexibility in approach reflecting local circumstances, needs and capacity. The case for additional legislation has not yet been made as the Community Empowerment Act contains provisions for most of the innovations discussed at the events. Clarity on what the purpose and scope of additional legislation will be sought through the consultation response.
- e) The sheer scale and range of public sector organisations active in Argyll and Bute is daunting to communities who may only be familiar with some of the organisations that make decisions that affect them.
- f) The Council and NHS are two of the more familiar organisations but a repeated comment was a request for a simplified public sector.
- g) Increased local autonomy will require increased governance to protect the integrity of and support appropriate local decision making.
- h) Influence, not control; there is a stronger sense of desire for more influence over services or decision making whereas there is less demand for direct management and control.
- i) Participation - there is a desire for more creative and inclusive opportunities for communities to participate in decision making with national, regional and more local public bodies. This needs to be supported by improved communications that engages a broader range of community sectors.
- j) An overriding concern about the need for properly funded public services that meets the needs of communities was expressed in every event.

ARGYLL AND BUTE COUNCIL
CUSTOMER SUPPORT SERVICES

POLICY AND RESOURCES COMMITTEE
11 MAY 2023

**ARGYLL AND BUTE EQUALITY MAINSTREAMING REPORT 2023 AND EQUAL
PAY AUDIT**

1.0 INTRODUCTION

- 1.1 As part of equalities duties set out in the Public Sector Equality Duty (PSED), the Council, Education Authority, and Licensing Board are required to report on their equality mainstreaming activities every two years.
- 1.2 The Equality Mainstreaming Report 2023, which covers the period 2021-2023, is appended to this covering report. The Mainstreaming Report covers the three authorities mentioned above.
- 1.3 As required by the PSED, we commissioned an Equal Pay Audit in 2022. This report sets out the key findings of the audit which will be published alongside the mainstreaming report.

2.0 RECOMMENDATIONS

It is recommended that the Policy and Resources Committee

- (a) Approves the Equality Mainstreaming Report and
- (b) Notes the findings of the Equal Pay Audit, which has been carried out as part of our duties under equality legislation.

3.0 DETAIL

- 3.1 The Equality Mainstreaming Report (Appendix 1) has been produced to meet the requirements of the PSED. The Mainstreaming Report sets out how we have mainstreamed equalities into our everyday work and how we have progressed in meeting our current equalities outcomes. We will consult on future outcomes later in the year.
- 3.2 We are obligated to publish the Mainstreaming Report. We request the committee to approve the Mainstreaming Report to enable the publication of the approved version. The Mainstreaming Report will be published alongside [workforce data](#) and our [Equal Pay Audit](#).

- 3.3 As required by the Public Sector Equality Duty, we have recently commissioned an Equal Pay Audit (EPA). The audit, carried out by Zellis Reward Consultancy Services, was based on the workforce as of October 2022. The audit explores gender pay gaps, where these manifest within the organisation, and why.
- 3.4 The audit’s findings provide assurances that our processes and practices around pay and grading are robust with pay gaps arising from structural factors within the wider labour market. Because a higher percentage of the male workforce are in higher grades compared to the female workforce, males have a higher average hourly rate overall. This pattern is reflected in the organisation’s pay gap figures (table 1).

Table 1: Gender pay gaps including and excluding casuals (from Equal Pay Audit 2022)

Summary – Gender Pay Gaps – Basic Pay				
Group	Total Workforce (Inc. Casuals)		Total Workforce (Excl. Casuals)	
	Mean	Median	Mean	Median
All Employees	9.05%	8.29%	4.81%	1.57%

- 3.5 Despite the assurances, the audit has made a series of recommendations for our consideration. The Equal Pay Audit is available via the hyperlink.

4.0 CONCLUSION

- 4.1 The committee is asked to approve the Equality Mainstreaming Report.

5.0 IMPLICATIONS

- 5.1 Policy: There are no policy implications arising directly from this report.
- 5.2 Financial: There are no financial implications arising directly from this report.
- 5.3 Legal: The production and publication of the Equality Mainstreaming Report and the Equal Pay Audit are required as part of the Public Sector Equality Duty (PSED).
- 5.4 HR: There are no HR implications arising directly arising from this report. Note, however, that workforce reporting and profiling are required and have been completed as per the requirements of the PSED.
- 5.5 Fairer Scotland Duty:

5.5.1 Equalities - protected characteristics: The Equality Mainstreaming Report has been produced to fulfil the requirements set out in the PSED.

5.5.2 Socio-economic Duty: No issues relating specifically to our socio-economic duties are arising from this report.

5.5.3 Islands: No issues relating to island are arising from this report.

5.6 Climate Change: No climate change implications are arising from this report.

5.7 Risk: No risk implications arising directly from this report.

5.8 Customer Service: No customer service implications arising directly from this report.

Kirsty Flanagan

Executive Director with responsibility for Customer Support Services

**Policy Lead for Economic Growth, Communities and Corporate Services:
Councillor Alistair Redman**

Report prepared: 6 April 2023

For further information contact:

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APPENDICES

Appendix 1: Equality Mainstreaming Report 2023

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Argyll and Bute Council Equalities Mainstreaming Report and Equality Outcomes 2023

April 2023

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Section 1: Background context

1.1 Public Authorities covered by this Mainstreaming Report

Argyll and Bute Council's Equalities Mainstreaming Report and Equality Outcomes 2021 covers the following listed authorities:

- Argyll and Bute Council
- Argyll and Bute Education Authority
- Argyll and Bute Licensing Board.

1.2 Legislation

The Equality Act (2010) brought together for the first time legislation relating to the nine protected characteristics of race, disability, sex, age, sexual orientation, religion and belief, gender reassignment, marriage and civil partnership, and pregnancy and maternity.

The Act requires public authorities, when carrying out their functions, to:

- Eliminate discrimination, harassment and victimisation.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 and subsequent amendments are designed to help public sector organisations meet their duties as set out in the Equality Act.

The requirements of the Public Sector Equality Duty include:

- Report on mainstreaming equality.
- Publish equality outcomes and report on progress.
- Assess and review policies and practices.
- Gather and use employee information.
- Publish gender pay gap information.
- Publish statements on equal pay.

This mainstreaming report describes how the three public authorities it covers have been making progress in these areas.

That inequality of opportunities is not only an issue for people with protected characteristics is reflected in other legislation, including:

- Part 1 of the Equality Act (2010), commonly referred to as the **Fairer Scotland Duty**, which seeks to tackle socio-economic disadvantage and reduce inequalities of outcome.
- Island (Scotland) Act (2018).

1.3 Mainstreaming Equality within Argyll and Bute

Mainstreaming equality means integrating equality into an organisation's day-to-day working. This means taking equality into account when acting as an employer, or planning and providing services.

1.4 Key Documents

Argyll and Bute Outcome Improvement Plan.

Currently, the council's corporate outcomes are aligned to the outcomes of the Local Outcome Improvement Plan, referred to within the area as [the Argyll and Bute Outcome Improvement Plan \(ABOIP\)](#).

These outcomes are as follows.

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.

The Community Planning Partnership sets out its commitment to equalities, diversity, and inclusiveness on page 26 of the ABOIP.

The current ABOIP runs from 2013-2023 and is coming to the end of its life. The Argyll and Bute Community Planning Partnership currently is in the process of developing a new Local Outcome Improvement Plan and with it a new set of outcomes.

Following the council elections in 2022 and the formation of a new administration, the council has created a list of priorities.

The Council's Priorities.

In November 2022 the council agreed a set of [priorities for the next five years](#).

The Council's Constitution

The Council's Constitution ([Council Constitution \(argyll-bute.gov.uk\)](#)):

- Sets out the council's principles of decision making; these include a commitment with regard to human rights and the Public Sector Equality Duty (part A, pages 8-9).
- Sets out the Council's requirement that contracts awarded by the Council contain an obligation obliging contractors to comply with all duties arising from the Equality Act 2010 (Part E, Section 12, page 183).
- States that determination and implementation of policies in relation to the promotion of equality of opportunity fall within the remit of the Policy and Resources Committee (Part C, Paragraph 2.2.4, page 67).

Employee Code of Conduct

Section 20 of the Employee Code of Conduct deals specifically with Equality and Diversity. It sets out the council's commitment to equalities and signposts readers to the council's Equality and Diversity Policy, Equalities Mainstreaming Report, and Dignity at Work Policy. Paragraph 20.4 states:

The Council will promote an ethos in which self-respect and respect for others are of the utmost importance. All individuals will be valued equally and therefore be given every opportunity to fulfil their maximum potential in society. The Council insists that those who suffer discrimination, whether direct or indirect, receive fair treatment and adequate remedies and affirms that it will address appropriately all sources of discrimination.

Paragraph 3.18.5 makes clear that 'any instances of discrimination, harassment or victimisation at work will be viewed as a serious matter'.

The [Employee Code of conduct](#) is available to all staff on the Council's employee website, *My Council Works*. It is also appended to the [Council's Constitution](#) (as Part F part 3), which is publically available on the Council website. .

Equality, Diversity and Inclusion Policy

The purpose of the Council's Equality, Diversity and Inclusion Policy is to make sure that the organisation, employees and elected Members do not unlawfully discriminate against people with protected characteristics as set out in the Equality Act. It also ensures that we oppose and avoid all forms of unlawful discrimination, and ensures equality, fairness and respect for all in the council's employment. [The Equality, Diversity and Inclusion Policy](#) includes links to other relevant documents and resources:

- Manager's Guide to Recruitment and Selection.
- Dignity at Work Policy: Eliminating Workplace Bullying and Harassment Policy and Procedure.
- Disciplinary Procedures and Code of Practice.
- Grievance Procedure.
- Employee Code of Conduct.
- Code of Conduct for Councillors.
- Guidance on the Councillors' Code of Conduct.
- Advice Note for Councillors on Bullying and Harassment.
- Equality and Socio-Economic Impact Assessment.
- Complaints.
- Phased Return to Work and Other Reasonable Adjustments: Manager's Guide.
- Supporting Attendance at Work Policy.

Equality and Socio-Economic Impact Assessments

The council has a process in place for carrying out Equality and Socio-Economic Impact Assessments (EqSEIA). The EqSEIA is a joint impact assessment, which takes into account the nine protected characteristics, as well as socio-economic disadvantage, and the needs of island communities.

Equality and Socio-Economic Impact Assessments serve the following purposes:

- They help the officers who are designing new proposals to check that they have considered all equalities implications, including socio-economic inequalities, as well as impacts on island communities.
- They help to demonstrate that officers have considered all equalities implications, including socio-economic inequalities, as well as impacts on island communities.
- They help people who are interested in equalities, socio-economic inequalities, and island impacts to see that these have been considered, and how.
- They encourage better / more informed consultation around proposals while they are still in development
- They enable better scrutiny around decision making as issues around equalities and socio-economic inequalities are made more transparent.

Work is ongoing to consider how the EqSEIA process can be amended to incorporate Children's Rights and Wellbeing Impact Assessments.

In addition, we are currently reviewing our EqSEIA process to make it more robust within the council's decision making processes and to ensure that guidance and outputs meet current accessibility standards.

Procurement

Section 4.3 of the Council's [Procurement Strategy 2022/2025](#) states:

The Council is mindful that the impact of procurement is far greater than this definition of a 'process' and our vision, objectives and principles as set out in this Strategy illustrate the contribution that effective procurement arrangements can make to wide ranging socio-economic agendas. These include equality and diversity, a successful local economy, a thriving voluntary and third sector, environmental issues and value for money for Argyll and Bute residents.

Section 5.2 includes the following commitments:

Ensuring procurement activity contributes towards the Council's general Equality Duty towards all stakeholders in Argyll and Bute and beyond;

Continuing to promote sustainability, fair work practices and the importance of equality and equal treatment through procurement.

Section 5.5 covers the mandatory requirements of the Procurement Reform (Scotland) Act 2014 and Statutory Guidance Obligations. Item 5 relates to 'Payment of a living wage – to persons involved in producing, providing or constructing the subject matter of regulated procurements'.

Argyll and Bute's [Sustainable Procurement Policy 2022/25](#) also makes reference towards equalities, including the following:

d) In relation to social considerations, our priorities will be:

- To ensure there is no intentional discrimination against specific groups of people when undertaking procurements - Equalities and Diversity considerations will be embedded throughout the procurement process;

- To ensure that our contract terms require suppliers to support the health, safety, welfare and rights of their employees and supply chain – ensuring that the Council does not support human trafficking or modern slavery.

Education

The council's website contains key documents and information relating to the following topics:

- [Anti-Bullying Policy](#)
- [Additional Support Needs](#)
- [Argyll and Bute's Autism Strategy](#)
- The work of the [Corporate Parenting Board](#) and a link to the Corporate Parenting Strategy.
- [Mental health](#): guidance about mental health and wellbeing in children and young people.
- [Argyll and Bute Children and Young People's Service Plan](#)
- [School uniform scheme](#): describes how Argyll and Bute Council is working with its schools and third sector partners to roll out an innovative scheme that sees school uniforms children have outgrown being reused or recycled, thereby ensuring all students have access to uniforms.

1.5 Learning and Development Activity

All staff are required to complete equalities training. The council's Equality and Diversity e-learning course is mandatory for all networked staff and should be completed as part of induction. The training is available through our online e-learning platform, LEON.

To ensure that non-networked staff also receive training, we offer this in a variety of ways.

- Non-networked staff can access LEON from outside the council's network (see [Online Learning – My Council Works](#).)
- Digital toolbox talks for mandatory training, including Equality and Diversity, were developed and are used for the majority of staff groups.
- Toolbox talks are supplemented by a guidance document created for staff groups where a video format is not suitable.
- Smartphones are being rolled out to cleaning staff to enable better access to information and resources.

Our e-learning equality training is also available to community groups within our area via the council's website.

Equalities is a standing item on the agenda of the regular meetings held by the council's Training Centre; these meetings involve all people who are involved in the delivery of training.

In 2022, some multi-agency training was delivered via the Child Poverty Action Group.

The Violence Against Women and Girls Partnership also delivered a number of training events in 2022; delivery will continue into 2023/4.

Within Education, Connect Membership has opened up training opportunities for Parent Councils and broader parent forums in relation to equality issues such as *Children's Rights*, *Engaging Refugee and Asylum Seekers*, and *Reaching out to All Families*.

In addition to professional learning offered to staff via the [Equality and Diversity Sway](#), newly qualified teachers now receive equality and diversity training as part of their wider probationary training.

LGBTQ+ Scotland delivered a professional learning twilight session to staff to raise awareness of how support children and young people can be supported within schools and inclusive environments created. Education continues to support the work of the LGBTQ+ Network's Outreach Worker, who is also a lead for Oban Pride. The outreach work supports schools in developing an inclusive curriculum, supports pupils, and develops staff capacity. The Outreach Worker also organised a *Purple Friday Conference* which engaged 30 people from across the local authority, including education staff and partners. This event helped to relaunch the LGBTQ+ Network as part of our recovery planning.

Two members of staff from the Education department have participated in Education Scotland's *Building Racial Literacy Programme*. Links have been established across to other local authorities to develop this learning in partnership with one another.

We continue to develop knowledge of children's rights across our schools. In November 2022, Head Teachers participated in a day of professional learning: *UNCRC: Rights at the Heart*.

We support schools in engaging with the *Rights Respecting Schools Award*; presently we have 31 (one partner provider) schools and ELCs which have achieved Bronze, 10 which achieved Silver (one partner provider), and four which have achieved Gold. This enables staff, learners, parents, and communities to develop their understanding of children's rights.

Work developed by the Education Psychology team around *Our Children Their Nurturing Education* is linked to the rights of the child and ensures we are creating an inclusive environment in which children and young people can thrive.

1.6 Workforce

Workforce planning has been embedded across the organisation.

Workforce planning requires we understand the current profile of our workforce and identifies how we can make sure it will meet the future needs of the organisation. Key outcomes of the workforce plan include ensuring we have a balance between younger and older employees and the health and wellbeing of our employees is supported.

Workforce planning meetings are held twice a year, during which HR Talent and Performance officers and Third Tier managers discuss the make-up of the workforce. Ahead of these workforce planning meetings, Services are provided with a dashboard showing the profile of their workforce. Because we have an ageing workforce, age is a key area of focus. Gender is discussed when there is an uneven gender balance within the team.

We also monitor the workforce through regular Health of the Organisation reports.

To meet challenges around recruitment, several areas of action are currently underway. See under equality outcomes 1 and 2 for more information.

1.7 Partnership working

Examples of partnership working and groups include the following:

- Community Planning Partners are invited to attend the council's Equality Forum meetings.
- We have an active Violence Against Women Partnership operating within the area.
- Ukrainian Multiagency Resettlement Group.
- Rural Growth Deal Equalities Steering Group.
- Employability Partnership.
- UNCRC implementation group.
- Ukrainian Resettlement Group.
- Child Poverty Action Group.
- Financial Inclusion Advisory Group (FIAG).

Much of the work relating to socio-economic disadvantage within Argyll and Bute is managed through the FIAG and the child poverty action group.

Membership of the FIAG is drawn from elected members, council officers and partners. The FIAG fulfils an anti-poverty role, covering and taking account of the **Fairer Scotland Duty**. The FIAG formed a group to focus on cost of living issues in 2022.

The HSCP (Health and Social Care Partnership) shares the Council's approach to Equality and Socio-Economic Impact Assessments, thereby bringing Council and HSCP processes into closer alignment.

1.8 Equality Forum

The council's Equality Forum was set up in 2013, with the Terms of Reference for the forum subsequently being reviewed and updated in early 2018 and again in 2023.

The purpose of the Equality Forum is to enable issues relating to equalities to be raised. In turn, the forum helps Argyll and Bute Council to deliver its obligations as set out in the Equality Act (2010).

Meetings are scheduled to take place quarterly. However, members of the Equality Forum may use the forum as a 'sounding board' at any time, with such communications taking place outwith the formal meeting cycle.

Membership of the Equality Forum is drawn from across council Services and partner agencies, enabling better coordination and collaboration.

1.9 Other groups and representation

Other groups that deal with aspects of equality and fairness include:

- A multi-agency group has been working to ensure Children’s Rights Reports are embedded in the work around the United Nations Convention on the Rights of the Child (UNCRC).
- Trade Union Liaison Group.
- Strategic and Departmental Management Team meetings.
- LGBTQ+ Network (Education led).
- Mentors in Violence Prevention Steering Group (Education Led).

Education has continued to work with partners across the local authority in relation to Child Poverty. Key initiatives have been the development of a [single-page sketch version of the Child Poverty Action Plan](#) designed to make the plan more accessible to young people.

The My Tribe Period Product initiative has been key in addressing the accessibility of free period products for all.

Other examples of partnership working are given in Sections 1.5, 3 and 4.

Section 2: Monitoring and Continuous Improvement

2.1 Review of our Equality Impact Assessment process

The council has carried out Equality Impact Assessments for a number of years.

Equality and Diversity Impact Assessments were first developed and approved in the 2000s. These were subsequently updated in light of the Equality Act (2010) and an updated Equality Impact Assessment (EqIA) was approved by council in December 2012.

In light of changes to legislation, as well as a review of how effectively the previous EqIA was being used, the council’s EqIA process was reviewed and updated again, in 2018. This review has resulted in the Equality and Socio-Economic Impact Assessment (EqSEIA) process (see [Equality legislation and reporting](#)).

The EqSEIA process was most recently reviewed in autumn 2019, after twelve months of implementation. Based on that review, the guidance was amended to make it clearer when an EqSEIA should be carried out.

We are again reviewing our EqSEIA processes to check their effectiveness and to ensure they will continue to be fit for purpose in light of changes to the legislative environment, notably the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Bill, and the requirement to carry out Children’s Rights and Wellbeing Impact Assessments;

2.3 Disability Confident accreditation

The Council reaccredited as a Disability Confident Employer in February 2022. The current accreditation is valid until February 2025.

2.4 Review of workforce data

We continue to engage with COSLA and SPDS with regard to improvements to our workforce data across local government in Scotland, notably around pay gap reporting.

2.5 Awareness raising

The council undertakes a range of awareness raising activities within and without the authority, throughout the year. Examples of activity include the following.

The Council's communications team uses social media to raise awareness. Recent awareness raising activity has highlighted:

- Grants available to young carers.
- Kinship Care Week.
- Blood Cancer Awareness Month.
- Light Up recognising the work done by the care at home workforce during Covid.

The latter two examples coincided with lighting up of McCaig's Tower, Oban, in appropriate colours.

The Council's Wellbeing Team produces a regular 'newsletter', which is promoted by email to all networked staff and hosted on an externally facing website, [My Council Works](#). This enables non-networked staff to access information. (Earlier editions are on the [council's website](#).)

The newsletters have been used to highlight:

- Domestic Violence Awareness.
- Mental health.
- Movember (dealing with men's health issues).
- Diabetes.
- International Day of People with Disabilities.
- International Women's Day.
- Endometriosis Awareness Month.
- Neurodiversity.
- Deaf Awareness Week.
- Pride month.
- International Non-Binary Day.
- Benefits, Money, and Energy Advice.
- Child Poverty Action Plan.

In addition to promoting awareness raising messages, the Wellbeing Team also coordinates webinars and provides links to useful resources.

The Council's Chief Executive hosts a regular podcast, available through the Council's website ([Pippa's Podcast \(argyll-bute.gov.uk\)](#)). The podcasts has covered a wide range of topics. Of particular relevance to equalities and fairness have been episodes focused on:

- International Women's Day.
- Movember.
- Child Poverty Action Plan.
- Work with refugees.
- Cost of Living.
- Provision of free period products.
- Mental health.
- Epilepsy Awareness month.

Additionally, individual schools carry out awareness raising activities.

2.6 Working with refugees

The council and its partners have welcomed refugees from Syria, Sudan, Afghanistan, and Ukraine to our area and offers them support. The nature of the support given is tailored according to the relevant schemes.

With regard to Ukraine, humanitarian support in Argyll and Bute is coordinated by the multi-agency Ukrainian Resettlement Group. This meets fortnightly and includes council services, partner agencies and the third sector.

The Council's Resettlement Team has been increased in size to enable the provision of advice and support to Ukrainians living with sponsors. It provides a wraparound support to those in temporary and social housing and provides welfare support for those in hotels. Interpreters and translators have also been recruited to the team.

We have four hotels accommodating Ukrainians within our area. Supporting Ukrainians in hotels allows the Resettlement Team to progress local matching. Local matching processes have proved more successful for Argyll and Bute than matching through the national service. This is because we build a relationship of trust with the Ukrainians and we know our area, our job market, our schools, and our sponsors, and can make informed decisions on what will be a good and sustainable match.

In addition to hotel accommodation and sponsors properties, some housing has been made available by Registered Social Landlords.

We provide ESOL (English for Speakers of Other Languages) classes. Interest and uptake is high so we have recruited additional ESOL tutors.

At the beginning of August 2022 we launched a three months free bus pass scheme for those who do not qualify for the national travel schemes for under 22s and over 60s. Our Argyll and Bute scheme has been put in place with the support of all of the local transport providers.

We have signed up our first cohort of Ukrainian education professionals onto our career pathway. This will see them working in our schools initially in a support role to gain experience and knowledge of our curriculum. We intend in time for this to lead GTCS recognition or registration. A benefit of this approach is it provides Ukrainian speakers in schools with Ukrainian pupils.

In August we held two successful Welcome Fayres in Dunoon and Oban where Ukrainians had the opportunity to engage with a wide range of council and partner services, and community organisations. The fayres also offered an opportunity to meet with other Ukrainians living in the area. More fayres will be planned in the next few months.

We offer support to our sponsors through a peer support group which gives them the opportunity approximately once a month to meet the resettlement team and one another and ask questions about the scheme. These online sessions have been well attended by sponsors at all stages of their sponsorship journey.

2.7 Other activities

The education department has developed an action plan to roll out the delivery of *Mentors in Violence Prevention Programme* (MVP). This is a secondary school-based programme which addresses the issues of gender-based violence and links in with *Violence Against Women*

and Girls project work and *Safer Together*. Currently this programme is running in three schools and being developed in another three. The programme should be embedded in all secondary schools by 2026.

Health and wellbeing has remained a high priority for Education with a range of support strategies developed for both staff and pupils. This includes *The Mud Partnership Programme* for supporting head teachers and *The Exchange* school counselling service for pupils.

Section 3: Building back from COVID

Extensive engagement was undertaken with hard to reach groups and third sector organisations at the end of 2020. This shaped a *Building Back Better* programme of work that was delivered across 2021 and into 2022.

Progress was reported and posted on the council webpage for consultations. Progress was also, and continues to be, reported within our Community Planning Partnership quarterly meetings.

As part of Education's post COVID recovery, live drama production tours in partnership with NHS Highland have been re-established. The *You Are Not Alone* performance deals with issues that include gender identity, bullying, peer pressure, sexuality and mental health. This production promotes the supports available to young people across Argyll and Bute and is supported by the presence of key partners.

Hermitage Academy is the only school in Scotland to have achieved gold accreditation in *Investors In Young People*, recognising the work the school does in relation to its young staff as well as its learners. The Developing Young Workforce team has also been a key part of the recovery planning, reconnecting employers with schools and young people. A Developing Young Workforce conference will be held in May, focussing on the theme of *Guaranteeing Opportunities for Young People and Employers in Argyll and Bute*. A working group is currently developing Relationship Policy guidance.

Also as part of the recovery planning, the Addressing Non Attendance group has been developing practice and policy to help support pupils in returning to the classroom. The group has been working to establish a sound understanding of the barriers to attendance and how young people and their parents/carers can be supported to increase school engagement and therefore close the attainment gap.

More information around closing the attainment gap post Covid is provided in Section 5.

Since returning from lockdown periods there has been an increase in children showing distressed behaviour and many younger children are behind with the development of their social skills and the ability to regulate themselves when interacting with other children. Taking this into account alongside the national landscape and government publications we took the decision in Argyll and Bute to review our guidance in this area.

We carried out a review wherein we consulted with head teachers, pupils, and professional associations. Following this review, we updated our processes and documentation around distressed and dysregulated behaviour.

We also responded to staff feedback that more training is required for staff to feel confident in managing distressed behaviour. In response to this we have made a commitment to provide appropriate staff training with a focus on avoiding and reducing the use of physical intervention, restraint, and exclusion from school. We have liaised with the CALM organisation and have committed to an extensive roll out of theory training and physical intervention training, where appropriate.

Section 4: Cost of Living Crisis

The Council is working with partners to do as much as possible to support vulnerable people affected by the Cost of Living Crisis.

We host a page on the Council website: [Advice services - Cost of living support](#). This offers a range of information and links which support people to access money and benefits advice, heat their home and manage rising energy costs, and feed themselves and their family.

In addition, the Council and its partners have produced leaflets and posters to signpost people to a support agency called *Worried about Money?* These are being circulated around Argyll and Bute by public and third sector partner organisations.

A 100 page book containing contact details for support agencies dealing with benefits and money advice, and foodbanks has been produced. It includes a household budget calculator dealing with credit and debt, savings, and insurance, and also energy advice. The book, [Do you have money worries?](#), is available online.

The Council, with partners at Bute Advice Centre and Allenergy, set up the Flexible Food and Fuel Fund in January 2021. The fund offers grant payments to people on low incomes and limited savings and tags on provision of income maximisation through benefits and energy advice offered by Allenergy.

In two years of operation the fund has supported 1,700 households and realised a combined client gain of £2.4 million by maximising disability benefits, housing related benefits, crisis grant, Scottish Social Security Agency benefits and energy debt relief schemes and fuel vouchers. This equates to an average client gain of over £1,400 per household. Access to the fund is available online: [Flexible Food and Fuel Fund Application Form](#).

The fund has been extended to March 2025 part funded by the UK Shared Prosperity Fund.

Section 5: Equality Outcomes (2019-2023)

5.1 Argyll and Bute’s Equality Outcomes (2019-2023)

The Council, Education Authority and Licensing Board developed Equality Outcomes for the period 2019-2023. These are set out in Figure 1.

Figure 1: Equality Outcomes (2019-2023).

	Education Authority	Rest of Council	Licensing Board
Workforce	We support our workforce, encouraging participation across all age groups		
	We promote diversity across occupational groups		
Engagement	We have improved engagement with protected groups		
Services	People with protected characteristics have improved experiences of services		
	We take the views of people from protected groups into account when we change our services		
Education	We do not tolerate bullying and harassment of people from protected groups		
	The gap in educational attainment between people with and without protected characteristics is reduced.		

Workforce:

We support our workforce, encouraging participation across all age groups

Duty: Advance equality of opportunity

Protected characteristics: All, with particular attention to age

Purpose: We believe that all employees, including those from all the protected characteristics, should be encouraged, and have equal opportunity, to participate fully within the workforce. This principle is set out in the council’s Equality and Diversity Policy.

We recognise that the Council, in common with the population of Argyll and Bute more widely, has particular issues and risks relating to the age of our workforce. This is why this outcome emphasises age.

We actively encourage young people to join our workforce, to provide long-term opportunities for them in our area and to create our workforce for the future.

At the lower end of the age range, in the past two financial years (2021/22 and 2022/23) we have employed twelve modern apprentices across a variety of subject areas. One apprentice has moved onto a further apprenticeship to continue their learning. One has completed and left the organisation and one dropped out early as it wasn't right for them; this person has gone onto college. The remaining apprentices are progressing well through their qualifications.

Over the same period, five apprentices who had started in previous years completed apprenticeships. Three went onto secure employment with Argyll and Bute Council.

Since starting our apprenticeship programme in 2014, the Council has offered 72 apprenticeship opportunities. 73% of these apprentices have secured employment with the council.

We continue to work with our partners such as Developing the Young Workforce and the Employability partnership to offer opportunities for people looking for experience which will help them access the job market. For example, in 2022, we successfully offered two paid work placements through the UK Government's Kickstart scheme.

At the upper end of the age range, we offer flexible working / flexible retirement arrangements.

To meet an increasingly challenging labour market and to address recruitment challenges, the council has set up a strategic group to look at these issues. Work is also ongoing to improve our recruitment and onboarding processes.

We promote diversity across occupational groups

Duty: Advance equality of opportunity

Protected characteristics: All, with particular emphasis on sex

Purpose: The Council has a highly segregated workforce in some types of job. For example, people working in home care are 99% female. By contrast, employees in Roads and Amenities and IT are predominantly male. We aim to widen opportunity for people in job roles that they may not have considered otherwise and create opportunity for all.

Where gender imbalances are identified in the course of our workforce planning activities, managers are encouraged to identify actions to address them. Thus, in areas such as early years, which has a predominately female workforce, we are working with managers to promote roles in such a way as to attract males into the workforce.

The strategic work around recruitment (see above) will also consider issues around diversity and inclusion in attracting new employees.

With regard to election work, staff across all age groups are given the opportunity to work at Polling Stations and in the Count process. Experience is more important than any age considerations.

As an example of good practice within the council's workforce, one Service has highlighted they have a team member with dyslexia who expressed a wish to gain experience minute taking but who felt scared of doing so. Solutions to overcome their barrier to learning were identified and the team members has gone on to successfully minute meetings, with their line manager taking a 'shadow minute' at each meeting to make them feel more comfortable.

We have positive female role models in our senior management team. We have a female Chief Executive, one of two Executive Directors is female, and our Heads of Service are 50% female.

We value neurodiversity and have examples of employees who have disclosed their neurodiverse status to their managers and are supported, through reassurance and openness by their managers, to contribute fully in the workplace, maximise the use of their skills, and feel fully included their team.

Engagement:

We have improved engagement with protected groups

Duty: Foster good relations

Protected characteristics: All

Purpose: We aim to make sure the voices and opinions of people from protected groups are heard when we engage with our service users. This is particularly important when people from particular protected groups may have different experiences or needs and whose voices may not be heard so clearly.

We can demonstrate examples of good practice in how we engage with various groups.

Accessibility:

We pay for the Reachdeck feature on our website to help engagement with those having visual impairments and language issues and we subscribe to the Silktide Accessibility monitoring service to ensure our online offering is amongst the best in the UK and is improving to reach the new WCAG 2.2 standard.

Community Engagement:

The Community Development and Planning Team have been working to improve engagement by developing resources suitable for interaction with young people, people with disabilities and young people with disabilities.

The Council has set up a cross-Service working group to further develop and improve our approaches towards community engagement.

Community Planning:

The Community Planning Partnership continues to encourage young people to be actively involved in Community Planning.

Members of the Scottish Youth Parliament are included on the Community Planning Management Committee. Their attendance at the meetings is supported by having pre meetings to go through the papers in advance; the young people are actively encouraged to engage by alternative means if preferred, for example through the use of video updates rather than paper reports. Feedback shows the Members of the Scottish Youth Parliament feel heard and valued. See, for example, [Cameron Garrett MSYP CPP Presentation June 2021 - YouTube](#)

Throughout the consultation period for the identification of the Argyll and Bute Outcome Improvement Plan's new priorities, the community development team monitored participation in its survey, which was made available in languages other than English. The team took into consideration protected characteristics and geography (e.g. islands, remote rural areas) of respondents. This enabled the community development team to ensure relevant population groups were targeted and gaps which had been identified were addressed.

Adaptations were made to the consultation survey to enable non-digital engagement and engagement with hard to reach groups. For example, when some youth organisations were first approached, including one with young people with disabilities, feedback suggested they would not find the consultation as developed engaging. Working with those groups, more suitable alternative materials were developed. These materials improved the experiences of those engaging with the consultation.

Face-to-face engagement activity included engaging with young people and young people with disabilities. Appropriate materials were developed in conjunction with third sector organisations.

Over 1,900 people participated in the consultation and over 40 groups engaged in face-to-face engagement activity.

Democratic processes and elections:

In terms of work on elections, we engage with young people to encourage participation in local democracy, using them to use their voices, and register to vote at earliest opportunity.

Welcome to Your Vote Week is an annual campaign carried out in January of each year. We engage with schools to promote this and to encourage a focus on democracy, promote voter registration, and participation in democracy for young people.

We take action to reach those affected by homelessness and we support them to participate in elections. We do this by directly approaching housing associations and service providers with information highlighting the ways that those without a fixed address can register and use their vote.

We work to reach anonymous voters, including those affected by the likes of domestic abuse, by proactively reaching out to service providers highlighting that it's still possible to use your vote while ensuring your anonymity is protected.

Other examples of engagement carried out in the last two years:

- A survey for Hard to Reach citizens so their voice was heard in our post pandemic recovery plan for customer engagement.

- Helensburgh Waterfront Development engaged widely in design process of new Leisure Centre including with disability groups like Enable.
- We have involved the local access group in the initial discussions for the development of Mossfield Stadium. We also had discussions and agreed in the partnerships with Friends of Oban Play Group regarding the Atlantis play area, all-inclusive equipment.
- The Scottish Government Play Park funding has given us an opportunity to engage with communities as well as disability forums. We are in the process of doing this to identify the best way to provide improvements to our play park infrastructure.
- Liaison with rural and island communities on ferry services transport links, and out of hours emergency cover.
- Liaison with communities regarding relief vessels during disruption and maintenance periods.
- Consultation event in Fionnphort: we are providing transport to the venue from the ferry for protected groups and those without transport. During consultations hard copies were provided at locations for participants with barriers to online access. .

Services:

People with protected characteristics have improved experiences of services

Duty: Advance equality of opportunity; foster good relations

Protected characteristics: All

Purpose: We aim to make sure that, as far as possible, our services meet the needs and aspirations of people from protected groups and that we work to improve their experience of our services.

Website accessibility

See above.

Refugees:

See section 2.6.

Marriages and Civil Partnerships

Our new Marriage Civil Partnership website is aimed at the protected characteristic of marriage and civil partnerships. We have introduced Gaelic Blessings to our wedding ceremonies. (See [Marriage and Civil Ceremonies.](#))

Other

- To address specific accessibility issues relating to islands communities, we have retained uneconomic service points. We also support the Scotland Loves Local card and other anti-poverty initiatives aimed at reducing socio-economic inequality.
- Our catering team is in consultation with children in the design of menus through pupil focus groups.

- We offer an assisted Bin Pull Out Service to customers unable to move their bins to the kerbside themselves.
- Assistance has been provided for mobility restricted customers at Rothesay Harbour while repairs are ongoing. Training for staff in use of wheelchair restraints has been provided.
- Recent parks improvements have seen access improvements, particularly the Heritage Lottery Fund project at Hermitage Park.
- We ensure that pathways within play areas and burial grounds are accessible, including the garden of remembrance at Cardross Crematorium.
- At Cardross crematorium, we removed the separate disabled access in favour of having an all-inclusive access point.
- Recent play area improvements include the provision of accessible equipment, for example at Campbeltown and Kidston Park.
- Recent depot improvement projects: Jackson's Quarry and Blackhill have all-inclusive accesses, with a lift being introduced at Jackson's Quarry.
- We have made adjustments to the way the Planning, Protective Services and Licensing Committee operates to enable greater accessibility to applicants.

We take the views of people from protected groups into account when we change our services.

Duty: Advance equality of opportunity; foster good relations

Protected characteristics: All

Purpose: We aim to make sure that the needs and opinions of people from protected groups are taken into account when we make changes to the way we deliver our services. This helps us to make sure that people with one or more protected characteristics have equal opportunity to access the services we provide as those who do not share a protected characteristic.

Expectations around consultation and engagement are set out in our impact assessment guidance.

As the council moves towards adopting the Scottish Approach to Service Design, work is underway to improve and embed the way we undertake user research. In conjunction with this, we have set up a group to develop a revised Community Engagement Strategy. Equalities will be explicitly built into this.

See also above regarding examples of recent engagement activity.

Education:

We do not tolerate bullying and harassment of people from protected groups

Duty: Foster good relations; eliminate discrimination

Protected characteristics: All

Purpose: As part of wider work to tackle bullying in schools, we will take action to reduce bullying on the basis of one or more of the protected characteristics.

Education's [Anti-Bullying Policy](#) is available online. Individual schools also have their own anti-bullying policies and carry out related activities, for example [Respect for All at Islay High School](#).

To support managers in addressing issues arising from conflict situations, in 2022 the council published its [Workplace Conflict Manager's Toolkit](#). Bullying and harassment is one of the areas of conflict highlighted in the toolkit.

Handling conflict in a proactive way can help improve team morale, reduce sickness absence and reduce turnover of staff. However, if a complaint is serious, for example bullying, harassment, or discrimination, an individual may request the conflict situation be formally investigated. Where conflict is not been resolved using informal methods then it will be appropriate to use the Council's Grievance Procedures.

The Guardian service is also available for HSCP employees. The Guardian service is independent and confidential and is for staff to discuss matters relating to patient and service user care and safety, whistleblowing, bullying and harassment, and workplace grievances.

The gap in educational attainment between people with and without protected characteristics is reduced.

Duty: Advance equality of opportunity

Protected characteristics: All

Purpose: We work to provide a high standard of education to all pupils, and we want to reduce gaps in attainment between people with, and without, protected characteristics. This will help us to advance equality of opportunity for young people who share one or more of the protected characteristics.

All education establishments routinely discuss and report on the attainment by sex and of looked after children.

The Addressing Non Attendance (ANA) group has been developing practice and policy to help support pupils in returning to the classroom. The group has been working to establish a sound understanding of the barriers to attendance and how young people and their parents/carers can be supported to increase school engagement and therefore close the attainment gap.

The Lead Teacher for Recovery and Renewal: Literacy and Numeracy has led a range of initiatives to close the attainment gap widened by Covid.

The Principal Teacher Recovery and Renewal has worked with head teachers to provide targeted interventions and, where appropriate, offer training in delivering interventions to Additional Support Needs and teaching staff. This is central to closing the attainment gap

Parents / carers have been supported through the development of a website outlining simple ways in which they can support their child's learning at home.

Bespoke training in a range of literacy and numeracy resources has been delivered to staff.

Individual school support has been provided as well as a range of CLPL opportunities for staff across the authority.

The Education Management Team have worked alongside Education Scotland Attainment Advisor to support schools to produce robust Pupil Equity Fund plans. The Education Management team have helped identify schools for supporting visits to discuss plans in detail.

The Argyll and Bute Corporate Parenting Board provides leadership and direction to the Corporate Parents of Argyll and Bute in working together to improve the outcomes and maximise the life opportunities for all our care experienced children and young people.

Within Argyll and Bute we have a team of staff dedicated to improving outcomes for Care experienced children and young people. The team members have completed training in the areas of trauma informed practice, PACE; attachment theory; assistive technology and numeracy.

The team includes a dedicated Education Lead for Care Experienced Children and Young People. This leader maintains a high level overview of Care Experienced Children and Young People's:

- Attendance
- Attainment
- Transitions
- Post-School Destinations
- Exclusions
- Wellbeing

The team works closely with partners across agencies to provide early intervention to support improved outcomes and close the gap between care experienced and their non-care experienced classmates. The Education Lead for Care Experienced Children and Young People is the main contact for multi-agency working to support the above and take an active role in strategic initiatives such as our Addressing Non Attendance Strategy and our Corporate Parent Work Experience Steering Group.

We have set targets with the corporate parenting board for this cohort and track and monitor the progress towards them:

- Formal Exclusions will be reduced to fewer than 3 per session
 - There have been fewer than 3 exclusions in session 21/22 and 22/23
- Over 60% of eligible pupils will achieve a pass at N4 and N5 in Numeracy
 - In session 20/21 we had 100% successful presentations in Numeracy, however not all pupils were presented for award, therefore greater scrutiny is needed around this.
- Over 65% of eligible pupils will achieve a pass at N4 and N5 in Literacy
 - In session 20/21, we had 100% successful presentations. Again, more scrutiny needed around who is eligible against who is presented.
- School Attendance will increase to 94% for Primary and 90% for Secondary
 - Attendance has dipped, nationally.

We have 4 Health and Wellbeing Liaison Offices within the Care Experienced Team. These officers work closely with children and young people (and sometimes their families) to provide support and liaise with school staff and partner agencies to improve outcomes for the individuals they work with.

In addition we have 3 Lead Additional Support Needs assistants for Raising Attainment. These posts provide weekly sessions to pupils to support Literacy/Numeracy/Health and Wellbeing.

We have recently completed the recruitment process for a Virtual Head Teacher within Argyll and Bute. Our expectation is that the post holder will work collaboratively with Head Teachers in each establishment and offer support and robust challenge around data and the strategies in place to secure better outcomes for each and every one of our care experienced children.

Section 6: Workforce Monitoring

6.1 Our workforce

On the basis of the data we currently hold, along with a comparison with other data, we can make the following comments with regard to the workforce:

- The most obvious difference between the workforce profile and working-age population of the area more general relates to the high proportion of females (approximately three-quarters) within the council and Education workforces. The predominance of females is particularly noticeable in Education.
- When compared to the age profile of the wider working-age population (NRS 2021 Mid-Year Estimates), our workforce appears to be skewed towards the older end of the working-age range. Our workforce shows a lower percentage of people aged 16-24; however, this is not unexpected as this cohort covers the final year of secondary education and the period when many people go on to higher education. At 49 years, the average age of our workforce is several years higher than the average age of the working age population across the area (around 44 years).
- It is hard to make comparisons between 2011 Census data and our workforce data with regard to sex, disability and religion because of the high proportion of missing data and 'prefer not to say' within the workforce data. This is a position shared with other Councils in Scotland.
- Limited information is available about sexual orientation. Data from 2019 ([Scottish Surveys Core Questions 2019](#)) suggested that around 95% of Scottish adults identified as being heterosexual / straight (94.5% \pm 4.7% in Argyll and Bute). On this basis, we would expect proportions of staff identifying as LGB to be low. Because of the amount of missing data, and the small numbers involved, no conclusions can be drawn with regard to under / overrepresentation of LGB people within our workforce.

6.2 Review of workforce data

In autumn 2022, we carried out a campaign to encourage employees to update their equalities data. While this has resulted in some additional data being added to our records, the overall impact of the exercise has been limited and there remain large gaps in the equalities information we hold.

Currently the coverage rates for the individual protected characteristics are as follows (Table 1):

Table 1: Coverage rates for protected characteristics among our workforce.

Protected characteristic	Coverage rate (as of January 2023)
Age	100%
Gender (sex)	100%
Gender identity	19.7%
Sexual orientation	32.7%
Disability	97.3%
Nationality	100%
Ethnic origin	54.7%
Religion	33.5%

(Note: this is coverage by post, not by employee. Some employees will hold more than one post. These figures also include casual posts.)

There have been changes to the way data is collected and recorded in both ResourceLink and TalentLink.

The data, itself, is reported in Appendix 2.

6.3 Workforce reporting

Our detailed workforce reporting has been published separately. ([Insert hyperlink.](#))

6.4 Workforce Planning and Health of the Organisation reporting

In 2018 the Council approved a Strategic Workforce Plan, and put in place a programme of workforce planning activity. Included in this has been team profiling across the council. All third tier managers have been supplied with data highlighting the proportions of their staff aged 50 and over, and under 25. They have also been provided with information relating to the male / female split in their workforce.

Interview sessions between Talent and Performance officers and Third Tier Managers are now embedded. During these sessions, potential issues are highlighted, and managers are asked to develop actions to address them. Issues include areas where gender segregation may a particular challenge to the organisation. In turn, this helps to deliver on our outcome, *we promote diversity across occupational groups*.

The Council also has procedures in place to monitor the 'Health of the Organisation'. This is designed to enable better monitoring of issues and changes in the workforce, and for interventions to be made in a timely manner.

6.5 Policy Statement with regard to Equal Pay:

Argyll and Bute Council is committed to the principle of equal opportunities in employment to ensure that employees are not discriminated against irrespective of their age, race, disability, sexual orientation, gender, gender re-assignment, marriage/civil partnership, pregnancy, maternity, religion or belief.

Argyll and Bute Council is committed to ensuring that that all staff, irrespective of gender should receive equal pay for the same or broadly similar work, for work rated as equivalent and for work of equal value.

The Council's equal pay objectives are to:

- Eliminate any unfair, unjust or unlawful practices that impact on pay;
- Take appropriate action to address these accordingly;
- Regularly monitor and review the application of policies and procedures and;
- Conduct an equal pay review to monitor existing pay practices in line with the Equality and Human Rights Commission's Equal Pay Statutory Code of Practice.

In order to achieve equal pay for employees, the Council operates a pay system which is transparent, based on clear criteria and free from unlawful bias through the application of the nationally agreed job evaluation scheme and relevant legislation.

For Teachers the Council complies with nationally agreed pay and conditions of service.

Argyll and Bute Council is committed to ensuring equal pay structures for all its employees and will:

- Conduct regular audits to monitor the impact of its pay structure.
- Provide training and guidance for those involved in determining pay
- Respond to grievances on equal pay in accordance with the council's Grievance Policy
- Work in partnership with recognised trade unions to ensure that the Council provides equal pay
- Review progress every 4 years.

6.6 Equal Pay Audit

Our 2022 Equal Pay Audit has been published separately.

The audit, carried out by Zellis Reward Consultancy Services, was based on the workforce as of October 2022. The audit explores gender pay gaps, where these manifest within the organisation, and why.

The audit's findings provide assurances that our processes and practices around pay and grading are robust with pay gaps (see table 2) arising from structural factors within the wider labour market.

Table 2: Gender pay gaps including and excluding casuals (from Equal Pay Audit 2022)

Summary – Gender Pay Gaps – Basic Pay				
Group	Total Workforce (Inc. Casuals)		Total Workforce (Excl. Casuals)	
	Mean	Median	Mean	Median
All Employees	9.05%	8.29%	4.81%	1.57%

Despite these assurances, the audit has made a series of recommendations for our consideration. The recommendations are as follows:

- Review what actions can be taken to enable a wider range of employees to progress to roles in higher grades. This could include a review of family friendly policies, training and development opportunities and increasing part time and job sharing throughout the organisation.
- Identify what prevents greater opportunities for part time working throughout the grading structure.
- Consider what the future impact of potential changes in the Scottish Local Government Living Wage will have on the design of the pay structure.
- Continue to review the overall gender pay gap and specifically require Service Areas to review the position in their own area.
- Ensure that decisions on market pay are evidence based and that such approaches to pay are applied to all relevant areas of the organisation.
- Continue action to address the availability of data on all protected characteristics and promote this as a means of recruiting and retaining employees from all groups.
- Continue to undertake a level of monitoring including casual appointments as included in this report.
- Undertake a further review of casual appointments to identify comparability with permanent employees undertaking the same role and that incremental progression also applies.

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES
COMMITTEE

DEVELOPMENT AND ECONOMIC
GROWTH

11th MAY 2023

STRATEGIC EVENTS AND FESTIVALS FUND – ROUND 5.2 2023/2024

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update Members on the further call for applications in respect of Round 5 - 2023/24 (referred to as Round 5.2) of the Council's Strategic Events and Festivals Fund (SEF). The report provides details of the applications submitted and recommendations regarding all eligible applications put forward to receive grant funding.
- 1.2 At the 17th February 2022 Council budget meeting the Council agreed funding of £90,000 for an SEF Round 5, to be augmented by any underspend in Round 3 (2021-2022). This has meant that the total budget available for SEF Round 5 is £145,150. After the initial allocation of £82,575 to 11 events as agreed by members on 16 February 2023 at the Policy and Resources Committee, the remaining budget for Round 5.2 is £62,575 – these can be viewed at **Appendix 1, Table 2**.
- 1.3 SEF Round 5.2 opened on 10th March 2023 and closed on 17th April 2023. A total of 16 applications were received, 10 applications fully comply with the eligibility criteria and 6 do not meet the criteria, and therefore they are ineligible. The total request for funding based on the 10 eligible submissions is £48,371. Applications can be viewed at **Appendix 1, Table 1**.
- 1.4 The events and festivals sector contributes significantly to our local economy and communities' quality of life across Argyll and Bute, and is a key part of the economic recovery plan for the area, however like other key sectors it has faced significant challenges in the past 3 years as a consequence of Covid and the pandemic, skill shortages and the cost of living crisis. The Council's annual SEF funding plays a key role in the recovery of the sector with strong links to the hospitality and tourism industries.

RECOMMENDATIONS

It is recommended that Members of the Policy and Resources Committee:

- a) Agree to the award of eligible SEF Round 5.2 grants to 10 events amounting to £48,371 as detailed in **Appendix 1, Table 1**.
- b) Agree that any SEF grant offer only be formally issued upon confirmation from the individual event organisation that the event is formally confirmed and is definitely going ahead and still meets the SEF Round 5 criteria. These grants are detailed in **Appendix 1, Table 1**.
- c) Agree to continue delegation of powers to the Executive Director with responsibility for Development and Economic Growth to allow any subsequent amendment to existing grant requests to be made brought about as a consequence of changes to the event/event budget. Any amendment to a current grant request/offer would only be considered if the amendment related to either the same level or a reduction in the request from and constitute up to 75% of legitimate and eligible expenditure.
- d) Note that £14,204 would be left to be earmarked towards a future SEF round as previously agreed by Committee in February 2022.

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES
COMMITTEE

DEVELOPMENT AND ECONOMIC
GROWTH

11 MAY 2023

STRATEGIC EVENTS AND FESTIVALS FUND – ROUND 5.2 2023/24

2.0 INTRODUCTION

- 2.1 The purpose of this report is to update Members on the further call for applications in respect of Round 5 (referred to as 5.2) of the Council's Strategic Events and Festivals Fund (SEF). The report provides details of the bids submitted, and recommendations regarding the eligible bids being put forward to receive grant funding.
- 2.2 In recognition of the importance of the events sector to the economy of Argyll and Bute the SEF Fund was agreed to be set up by the Council and was firstly taken forward as a competitive fund in 2019/20. A critical element of the application requirement is that the event or festival be held in Argyll and Bute and be of a **strategic nature**, i.e. having the capacity to attract people from outwith the area, with a focus on national and international visitors, and generate significant economic benefits for the local community. To illustrate this, the estimated economic impact in the area from the funded events and festivals pre-Covid in Round 1 was circa £7.5m.
- 2.3 There is no doubt that Covid, and other contributing factors, have had an unprecedented negative impact on the events and festivals sector. The Council acted promptly to support the industry by continuing to provide SEF funding support to events over the past 3 years and whilst unfortunately some events did have to cancel in 2020/21 there was a resurgence in 2022/23 and the successful applicants from Rounds 4 and 4.2 (2022-2023) were able to go ahead. The Council received a total of 18 applications across the two SEF 4 rounds and all of these events have either gone ahead or have confirmed they are scheduled to take place.
- 2.4 In the first call for funding of Round 5 the Council received a total of 11 applications and allocated funding of £82,575. Therefore, these, together with the 10 eligible applications which have applied to Round 5.2, are indicative of a slow recovery which continues to face challenges such as the cost of living crisis.

3.0 RECOMMENDATIONS

3.1 It is recommended that Members of the Policy and Resources Committee:

- a) Agree to the award of eligible SEF Round 5.2 grants amounting to £48,371 as detailed in **Table 1**.
- b) Agree that any SEF grant offer only be formally issued upon confirmation from the individual event organisation that the event is formally confirmed and is definitely going ahead and still meets the SEF Round 5 criteria. These grants are detailed in **Appendix 1, Table 1**.
- c) Agree to continue delegation of powers to the Executive Director with responsibility for Development and Economic Growth to allow any subsequent amendment to existing grant requests to be made brought about as a consequence of changes to the event/event budget. Any amendment to a current grant request/offer would only be considered if the amendment related to either the same level or a reduction in the request from and constitute up to 75% of legitimate and eligible expenditure.
- d) Note that £14,204 would be left to be earmarked towards a future SEF round as previously agreed by Committee in February 2022.

4.0 DETAIL

- 4.1 The overarching aim of the Strategic Events and Festivals Fund is to support event organisers to enhance and grow their events with the result that more visitors are attracted to Argyll and Bute, providing substantial economic benefit to the respective areas. The fund will provide critical support in the economic recovery of the area following the pandemic as well as the challenges now being faced as a result of the cost of living crisis and will hopefully allow events to continue and grow and may prevent organisations and events from ceasing to operate.
- 4.2 SEF Round 5.2 opened on 10 March 2023 and closed on 17 April 2023. A total of 16 applications were received of which 10 are eligible and amount to a total eligible request of £48,371. These applications can be viewed at **Appendix 1, Table 1** and show a range of strategic events and festivals from across the area, taking place in 2023/2024 and delivering a wide variety of event types, from sports to music, dance and food.
- 4.3 Of the 16 applications, 6 SEF Round 5.2 applications were ineligible, as, unfortunately, they do not meet the criteria for SEF.
- 4.4 It is fully appreciated that the strategic events and festivals sector is still rebuilding itself following the pandemic and some events and festivals are still facing challenging circumstances brought about as a result of Covid and

changes in individuals' habits and the current cost of living crisis is also having an impact. This has put a strain on the financial stability of many of the organisations, however the outlook is improving and the Council's SEF fund continues to be of strategic importance to the events industry in Argyll and Bute.

- 4.5 Event Scotland continue to support events through industry support funds and fully recognises the fragility of the sector and the need to assist recovery. Council officers are in regular discussion with Event Scotland to ensure that funding awarded is complimentary and does not duplicate Council funding.
- 4.6 In addition, officers will continue to liaise with event organisers who have applied to SEF Round 5 in an effort to provide information and support where considered appropriate.

5.0 CONCLUSION

- 5.1 The Round 5.2 SEF application and assessment process has been completed as per the guidance. A budget of £62,575 was allocated to Round 5.2, with a total of 16 applications received. The Strategic Events and Festivals Fund aims to support events and festivals which are of strategic importance to Argyll and Bute, which will provide a meaningful economic impact and will attract visitors from outside the region, from other parts of Scotland, from other countries in the UK and from abroad. As such, 10 of the applications received fit the criteria, however 6 were ineligible.
- 5.2 Whilst the sector is still fragile, it is hoped that the events sector will continue to rebuild itself this year and carry on its recovery. There is no doubt that the continued support to the sector via future SEF funding will play a key part in this recovery.

6.0 IMPLICATIONS

- 6.1 Policy - The Council's Economic Strategy supports the value of events and festivals for their positive impact on the economy and supporting the hospitality and tourism sectors.
- 6.2 Financial - SEF Round 5.2 2023/24 budget is £62,575. Eligible applications totaling £48,371 were received. This leaves a balance of circa £14,204 to be carried forward.
- 6.3 Legal - Award letters and grant contracts will be issued as and when a decision is made and confirmation has been received that the event will go ahead.
- 6.4 HR - Resourced from existing staff.
- 6.5 Fairer Scotland Duty - The Fund seeks to support the economic growth of

areas.

6.5.1 Equalities - protected characteristics: None.

6.5.2 Socio-economic Duty: The Fund seeks to support the economic growth of areas including a positive contribution to fragile areas.

6.5.3 Islands: The Fund seeks to support island economies by encouraging increased levels of visitors.

6.6 Climate Change - As part of the application process events have to demonstrate how they are limiting their carbon footprint and this is part of the scoring process.

6.7 Risk - The full effects of the impact of Covid is still having an influence on the events and festivals industry, however we have seen the beginning of a recovery although the industry is still fragile.

6.8 Customer Service - None.

Kirsty Flanagan, Executive Director with responsibility for Development and Economic Growth

25 April 2023

Policy Lead for Strategic Development – Councillor Robin Currie

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APPENDICES

Appendix 1:

Table 1 – SEF Round 5.2 Eligible Grant Applications Received April 2023

Table 2 – SEF Round 5 Grants Awarded in February 2023

APPENDIX 1

Table 1 - SEF Round 5.2 Eligible Grant Applications Received April 2023

Event	Recommended Funding Award Based on 20% of Total Cost
£2,500 - £5,000 Fund	
ButeFest	2,000
Doon the Watter	5,000
Helensburgh Winter Festival	4,414
Islay Book Festival	3,000
Oban Games	4,957
Oban Winter Festival	5,000
Tarbert Music Festival	2,000
Tarbert Seafood Festival	2,000
Tiree Music Festival	5,000
Subtotal	<u>33,371</u>
£5,001 - £15,000 Fund	
Mull Rally	15,000
Subtotal	<u>15,000</u>
Total SEF Round 5.2 Request	<u>48,371</u>

Table 2 – SEF Round 5 Grants Awarded in February 2023

Event	Recommended Funding Award Based on 20% of Total Cost
£2,500 - £5,000 Fund	
Argyll Food Festival	2,475
Bute Noir	4,000
HFLCT	5,000
HIMD	4,500
Jura Music Festival	5,000
Sea Change	4,500
Sound of Gigha	2,500
West Highland Yacht Week	3,600

	<u>31,575</u>
£5,001 - £15,000 Fund	
Mull of Kintyre Music Festival	11,000
Tiree Wave Classic	10,000
Subtotal	21,000
£15,001 and over Fund	
Cowal Highland Gathering	30,000
Subtotal	30,000
Total SEF Round 5 Request	<u>82,575</u>

ARGYLL AND BUTE COUNCIL**POLICY & RESOURCES COMMITTEE****CLIMATE CHANGE BOARD****11th May 2023**

**DEPOSIT RETURN SCHEME (DRS)
IMPLICATIONS FOR ARGYLL AND BUTE INCLUDING COUNCIL SERVICES AND
STAKEHOLDERS**

1.0 HEADLINES

- 1.1 As part of its climate change and zero waste to landfill strategy, the Scottish Government is implementing a Deposit Return Scheme (DRS) which was due to come into effect on 16 August 2022. During the production of this Committee Paper there has been confirmation that the scheme will have a delayed implementation of 7 months with a new launch date of March 2024. However, for the benefit of Members and public this report seeks to raise awareness of the scheme and outline some outstanding issues that were apparent if the scheme had been implemented in August 2023. The Deposit Return Scheme (DRS) will require everyone who purchases a glass or plastic bottle or a drinks can to pay a 20p deposit, which will be redeemable at point of purchase when they return their empty bottle or can.
- 1.2 The implementation of this scheme will have implications for whole of Argyll and Bute including a number of Council services and teams, for example, the Waste Team, Catering and Cleaning Team, Finance Team, Education and the Economic Growth Team, and will have implications for retail businesses, for households, as well as for children in receipt of free school meals and those who currently pay for meals.
- 1.3 This paper outlines the various implications for Council services, partners, local businesses and for households, so that elected members and officials can better understand the operational, cost and strategic implications of the Deposit Return Scheme, as they are currently understood.
- 1.4 The Deposit Return Scheme administrator, Circularity Scotland, has yet to provide firm advice and answers to a number of concerns that have been raised with them, and further changes to the implementation of this scheme are emerging from Scottish Government as they work towards implementation.
- 1.5 With the original implementation date only a matter of months away there has been high level focus on the roll out of the scheme and it was a notably topic of some of the debates during the selection process of the new First Minister. The new First Minister announced on 18th April 2023 that the Deposit Return Scheme (DRS) will no longer launch this August, with a seven month delay and new implementation date of March 2024 to allow de-risking and operational issues to be addressed.

2.0 RECOMMENDATIONS

2.1 Policy and Resources Committee is asked to:

- a) Consider the content of the report and endorse the work of officers across the Council to implement the Deposit Return Scheme;
- b) Agree that officers should continue to highlight the concerns of business and the potential negative impacts on matters such as Free School; Meals to the Scottish Government seeking greater clarity and response on operational matters;
- c) Agree that the Policy Lead for Climate Change and Environment Services be authorised to make representations to the Scottish Government on behalf of the Council; and
- d) Note that the Scottish First Minister announced on 18th April 2023 that the Deposit Return Scheme (DRS) will no longer launch this August, with a seven month delay and new implementation date of March 2024 to allow de-risking and operational issues to be addressed.

3.0 DETAIL

3.1 BACKGROUND

3.1.1 In 2019, the Scottish Government set out a planned implementation date of April 2021 for a national deposit return scheme for drinks containers including PET plastic drinks bottles, drinks cans and glass bottles.

3.1.2 During the COVID-19 outbreak the implementation date was delayed by the Scottish Government until July 2022 and then further delayed until August 2023 – and now March 2024. [Circularity Scotland](#) have been appointed by the Scottish Government to administer and operate the scheme throughout Scotland, Circularity Scotland is funded by, and operating on behalf of, drinks producers who are the primary producers of cans and bottles. The producer registration process is open, with all businesses producing bottles for sale in Scotland expected to register for the scheme if they wish to continue to sell their products in Scotland once implemented.

3.1.3 Circularity Scotland are still developing guidance for various sectors affected by the scheme, and they have held a series of workshops for producers, retailers, hospitality businesses and other businesses who will have a part to play in the scheme. BIFFA is the private company that has been contracted to help deliver the scheme on the ground working with local businesses and other stakeholders. The council has played no part in the administration of this scheme. Appendix A of this report contains more information on the DRS.

3.2 IMPLICATIONS FOR THE CATERING AND CLEANING TEAM AND THEIR STAKEHOLDERS

3.2.1 Impact in Secondary Schools

The DRS will have implications for every retailer or hospitality venue that sells

single use bottles or cans. While this will not be an issue for the Primary school catering service as there are no single use disposables in use for lunch service, it is a significant concern for Secondary schools, where bottled water, flavoured drinks and canned drinks are sold to paying pupils, or are available for young people entitled to a free school meal to purchase using their meal allowance.

- 3.2.2 Current guidance is that if purchasers are able to take their drinks out of the hospitality venue, then the regulations will apply to that venue. As Secondary school pupils are able to purchase their lunch and also then able to leave the school grounds, this means that the DRS will apply to any drinks bottles or cans sold within the school and each school will need to be registered as a return point.
- 3.2.3 As a result of this, a 20p deposit will have to be applied to the purchase price, and a means for providing a refund will have to be introduced. During the course of 2023, Argyll and Bute Council is introducing a new version of its cashless catering system across all Secondary schools, including Tiree High for the first time. This system will have to be reconfigured to enable the deposit to be taken, recorded and refunded in some way against the online account of young people. However, as the catering service will be a return point, the service will have to accept returns not purchased in the school, but purchased elsewhere e.g. from a local garage or supermarket, or by other pupils and there will need to be a mechanism to refund those 20p deposits also, even when not purchased in school. In addition to this, there is no exception from glass, and so pupils will also be able to return glass bottles to the school, even when not purchased there.
- 3.2.4 When bottles and cans are returned, these have to be processed and stored securely, to ensure that they can be returned centrally, and only then will the service be able to be reimbursed for the value of the deposits of the bottles returned. To store the bottles and cans, they cannot be crushed or dented as this will result in no refund being provided either for the pupil or for the return point. This will require additional and potentially significant storage space to be identified in Secondary school buildings where space is already at a premium. It will also require the purchasing of specialist totes, trolleys and cages for storage, along with specific bags and tags, which is unbudgeted spend and would be a cost pressure.
- 3.2.5 In addition to the space requirements, there will be resource requirements, which will come at a cost to the Council. Staff time will be needed to receive, collect, prepare and store the bottles safely, and to ensure they are uplifted by the contractor. The bottles also need to be scanned and recorded, and so there is also a technology need. This technology will not be provided by Circularity Scotland, and there is an expectation that retailers (including the Council) will have access to mobile phones and apps that can scan, record and upload the details to Circularity Scotland's systems. This may be time consuming, and will require connectivity to be maintained and mobile phones available for this purpose. The impact of this has yet to be costed, as the physical requirements for how this will operate in practice are not yet clearly understood or communicated by Circularity Scotland. It is understood that the app will not be available until May/June, allowing no time for schools to fully test the tech or app in advance of the original roll out in August. Hopefully the new deferred

implementation date will allow testing.

- 3.2.6 It should be noted that the financial risk for the scheme lies with the producer and with retailer, in this case, this is the catering team: when initially purchasing the bottles or cans from the wholesaler, the Council will pay the 20p deposit on each unit purchased. This cost burden will remain with the Council until the empty bottles are processed and returned to the scheme administrator's appointed company, at which time a refund will be given to the retailer. This will likely take some time to recover, and will be a rolling additional cost. At this point in time, producers are advising that the increased charge rate per product will be higher than 20p to cover on costs, and so it can be expected that each bottle or can will increase in price by significantly more than 20p. One producers has indicated that the cost is likely to be around 28p per unit.
- 3.2.7 There are also additional risks for how this will operate in a school environment, and whether empty bottles could become a form of 'currency' introducing a potential means of bullying or extracting funds from individual pupils. As bottles and cans cannot be crushed or dented and labels must be intact, there will also be anticipated issues with pupils trying to obtain a deposit and refused. In addition to this, there could be security risks, should there be storage in school playgrounds or outbuildings, and Police Scotland have raised concerns about whether the scheme could be targeted by organised crime. As a result of the issues identified at 3.2.5-3.2.7 officers do not think that a manual system is deliverable for the secondary schools estate.
- 3.2.8 Council Officers are exploring whether a reverse vending machine could be procured for each Secondary School to enable pupils to 'self serve' and return the bottles themselves. There would be a cost attached to procuring, purchasing and maintaining these machines, and space would have to be identified to locate them. In addition, the responsibility for monitoring use, maintaining them, and dealing with breakdowns and issues would remain, as will the requirement to empty them, bag and tag the bottles and cans, and store in advance of uplift. This option may not be a viable one for schools in Argyll and Bute, as advice from Circularity Scotland is that the volume needed to make these cost effective is in the region of 250 bottles per day, and this volume would not be reached in any of our schools, though officers will determine this for themselves. If neither a manual system nor a reverse vending option is viable, officers will also explore whether exceptions can be granted on the grounds of health and safety where a lack of storage and secure space is unavailable.
- 3.2.9 The other option which Officers are considering is that the Catering Team could remove the sale of all plastic bottles and cans, leaving a very limited choice of tetra pack drinks and cartons for sale. Water is available from dispensers in all schools, and pupils can use their own refillable bottles or cups. The switch to alternative packaging is being discouraged by Circularity Scotland, as it undermines the principles of the scheme by switching to alternative materials for example tetra pak contains aluminum which has a higher carbon footprint. This would also need careful consultation with pupils, as previous trials to switch to refillable water bottles in Secondary schools have not been particularly successful. However, given the lack of time to determine this, the products may have to be removed initially, and potentially reintroduced if alternative options become achievable.

3.2.10 This is also a financial implication should elected members prefer a move away from selling bottles and cans, as it would result in lost income. Between August 2022 and December 2022, income from the sale of bottles and cans in the 10 Secondary Schools was in the region of £62,600.

3.2.11 There is also a risk that any reduction in a choice of drinks will mean more young people will opt to leave the school grounds at lunchtime, leading to a drop in uptake of school meals. There is a statutory duty to actively encourage the uptake of school meals, so any policy decision taken that could risk this would need to be considered carefully. Furthermore, this would be an option imposed on young people, rather than a decision reached through collaboration and consultation.

3.2.12 Impact on Free School Meals Entitled Pupils

There is a specific impact on young people who are entitled to a free school meal that had not been anticipated by Scottish Government, and has been raised with them, but to date there has been no guidance on how this can be resolved, and no funding identified to mitigate the impact.

3.2.13 At present, pupils in receipt of a free meal in Secondary schools receive an allowance of £2.40 to spend on their own choice of food and drinks at lunchtime, to enable equity, dignity and choice. When the DRS is introduced, there will be no exemption from the deposit for these young people, and so they will have to spend 20p of their £2.40 allowance on the deposit, should they wish to have a bottle or a can, thus reducing how much food they can buy.

3.2.14 As free meal entitled pupils could, in theory, return the bottle the same day, they could then be refunded the 20p meaning that this would be a one-off cost to them. However, given the choices available to young people not all will return their bottle or can, meaning that the financial burden is likely to reoccur, for some as often as every day. An alternative would be to ask them to pay the 20p deposit but this would mean that their free meal is no longer free. A further alternative would be to increase the value of the free meal to £2.60 to provide an allowance for the deposit without reducing the value of their meal. This would come at a cost to the Council in the region of £25K per annum and there is no guarantee it would be used for a deposit each day. Another option would be to limit the £2.40 meal allowance to food only, thus reducing the choice of free school meal entitled pupils, making them more easily identifiable.

3.2.15 Impact on Commercial Catering

The issues outlined at sections 3.2.1 – 3.2.8 largely also apply to the commercial catering offered in Kilmory, Helensburgh and Lomond Civic Centre, Pier Point Café in Helensburgh and the Beach Café in Oban. As hospitality venues, each of these cafés will also be subject to the scheme, and will most likely have to participate in charging the 20p deposit, develop a means of refunding the 20p deposit to staff and customers, find a way of storing and processing the returned bottles and cans as well as having additional staff resource requirements to process and operate the scheme onsite. This will inevitably lead to an increase in prices to ensure that operational costs are

covered.

- 3.2.16 In every one of the commercial cafes, space is at a premium, and so additional storage will have to be identified and made available in Kilmory, in Helensburgh and Lomond Civic Centre and in negotiation with SAMS (which will come at a cost) in Beach Café in Oban.
- 3.2.17 The Council's Events Team would also be affected by the DRS and would need to find a way of storing all bottles and cans used in bar services during events and meetings to enable the deposit to be returned. The resource implications would also apply to this team as they too would need to process, record and return all bottles and cans. At this moment in time, officers are exploring whether events and commercial cafes can operate a 'closed loop' system, whereby cans and bottles are consumed on site and returned to the point of sale immediately, thereby exempting the need to become a return point. Items sold would still require up-front payment of a deposit, and drinks will not be permitted to be taken from the café.
- 3.2.18 As noted at 3.2.8, officers are exploring whether there could be a way of being exempt from the scheme both for secondary schools and commercial cafes. There is a possibility this could be granted on the grounds of health and safety for some sites. The alternative exemption is to have another nearby site collection point available (measured as 400 metres as a pedestrian would travel), and to negotiate exemption by the other collection point agreeing to act as a collection point for our venues. This is less likely to be achievable.

3.2.19 Impact on Cleaning Services

It is unclear at this stage if there will be implications for cleaning staff, and how they should deal with any plastic bottles or cans found in the course of their duties. It is anticipated that advice will have to be provided to front line staff, to ensure that they are not at risk of inadvertently doing something wrong should they find these products disposed of in bins for landfill. Further advice and guidance is being sought from colleagues in waste services. If cleaning staff are required to move this waste or respond differently, that may add time and a cost to their duties.

3.2.20 Further Actions Underway to Mitigate Risks and Costs

Officers from Commercial Services have been working hard with colleagues across Scotland to better understand these implications and to come up with alternative, viable solutions. The implications for catering services could be significant, and through the Council's active participation in ASSIST FM, the organisation that represents catering, cleaning and FM services across all 32 Local Authorities in Scotland, these concerns have been raised directly with both Circularity Scotland and with the Scottish Government. The team's Business Development Manager sits on ASSIST FM's Sustainability Group and has been active in discussions with government and with Circularity Scotland. A session organised by ASSIST FM takes place in late April with Scottish Government, Circularity Scotland, SEPA, Biffa and other partners invited to enable the school-specific issues to be resolved. To date, however, there has been no advice, guidance or interventions offered to mitigate any of these specific issues.

3.3 IMPLICATIONS FOR THE WASTE TEAM AND THEIR STAKEHOLDERS

- 3.3.1 The DRS scheme may result in an overall Scotland-wide increase in recycling including other environmental benefits e.g. current non-recyclers may use the scheme plus there should be less littering of such items.
- 3.3.2 The scheme may however, see a reduction in Council recycling performance if items such as glass drinks bottles are no longer handled by Council glass collections albeit they should still be recycled in future via the DRS scheme. The DRS scheme aims to capture 70% of such items during the first year of implementation then rising to 90% in future years. Much will depend on how the scheme is implemented by the Scottish Government and Scheme Administrator in the coming years and public participation in the scheme.

3.4 IMPLICATIONS FOR THE ECONOMIC GROWTH TEAM, BUSINESS, ISLAND COMMUNITIES AND OTHER STAKEHOLDERS

- 3.4.1 Argyll and Bute's largest private sector is hospitality and tourism. There is a concern that the imposition of the DRS scheme will incur additional costs on these businesses at a time they are under significant financial strain. This may mean some businesses may cease to exist with impacts on employment opportunity and damaging our tourism offer.
- 3.4.2 500 businesses wrote to the SG highlighting the 'catastrophic impact' this would have on their business and the impact could be exacerbated on island and remote rural businesses that already have higher costs to deal with and more limited revenue schemes. Whilst there are exemption in place there remains considerable uncertainty on how this will be applied particularly on island and remote rural communities where there is no nearby supermarket including how containers will be able to be stored or transported to bulking stations.
- 3.4.3 There is also a lack of clarity from both Circularity Scotland and BIFFA on what is being done in our area to facilitate the scheme. Recent correspondence suggests things are in place but when this has been questioned further there appears to be little action on the ground apart from some supermarkets installing reverse vending machines or applying for permission to do this. Other concerns are listed in the link below as outlined by the industry.

[Industry open letter calls for delay of DRS | Scottish Licensed Trade News \(sltn.co.uk\)](https://www.sltn.co.uk/industry-open-letter-calls-for-delay-of-drs/)

3.5 IMPLICATIONS FOR VULNERABLE HOUSEHOLDS DURING THE COST OF LIVING CRISIS

- 3.5.1 The deposit will apply to all households, regardless of their ability to pay and so this will place an additional cost burden on all households who purchase bottles

and cans, but particularly those in financial hardship. As this levy applies to all bottles and cans of certain, fixed sizes up to 3 litres, it will result in a 20p up-front cost for all purchases of bottles, including those used for essentials, adding a further strain on the finances of vulnerable households.

For example:

- A six pack of soft drinks (Irn Bru) currently costs £2.25 in Aldi. This pack will cost an extra £1.20 to purchase, to cover the cost of the deposits for each can in the pack, meaning that the up-front cost will now be £3.45
- A 12 pack of 500ml bottled water from Aldi currently costs £1.59. This pack will cost £3.99, an extra £2.40 to cover the deposit costs.

3.5.2 Evidence suggests that more financially vulnerable households may also lead more chaotic lives, which means the ability to plan for the storage, washing, collecting and returning of used bottles and cans is likely to be more challenging for some, which may result in these households not returning them for a refund.

3.5.3 In addition to this, financially vulnerable households are less likely to have access to a car and are more reliant on public transport, meaning that some may face an additional barrier to transport used bottles and cans back to a collection point for reimbursement. In addition to this, where households receive their shopping via online delivery and currently don't visit a shop themselves, they will now need to find a way of returning their own bottles and cans to a return point which may be some distance away.

3.5.4 There may also be implications for some groups with protected characteristics, such as households with people who have a physical disability, who may have specific issues with using local return points. This could have implications for social care staff who may be asked to return bottles and cans on behalf of their clients.

3.5.5 In its [Equality Impact Assessment](#), the Scottish Government notes that:

'The potential for negative impacts from this policy have been identified. Through this work, though, measures to effectively mitigate these impacts have also been identified – some of these have been reflected in the scheme design and others will be addressed as part of implementation work.'

No further detail on how implementation will mitigate these risks has been forthcoming at this stage.

3.6 IMPLICATIONS FOR PARTNER AGENCIES

3.6.1 [Police Scotland](#) - There will be significant implications of this scheme that have not yet been identified, or which may be relevant for communities but are not within the Council's remit, but fall to other community planning partners. One such implication has been identified by Police Scotland, who have raised concerns that scheme could be targeted by organised crime gangs to commit fraud.

It may also lead to a rise in opportunistic crime, whereby some households may

opt to store their empty bottles in garages, sheds or outbuildings which could become a specific target for opportunistic criminals looking to generate some cash.

- 3.6.2 Live Argyll – This could mean additional costs for Live Argyll, or the curtailing of certain products going forward. Live Argyll also operate a number of traditional vending machines.

3.7 Circularity Scotland Logistics

- 3.7.1 Biffa, who are Circularity Scotland's appointed delivery partner, are having discussions with national logistics companies and Council Officers have passed Biffa the names of several local hauliers who service islands in Argyll and Bute. Officers have also suggested they contact the existing supermarket supply chain, as they have stores on our islands. The reason for Biffa contacting them would be to explore if the supermarkets could back-haul segregated DRS recycling, assuming their stores take part.

- 3.7.2 The Council RCV collections are not suitable for sub-contracting, as the DRS items have to be collected separately and cannot be mixed with non DRS items or materials.

- 3.7.3 It may be that DRS materials on the islands will more than likely be collected by Circularity Scotland/Biffa in vans or lorries using existing hauliers and/or supermarket transport companies. This assumes however that there are enough obligated premises on the islands who participate. If most obligated premises do not take part or are granted exemptions, then there could well be gaps on some islands or rural areas for public wishing to get their 20p's back.

- 3.7.4 With regards to Biffa's having a bulking centre which most of the Argyll islands materials would go to, Biffa have indicated that they hope to have a DRS bulking point in place in Oban where they will initially take the DRS collected materials for bulking prior to their larger counting and baling centres in the central belt e.g. Motherwell. They have not revealed the exact location in Oban at this stage but seemed hopeful that it would be in place for the implementation date.

4.0 CONCLUSION

- 4.1 The DRS scheme has the potential to increase recycling rates and minimize waste. It is likely to become a reality across the UK but at this time Scotland is proposing to introduce this scheme before the rest of the UK leading to coordination issues and the likely loss of product choice.
- 4.2 This initiative is being taken forward by Circularity Scotland on behalf of the Scottish Government and the council is not part of the administration of this. There are likely to be a number of implications arising from the implementation of the proposed DRS scheme which has the potential to disproportionately impact on our rural and island communities, the operation of council services and our fragile economy that relies on the hospitality industry. Of particular concern is the lack of clarity on what infrastructure will be put in place in or area to

implement the scheme from the start date of the 16th of August – Officers will seek further information on this matter from Government and Circularity Scotland with the new deferred implementation date. There is an urgent need for further assurances from the Scottish Government and Circularity Scotland together with their on the ground operator BIFFA on how the scheme will be implemented across Argyll and Bute.

Appendix A of this report contains more information on the DRS and its implementation.

5.0 IMPLICATIONS

- 5.1 Policy – DRS is a new initiative being taken forward by the Scottish Government.
- 5.2 Financial – There could be considerable financial implications for the council both good and bad particularly in the short term.
- 5.3 Legal – None as yet but the council will have to comply with this Government Initiative.
- 5.4 HR – None known as yet but could have staff implications.
- 5.5 Fairer Scotland Duty:
 - 5.5.1 Equalities protected characteristics – Could have substantial impacts on remote rural and island communities in terms of additional costs and availability of products. Lack of clarity in DRS as presented makes this difficult to quantify.
 - 5.5.2 Socio-economic Duty – Potential for substantial impacts on the local economy with unquantified additional costs for SMEs at a time of substantial economic uncertainty. Whilst exemptions have been identified it remains unclear how this will apply in remote communities including our island communities.
 - 5.5.3 Islands – considerable concern our island communities could be severely impacted here through additional costs and loss of product choice
- 5.6 Risk – Loss of employment and additional costs placed on the council and wider Argyll and Bute economy.
- 5.7 Customer Service – None.
- 5.8 Climate Change – DRS will have possible climate change benefits if the right parameters for implementation are set.

Douglas Hendry, Executive Director with responsibility for Commercial Services

Kirsty Flanagan, Executive Director with responsibility for Development and Infrastructure

Councillor Ross Moreland – Policy Lead Climate Change & Environment
4th April 2023

For further information contact: Fergus Murray, Ross McLaughlin, Jim Smith

APPENDICES

Appendix A - Scottish Deposit Return Scheme [DRS] FAQs

APPENDIX A - Scottish Deposit Return Scheme (DRS) FAQs

In response to recent media coverage and various enquiries received we have pulled together an FAQ sheet on the DRS for you should you have any constituent queries over the next few months ahead of its proposed implementation date of August 2023. Now been deferred implementation date of March 2024.

Zero Waste Scotland has a more comprehensive FAQ on their website [here](#).

What is the Council's role in administering the scheme?

The Council has no responsibility for administering the scheme

Who does run the scheme?

The scheme is operated and administered on behalf of the Scottish Government by a newly created body called [Circularity Scotland](#).

What is DRS?

Under the plans, if a premises sells drinks to consumers in Scotland from March 2024 (previously August 2023), then they must provide a return point to accept empty bottles and cans. Consumers will pay a 20p deposit when purchasing a drink in a single-use container made from polyethylene terephthalate PET plastic [plastic drinks bottles], steel, aluminium or glass. The deposit will be refunded when the empty container is returned.

Do all businesses need to comply with the scheme?

Some businesses can claim an exemption for [proximity](#) or [environmental health](#) reasons. More information on exemptions is available on the Zero Waste Scotland website [here](#).

Is the Scottish Government providing funding for businesses to set up for DRS coming into force?

Not that we are aware of although there are container handling fees paid by Circularity Scotland to businesses that take containers back.

More information on the cash flow arrangements can be found [here](#).

Why is it being introduced?

The scheme aims to reduce littering and improve recycling by incentivising the return of drinks bottles and cans while improving the quantity and quality of materials collected. The aim is that by 2025 it will capture 90% of all drink containers included in the scheme, which is expected to provide 2 billion drink containers a year for recycling.

When does it come into effect?

Scottish First Minister announced on 18th April 2023 that the Deposit Return Scheme (DRS) will no longer launch this August, with a seven month delay and new implementation date of March 2024 to allow de-risking and operational issues to be addressed. Previous proposed go-live dates have been pushed back due to the impact of the pandemic.

How will it work?

The scheme applies to all drinks sold in single-use containers between 50ml and 3 litres and made from PET, plastic, glass, aluminium and steel. All businesses making or importing these products for sale in Scotland are required to register with the Scottish Environment Protection Agency (SEPA) before 1 March 2023, either directly or via Circularity Scotland. The scheme will then go live in March 2024, when producers will have to charge a 20p deposit on each container they place on the market and arrange for empties to be collected for recycling, meeting collection targets.

Retailers, wholesalers and hospitality businesses in Scotland must also comply with the Deposit Return Scheme Regulations, though do not have to register with SEPA. Their obligations include only selling drinks from a registered producer and including the 20p deposit on each drink sold. They will also act as a return point, providing information on how customers can bring back their empty containers and receive a refund of the 20p deposit.

Some other Councils have already announced they will stop their kerbside glass collection as a result of DRS – do we have any such plans?

It is too early to say what the exact impacts of the DRS will have on existing glass collections.

What will the impact be on our glass recycling contracts?

As above, it is too early to say. We intend to closely monitor the impact of the DRS on our waste and recycling services and will be reporting any issues to Members

Will the Council be providing DRS voluntary communal return points?

The Council has no role in operating the scheme and we have not received any funding from the Scottish Government to create DRS voluntary communal return points which would require either reverse vending machines or staffed manual take back points.

What about Council commercial waste customers who receive a glass collection?

Individual businesses should make their own business decisions – we would suggest contacting Circularity Scotland with any queries as they may be able to offer advice. Ultimately if a business decides to vary or cancel their contract with the Council, they can do this by contacting our commercial waste team by calling 01546 605514 or via the online form available [Commercial Waste \(cuthelp.com\)](https://www.circularityscotland.com/commercial-waste)

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ARGYLL AND BUTE COUNCIL

POLICY & RESOURCES COMMITTEE

CLIMATE CHANGE BOARD

11th May 2023

**COUNCIL CARBON EMISSIONS &
CARBON LITERATE ORGANISATION (CLO) BRONZE AWARD**

1.0 EXECUTIVE SUMMARY

- 1.1 Scotland has some of the most ambitious targets and progressive legislation in terms of climate change in the world and the public sector is being promoted as playing a leading role towards achieving net zero by 2045. As with other public bodies it has been a requirement for Argyll & Bute Council to monitor, record and publish our carbon emissions and progression towards 'net zero' for the past 7 years. The most recent results from the national 'Reporting Requirements' are for the financial year 2021/22 and have been made available online. A 'Summary Analysis' report covering all submitting organisations is anticipated by Sustainable Scotland Network (SSN) in April 2023 (although currently awaiting publication).
- 1.2 Around 160 public bodies (Councils, Health Boards, Government) from across Scotland submitted data in late 2022 about their carbon emissions. Our Council's 2021/22 annual carbon emissions has generally followed a pattern that is consistent across the country akin to a small increase in emissions. This is generally understood to be connected with activities and services returning to normal after COVID-19 plus some 'bounce back' of the economy in terms of increased visitor numbers and business production in terms of waste.
- 1.3 Argyll & Bute Council saw our carbon emissions generated by our business activities increase by 6% in the twelve months of 2021/22. Our carbon footprint increased from 26,619 tCO₂e to 28,218 tCO₂e (tonnes of carbon dioxide equivalent), in 2020/21. The marginal increase in 2021/22 follows a downward trend for the four previous consecutive years and overall in past 8 years we have reduced emissions notably. **Since reporting commenced in 2015/16 there has been a 28.4% reduction in emissions.** The main factors contributing to this increase includes the gradual return of business and activity following the COVID-19 pandemic and increase in quantity of municipal waste collected in the reporting year.
- 1.4 Our Climate Change Board has overall responsibility for the 'reporting requirements' submission and continues to develop new ways to reduce the Council's Carbon Footprint. Our Council adopted its second De-Carbonisation Plan in December 2021, recognising the importance of

setting out a plan to achieve net zero by 2045. There are also ambitious interim targets of reaching a 75% reduction by 2030 which is only 7 years away. Rapid progression has been achieved in previous years through a variety of measures including energy efficiency works, movement away from fossil fuels to heat and power buildings, procuring more low emission vehicles, installing low energy streetlamps and generating renewable electricity through solar panels and wind turbines. Work will also continue on tackling the more enduring challenges in our waste including ban on landfill in coming years.

- 1.5 As part of tackling and reducing our Carbon Emissions, learning about Climate Change is hugely important. This will equip Councillors, staff and decision makers with the tools to make the most informed decisions in the context of a Just Transition and route net zero. Over the tail end of 2022 and early 2023 Argyll and Bute Council has been rolling out training to Councillors and Senior Staff. In March 2023 we achieved the nationally recognised Bronze Carbon Literate Organisation (CLO) accreditation. We are one of only a small number of Councils to have achieved this accolade in Scotland via training delivered to elected members and senior officers within the Council. This training has been delivered by Argyll and the Isles Coast and Countryside Trust (ACT), a member of the Council's Climate Change Board. Further training for staff, Councillors and Communities is also being offered via ACT and Council

2.0 RECOMMENDATIONS

- 2.1 That the Policy & Resources Committee:

- 2.1.1 Consider the publication of the Council's 2021/22 carbon emissions report that confirms a small 6% increase in emissions reported for the year, but that carbon dioxide emissions have still reduced by 28.4% in the past 7 years; and
- 2.1.2 Commend and promote the Council achievement of the Bronze Carbon Literate Organisation (CLO) accolade noting that further training will be rolled out for staff, Councillors and Communities via ACT and Council.

**COUNCIL CARBON EMISSIONS &
CARBON LITERATE ORGANISATION (CLO) BRONZE AWARD**

3.0 INTRODUCTION

- 3.1 The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 requires the 180 public bodies classified as major players to prepare an annual “Report on Compliance with Climate Change Duties” (Schedule 2). Argyll and Bute Council is one of these organisations required to publish annual emissions since 2015. The most recent publication is now uploaded onto the Sustainable Scotland Network platform, with the ‘Summary Analysis’ report scheduled to be released in April 2023 for the reporting period 2021/22 (currently awaited).
- 3.2 The Climate Change Board report progress to the Policy and Resources Committee on a regular basis. This report outlines overarching activities of the Climate Change Board to the Council and is useful to provide a snapshot of the key contributors to Council emissions plus also successes and areas for improvement. The carbon footprint of the Council also aligns to the De-Carbonisation Plan which was adopted by the Council in 2021 which starts to provide a routemap towards net zero by 2045. It should be noted that the reporting requirements solely record the emissions of the Council as a business and do not reflect overall or regional emissions like local industry, private sector, personal travel etc. As reported elsewhere, as a region, Argyll and Bute remains one of the most favourable regional carbon footprints due to large land mass, high forest cover, low number of industrial polluters and low population.

4.0 RECOMMENDATIONS

That the Policy & Resources Committee:

- 4.1 Consider the publication of the Council's 2021/22 carbon emissions report that confirms a small 6% increase in emissions reported for the year, but that carbon dioxide emissions have still reduced by 28.4% in the past 7 years; and
- 4.2 Commend and promote the Council achievement of the Bronze Carbon Literate Organisation (CLO) accolade noting that further training will be rolled out for staff, Councillors and Communities via ACT and Council.

5.0 BACKGROUND

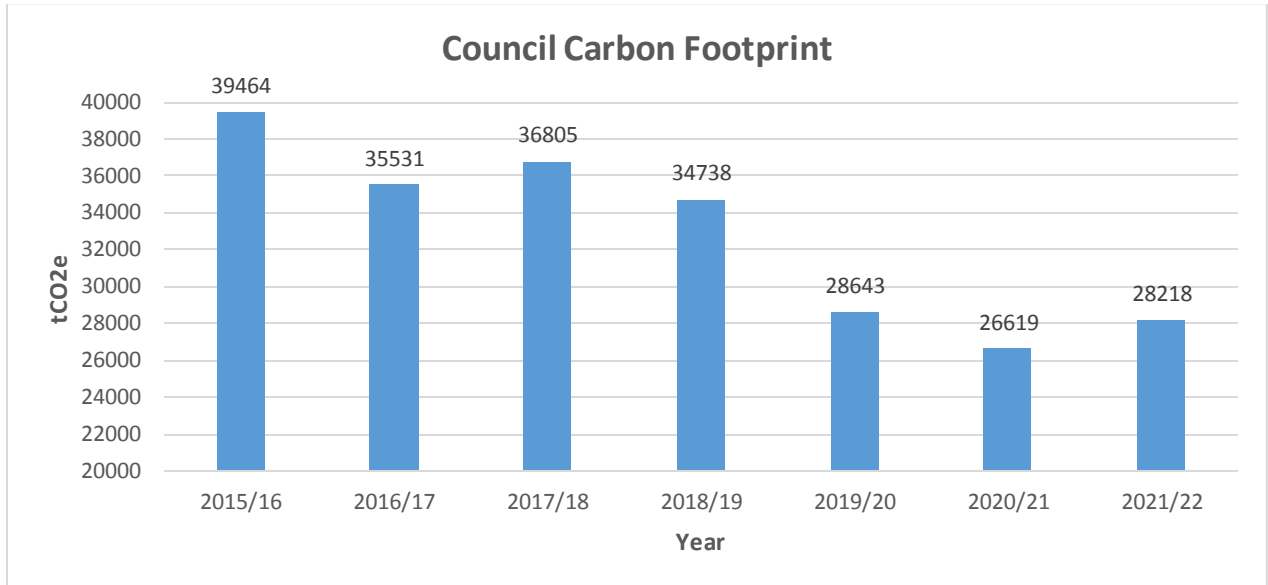
5.1 Since 2015/16 Argyll & Bute Council has published data on its Carbon Emissions annually based on a nationally agreed framework of indicators. There has been an evolution of indicators over the years but most have stayed consistent so a general trend has been able to be formed as outlined in the table below. It should be noted that not all activities produce direct greenhouse gas emissions, however for the purposes of reporting, activities are given a 'tons of carbon dioxide equivalent' rating so they can be more easily compared. This is industry standard approach.

-Table 1- Annual Emissions with Baseline

Reference Year	Year	Scope1	Scope2	Scope3	Total	Units	Comments
Baseline carbon footprint	2015/16	10767.7	11701.3	16995	<u>39464</u>	tCO2e	
Year 1 carbon footprint	2016/17	9146.4	9790.3	16593.8	<u>35531</u>	tCO2e	
Year 2 carbon footprint	2017/18	9437.6	7797.8	19569.4	<u>36805</u>	tCO2e	Municipal waste to landfill is the Council's largest contributor to its carbon footprint; despite a reduction in municipal waste to landfill this year a reporting change negatively impacted emissions.
Year 3 carbon footprint	2018/19	8937.4	5862.49	19938.13	<u>34,738</u>	tCO2e	This represents a 12% reduction in 3 years
Year 4 Carbon Footprint	2019/20	8849	4687	15107	<u>28643</u>	tCO2e	
Year 5 Carbon Footprint	2020/21	8611	4178	13830	<u>26619</u>	tCO2e	33% reduction since reporting began.
Year 6 Carbon Footprint	2021/22	8905	4236	15076	<u>28218</u>	tCO2e	6% increase from previous year but 28% down overall

5.2 Carbon footprint trend across the Council as highlighted below.

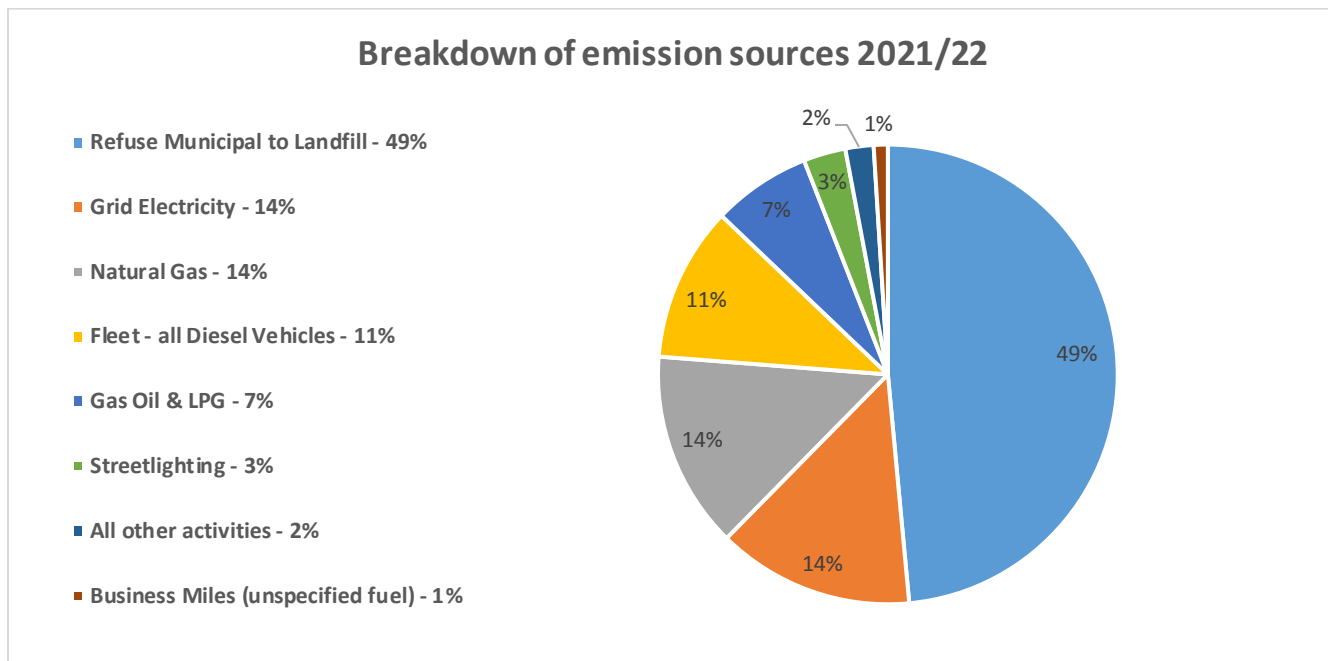
Graph 1 – Annual Carbon Emissions



5.3 All activity of the Council is monitored so it is important to understand the breakdown of emission sources. All departments have a responsibility and role to play in monitoring and reducing carbon emissions.

Table 2 - Breakdown of emission sources

Emission Source	Emissions (tCO₂e)	Comments
Refuse Municipal to Landfill	13,917	~49% of total carbon footprint
Grid Electricity	3,866	~14% of total carbon footprint
Natural Gas	3,871	~14% of total carbon footprint – mainly used as heating source in buildings
Fleet – all Diesel Vehicles	2,974	~11% of total carbon footprint – bin lorries, cars, vans
Gas Oil & LPG	2,060	~7% of total carbon footprint – mainly for building heating
Street lighting	745	~3% of total carbon footprint
Business Miles (unspecified fuel)	345	~1% of total carbon footprint
All other activities	439	~2 % of total carbon footprint includes collections for recycling, water treatment, tyre processing, glass / WEE recycling

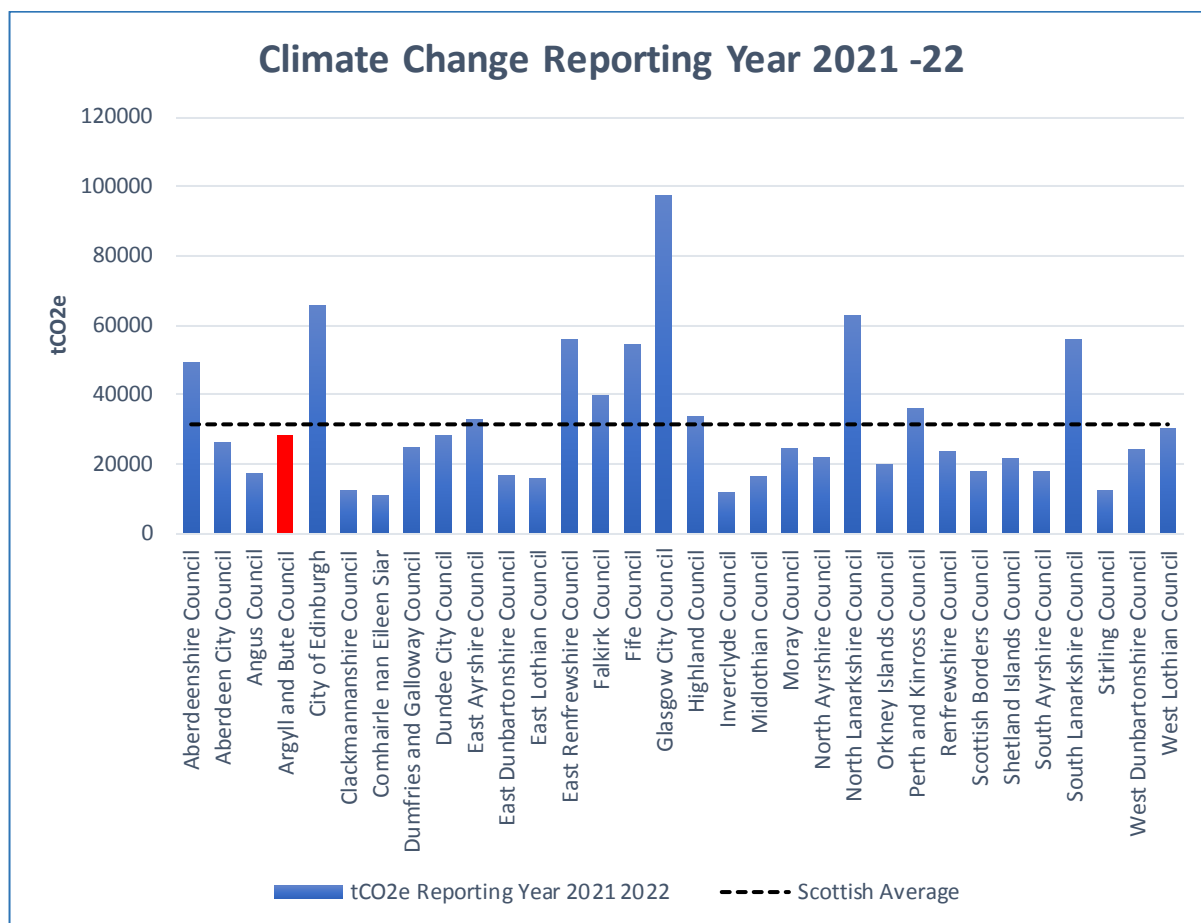
Graph 2 – Breakdown of emission sources

5.4 The relative sources of emissions by activity have remained fairly consistent for several years with processing municipal waste being responsible for around half of the entire emissions. Whilst overall all emission sources have seen small variations, the proportions have remained relatively consistent. Future projects like Biodegradable Municipal Waste (BMW) Landfill Ban, switching to greener ways to heat and power buildings and fleet replacement with low emissions vehicles will obviously have a significant impact on overall carbon footprint.

5.5 The Council have also invested in generating our own sources of renewable heat and energy as outlined this year below:-

Table 3 - Generation, consumption and export of renewable energy

TECHNOLOGY	Renewable Electricity		Renewable Heat	
	Total consumed by the organisation (kWh)	Total exported (kWh)	Total consumed by the organisation (kWh)	Total exported (kWh)
Solar PV	882843	0		
Wind	15000	135000		
Biomass			4678800	0
Air Source Heat Pump			130000	0

Graph 3 – Benchmarking of Council Carbon Emissions

5.6 The graph above highlights Argyll and Bute Council’s carbon emissions in relation to other local authorities who have published their 2021/22 data online. It is very difficult to make a direct comparison as population, physical size, internal processes (particularly waste treatment) and geographic factors all have a material impact on overall emissions.

6.0 Bronze Carbon Literacy Organisation Accreditation

6.1 The Council is proud to have achieved the nationally recognised Carbon Literate Organisation (CLO) Bronze award, via training delivered by Argyll and the Isles Coast and Countryside Trust (ACT), a member of the Council’s Climate Change Board. The Carbon Literate Organisation (CLO) accreditation is the visible ‘badge’ that showcases an organisation as being committed to Carbon Literacy, having a substantial number of people who are Carbon Literate, having a commitment to support its Carbon Literate people and maintaining its low carbon culture.

- 6.2 CLOs accreditation typically realise in-house benefits such as decreased energy and resource consumption, improved organisational profile, a healthier working environment, a safer supply chain, lower variable costs, enhanced competitiveness, and reduced commercial risk. CLO accreditation is also a clear demonstration of an organisation's corporate social responsibility, and the Council can use this status to support interaction with its communities - whether they are staff or customers, neighbours, learners, suppliers or stakeholders.
- 6.3 In achieving the CLO Bronze award, the Council has met a number of assessment criteria including establishing a baseline on existing environmental performance, having registered a Training Initiative with the project, and having a Board Member / Organisational Leader certified as Carbon Literate. There are four levels of CLO accreditation (Bronze, Silver, Gold and Platinum) reflecting increasing levels of Carbon Literacy commitment and achievement. This presents an opportunity for the Council to progress onto the CLO Silver award, further developing its Carbon Literacy credentials.
- 6.4 ACT have already provided a mix of Community and Council focussed Climate Literacy Training with more planned. Furthermore, additional Council staff training is currently under development and will be delivered by online training module LEON.

7.0 Conclusions

- 7.1 It is a requirement to publish annual carbon emissions for the Scottish Government. This report highlights our overall emissions for most recent reporting period 2021/22 and confirms overall our emissions are 28% down since records began. There is still much to be done on the Council's journey to achieve net zero by 2045 however training our staff and Councillors plus achieving CLO Bronze status will ensure decision makers are well equipped to fulfil the ambitious targets.

8. IMPLICATIONS

- 8.1 Policy – This paper content is entirely consistent with climate change policy and action at local, national and international level.
- 8.2 Financial – Paper reports on net downward trend of emissions and can be linked to greater efficiency of ongoing utility costs. Proposed expenditure of allocated climate change funding from 2023 Budget.
- 8.3 Legal – Meeting requirements of Climate Change Scotland Act.
- 8.4 HR – None
- 8.5 Fairer Scotland Duty
 - 8.5.1 Equalities – Protected characteristics – None
 - 8.5.2 Socio economic Duty – None
 - 8.5.3 Islands – None
- 8.6 Climate change – Direct link confirming net downward trend in emissions and proposed future projects that will address climate change.
- 8.7 Risk – Not addressing impacts or causes of climate change can lead to increased cost or censure if targets are not met.
- 8.8 Customer Service – None.

Douglas Hendry
Executive Director with responsibility for Commercial Services

Councillor Ross Moreland
Policy Lead Climate Change & Environment

5th April 2023

For further information contact:

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ross.mclaughlin@argyll-bute.gov.uk

ARGYLL AND BUTE COUNCIL**POLICY & RESOURCES COMMITTEE****CLIMATE CHANGE BOARD****11th May 2023**

COUNCIL DECARBONISATION PLAN TRACKER

1.0 EXECUTIVE SUMMARY

- 1.1 The Council's Decarbonisation Plan sets a 3 year framework to continue our climate journey and routemap to net zero which was approved in December 2021. Our Council has made a clear commitment to be a net zero organisation by 2045 and has also declared a climate emergency befitting the importance and critical nature of the topic.
- 1.2 Whilst the main Decarbonisation Plan will be fixed for 3 years the associated Action Plan (which forms an Appendix of the document) will be continuously updated and reported to both the Climate Change Board and Policy & Resources Committee.
- 1.3 The latest update can be found at **Appendix A**.

2.0 RECOMMENDATIONS

- 2.1 That the Policy & Resources Committee:
 - 2.1.1 Note and consider the updated De-Carbonisation Tracker.

3. IMPLICATIONS

- 3.1 Policy – This paper content is entirely consistent with climate change policy and action at local, national and international level.
- 3.2 Financial – Not specific but many actions will have individual and cumulative financial implications.
- 3.3 Legal – Meeting requirements of Climate Change Scotland Act.
- 3.4 HR – None
- 3.5 Fairer Scotland Duty
 - 3.5.1 Equalities – Protected characteristics – None

3.5.2 Socio economic Duty – Creating warmer or more efficient homes that are cheaper to heat is a positive for all.

3.5.3 Islands – None specific

3.6 Climate change – Direct link to meeting net zero obligations for our Council.

3.7 Risk – Not addressing impacts or causes of climate change can lead to increased cost or censure if targets are not met.

3.8 Customer Service – Creating warmer or more efficient homes that are cheaper to heat is a positive for all.

Douglas Hendry
Executive Director with responsibility for Commercial Services

Councillor Ross Moreland
Policy Lead Climate Change & Environment

5th April 2023

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Appendix A – Climate Change Tracker

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
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	An options appraisal was conducted by an external consultant. This document and an Officer report was prepared for ED&I committee in December. The main focus of the report was to approach the Scottish Government (SG) to request a derogation for the area covered by the PPP contract, and to also liaise with Renewi to progress discussions around landfill ban compliance should a derogation not be given by SG. This engagement continues by Officers and elected members.
W2 – Promote the Waste Hierarchy through community Education	(L) Roads and Amenity Services	Evidence of community Education	Not secured	New Web content and Education materials for Primary and Secondary Schools were developed and delivered to online Education Environment Summit October 21 and the COP 26 Event on the 6 th November 21.

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
<p>W3 – Reduce Council use of disposable and single use plastics across all departments and settings</p>	<p>(L) Procurement and Commercial Services, all Council Services</p>	<p>Adoption of new working practices and procurement</p>	<p>No specific funding in place, research required to impact on operation costs</p>	<p>A report on Single Use Plastic went to the Policy and Resources Committee on 9 December 2021, and the following recommendations were approved:</p> <ul style="list-style-type: none"> • Note and consider that the various Services that currently purchase SUP products consider whether these products are essential or if there is a potential alternative that would meet the Service requirements, prior to orders being placed via PECOS or contacting the Procurement, Commercial and Contract Management Team (PCCMT) for a procurement process to be carried out. • Note and consider that the Sustainable

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				<p>Procurement Policy will be updated to reflect the Climate Change Board desire to limit SUP where possible – wording has been included in the Annual Review 2023/2024 version of the Procurement Strategy 2022/2025 as follows: “To provide procurement support to any strategic decisions taken by the Council in relation to the usage of Single Use Plastic products and their recyclability.”</p> <ul style="list-style-type: none"> Note and consider that the Commodity Sourcing Strategy templates used for Regulated Procurements have been updated to include a question

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				<p>regarding SUP. Changes in legislation were brought into force by the Scottish Government on the 1st June 2022 restricting single-use plastic cutlery, plates, straws, drink stirrers and balloon sticks, expanded polystyrene food containers and expanded polystyrene cups and other beverage containers, as well as all products made of oxo-degradable plastic. Some products already changed and others under review.</p>
<p>W4 – Extend and explore pre-ordering for school food to reduce food waste</p>	<p>(L) Commercial Services and Education</p>	<p>Evidence of extension of pre-ordering & food waste reduction</p>	<p>Project funded and solution procured</p>	<p>Project Team currently implementing this, with full project end date estimated as June 2023.</p>
<p>E1 – Deliver Renewable Sourcing Strategy 2</p>	<p>(L) Commercial Services</p>	<p>Adoption of Strategy</p>	<p>RSS2 consultancy work funding to be confirmed; expectation is that project implementation will be through combinations of prudential borrowing</p>	<p>RSS2 next stage development work includes specification development and preparation of invitation to tender for specialist consultancy</p>

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
			(subject to business case approvals) and/or external funding.	support. Current work in progress; intended to be market tested during 2023 .
E2 – Delivery of Non-domestic Energy Efficiency Framework (NDEEF) Projects	(L) Commercial Services	Evidence of delivery of projects	<p>Project development work is funded by combinations of the Scottish Government and the procured provider (costs absorbed within the tender process).</p> <p>Funding for project implementation will come from Council approved capital allocations:</p> <ul style="list-style-type: none"> • Climate Change 20/21 - £500K • Climate Change 21/22 - £600K • Asset Sustainability – £175K 	<p>NDEEF Energy Performance Contract was signed on 16 July 2021 (circa £1.2m investment with 10 year payback). The NDEEF mini project list has been fully delivered with the exception of three final mini projects which are currently being scheduled for installation. It should be noted that there has been some variation to the mini project list originally intended; mainly on account of accommodation reviews and technical risks identified during detailed site survey; where originally identified projects have not proceeded, alternative projects have been introduced in their stead.</p> <p>In addition to the above, the procurement sourcing strategy</p>

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				for the next batch of sites, using designation NDEEF2, is under way.
E3 – Delivery of additional solar installations at Council assets	(L) Commercial Services	Evidence of delivery of projects	Consultancy work funding to be confirmed; expectation is that project implementation will be through combinations of prudential borrowing (subject to business case approvals) and/or external funding.	Solar pv Options (initial feasibility work completed for circa 9 further sites) – some opportunities absorbed within NDEEF (Ref item E2) as project replacements due to accommodation reviews etc. A ‘mop up’ of remaining project prospects intended to be market tested as a component within an upcoming solar pv maintenance contract in 2023.
E4 – Delivery of Water Efficiency Audits across our Estate	(L) Commercial Services	Evidence of delivery of projects	Feasibility work being absorbed within existing approved budgets. Individual works items are generally small scale and it is proposed to utilise existing approved budgets where possible.	Significant Council wide asset verification exercise and ensuring water use minimised. This project is substantially complete but will continue further into 2023 when a case study will be prepared to demonstrate the range of tasks undertaken and to convey the reduction in water consumption (with carbon emissions reduction) and costs

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				arising from this already successful project.
E5– Delivery of Energy Efficiency Scotland Programme	(L) Housing Services, Registered Social Landlords	Evidence of delivery of projects	Funding amounts are determined by localised factors and is paid as a proportion of the Scottish Governments' Heat In Buildings Strategy	The Scheme is projected to spend all of its £2,011,323 budget for 2022/23 plus a further £300,000 which was awarded by the Scottish Government to meet the demands of an increased number of applications in 2022/23. Additionally Argyll & Bute Council was awarded £2.23m by the Scottish Government to complete a programme of insulation works in conjunction with Argyll Community Housing Association on mixed tenure properties throughout Argyll & Bute. The Scheme continues to successfully deliver insulation measures throughout Argyll & Bute in accordance with the Scottish Governments "Fabric First" principle.

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
E6 – Complete LED streetlight replacement programme	(L) Roads and Infrastructure Services	Evidence of delivery of projects	Fully funded through prudential borrowing	<p>Contractors have now commenced works in the Lorn Area to progress the last installation phase of the project and have a programme of approx. 4-6 weeks to install 1100 new LED luminaires. 860 have now been installed and delivery of some additional luminaires is awaited before contractor completes in the Lorn area. All works in the Oban area should be complete by the end of May 2023. The Council has 14442 streetlights in total so carbon emissions have already been greatly reduced by the LED Upgrade Project.</p> <p>2021/22 figures were CO2 totals 738 tonnes, this has been reducing year on year, back in 2015/16 figures were CO2 Totals 3140 tonnes. 2022/23 emissions are forecast to be reduced by approx. 10 – 15% on the 2021/22 figures.</p>

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
E7 – Continue support of ABRA and review Renewable Energy Strategy annually	(L) Economic Development	Evidence of delivery of projects	Officer resource to support currently funded	Work to support ABRA ongoing. Current ongoing project by SSE Networks for renewal of powerlines between Inveraray and Crossaig. Work commenced on outline business case for progressing Islay Energy System work through the Rural Growth Deal. Islay was selected as one of the Carbon Neutral Islands being progressed by the Scottish Government , work is ongoing.
E8 – Continue support for offshore development of renewables	(L) Economic Development	Evidence of delivery of projects (expected late 2020s/early 2030s)	Officer resource to support currently funded	Scottish Power Renewables are progressing the Islay site (Machair Wind) project with consultation events held during 2022. An announcement on the Crown Estate Scotland Innovation and Targeted Oil and Gas (INTOG) leasing has been made and a site off Islay identified.

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
T1 – Develop a Fleet Replacement Strategy supportive of fuel efficient, electric and hybrid vehicles	(L) Roads and Infrastructure Services	Adoption of Strategy	Part for current financial year	The Strategy is complete, final review will take place to ensure the 2025 legislative changes are included. The council have introduced hybrid and electric vehicles to the Fleet. The council operates 14% of its Fleet with the new technology.
T2 – Develop a vehicle routing system that will reduce road miles for operations	(L) Roads and Infrastructure Services	Evidence of delivery of projects	Part for current financial year	The Council went to tender earlier this year for route optimisation and had a number of bidders. Officers have gone through the selection process and a preferred bidder has been chosen and their bid is within the budget available. They recently provided a demonstration of their system which was well received by our tender evaluation panel. Arrangements are being made with colleagues in Procurement and IT to finalise the necessary due diligence then we will look to award the contract.

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
T3 – Develop an electric vehicle infrastructure strategy	(L) Roads and Infrastructure Services	Evidence of delivery of projects	Part for current financial year The development of the EV network is funded by external grant monies from Transport Scotland, and the costs of developing the strategy in terms of staff time are covered via existing budgets Ultimately the cost recovery model	Work on the strategy document is now effectively complete and we have a long list of sites which will be recommended to Committee for formal adoption as well as ancillary parts of the strategy around maintenance, procurement etc. A comprehensive year-end report will go to EDI in December summarising the current position. The next key stage is securing enough external funding and/or agreeing a delivery model – self delivery supported by business case, concession model or leasing sites, or a mixture of the three. A high level analysis of possible delivery options will also be contained in the year end report.
T4 – Support Digital by Default theme Service Review & Recovery Plan to reduce need to travel	All Council Departments	Evidence of delivery of projects	Part for current financial year	Council is adopting ‘Our Modern Workspace’ programme and Digital First

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				approach as services change and evolve post pandemic.
T5 – Develop new active travel plans for Council buildings and our towns	(L) Economic Development	Evidence of delivery of projects	<p>£2.9M external funding secured development and delivery of Active Travel in 22/23 financial year.</p> <p>No active travel funding is provided by Council.</p> <p>External competitive challenge funds are time consuming to secure and projects have to be shaped to fit with external funders’ aspirations and requirements by the 1.7FTE staff in the Strategic Transportation Team.</p> <p>However, at present these are the only available source(s) of potential funding to deliver active travel improvements.</p>	<p>The purpose of active travel is to make it as easy as possible and help to encourage individuals, businesses and visitors to choose to walk, wheel or cycle for local journeys. Increasing activity and reducing sedentary behaviour has significant health benefits and can increase accessibility to essential services, education, employment, retail and leisure. Walking and cycling are lower cost travel modes and, if they are a viable option, can help households reduce their reliance on private cars, particularly multiple car households.</p> <p>No Council funding is currently expended on Active Travel work, with all costs, including internal staff costs (1.7FTE), having to be funded via</p>

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				<p>successfully securing external challenge funds. As all active travel work is currently reliant on securing external funding, therefore the projects which are progressed are those which can successfully secure external challenge funding.</p> <p>Argyll and Bute Active Travel Strategy: Officers are working to develop an Argyll and Bute Active Travel Strategy and present it for Council by summer 2024. The Active Travel Strategy would provide the overarching context for the Council to support and promote active travel across the Council area. Having an adopted and current Active Travel Strategy is increasingly becoming a pre-requirement to access Scottish Government derived active travel funding.</p> <p><u>Active Travel Delivery Plan:</u></p>

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				<p>Following approval of Active Travel Strategy, an Active Travel Delivery Plan will be developed to create a prioritised list of active travel projects for the whole of Argyll and Bute.</p> <p>Active Travel Projects: The majority of external funding available is provided by the Scottish Government via a number of third sector organisation who are paid to administer these funds. The focus for Scottish Government Active Travel funding is to develop and deliver infrastructure projects and associated behaviour change. As such, the focus for the very limited staff capacity in the Active Travel Team has been to develop and deliver infrastructure projects across Argyll and Bute with a focus on our main towns and locations</p>

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				<p>with strong community support.</p> <p>Active Travel Plans for Towns: There are Active Travel Plans in place for the main towns in Argyll and Bute, albeit some are now quite historic. The town Active Travel Plans focus on identifying potential active travel route networks for key towns. These provide a framework for the development of new active travel routes, which will enable and encourage residents, businesses and visitors to choose to travel more actively. No funding is currently secured to enable the Active Travel Plans for towns to be updated.</p> <p>Council Staff Travel Plan: At present it is not proposed to progress with development of a Council Staff Travel Plan. This</p>

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				<p>is due to (a) requirement to make best use of limited internal staff capacity; and, (b) the ongoing uncertainty of longer-term staff profiles and bases. Staff Travel Plans focus on measures to make it easier and preferable for staff to choose to walk, cycle, use public transport or car share to commute to work or for work journeys, or use economical pool vehicles for work journeys. A travel plan should encourage staff to choose the most economical and least environmentally damaging travel mode. Engagement will be required with services which manage staff in buildings and/or council buildings as this is essential to creating deliverable and effective travel plans for staff. This includes Estates, HR, SMT and building users. It is recommended that work on the Council Staff</p>

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				Travel Plan is commenced after a decision has been made on future staff working patterns and office rationalisation as these will have a significant impact on the Council Staff and their travel. There is currently no funding secured to enable this work to be progressed.
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	Reviews are in process.
PA2 – Review Council Sustainable Procurement Policy	(L) Procurement	Review of policy	No specific funding in place, research required to impact on operation costs	This policy is reviewed on an annual basis.
OFF1 – Develop opportunities for Carbon Offsetting with ACT and partners	(L) Climate Change Board, ACT and partners	Delivery of projects	Limited funding via ACT for existing projects	SSEN compensatory planting – Phase 1 complete, Phase 2 underway with planting at Kilmory and Dunbeg, which will complete the LT40 compensatory planting obligation SSEN allocated to ACT. ACT is working with SSEN to pilot a Biodiversity Net Gain project in Cowal which would

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				<p>see 50 hectares of Rainforest cleared of invasive rhododendrons.</p> <p>ACT have entered agreement with Mastercard's Priceless Planet Coalition to plant 100,000 native trees in Argyll. over the coming 5 years. Sites confirmed. This planting will offer opportunities for carbon credits for landowners.</p> <p>ACT are working in partnership with the Community Planning Partnership and will be hosting a Climate Change Officer. Funding for initial phase of work secured.</p> <p>ACT undertaking peatland restoration on Islay, Jura and extending into mainland Argyll, supported by ScotGov's Peatland Action and Esmee Fairbairn Foundation. In addition to the 2 Islay based</p>

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				<p>jobs, we will be offering a 1-year trainee position in 2024.</p> <p>ACTNow project officer has delivered Carbon Literacy Training to A&BC Elected Members and Senior Council Officers. Now working on a carbon literacy initiative for schools and youth groups. Also delivering Bikes Back to the Community with the support of Smarter Choices, Smarter Places funding. ACT has recently taken ownership of two electric bikes available for groups and businesses to trial.</p> <p>A successful bid to the Community Led Local Development Fund resourced engagement materials and communications plan to launch a regional natural capital strategy. Initial project concluded, Stakeholder</p>

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				<p>workshop to progress scheduled May 2023.</p> <p>ACT received development funding from the Nature Restoration Fund to survey invasive rhododendron within Rainforest zones in Knapdale. Currently working with landowners. Full bid for rhodo clearance will be submitted July 2023.</p> <p>ACT leading a consortium of Alliance for Scotland's Rainforest partners to submit a bid to Facility for Investment Ready Nature in Scotland – to facilitate private finance investment into habitat restoration.</p>
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	<p>External communications</p> <p>We continue to promote actions the council is taking, and actions that others can take, to develop climate-</p>

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				<p>friendly Argyll and Bute. For example:</p> <ul style="list-style-type: none"> • Promoting Scottish. • Cost of living support – warm spaces. • Gigha Primary School Green Flag award. • £5.58 million secured to deliver energy efficiency savings. • Pupils from Appletree Nursery and Gigha and Rosneath Primary Schools won Keep Scotland Beautiful Pocket Garden Competition. • Supporting Communities Fund. • Advertised job vacancy to develop Local Heat and Energy Strategy. • Progress updates about Campbeltown Flood Protection Scheme.

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				<ul style="list-style-type: none"> • Lochgilphead to Crinan Active Travel Route. • Promotion of school uniform recycling scheme. • Christmas recycling tips – how to dispose of your tree responsibly, re-use wrapping paper and how to recycle Christmas cards etc. • Promotion of HEEPS. • Ongoing recycling reminders. • Working in partnership with Argyll Community Housing Association - ACHA Group, 406 households across Argyll and Bute set to benefit from new energy efficiency measures.

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
COMM2 - Engage with community and partners and deliver Climate Change Directory for our region	(L) Community Planning and Development Team	Delivery of engagement map	In place until end of financial year	<p>The CPP Climate Change signposting page is live https://www.argyll-bute.gov.uk/cpp-climate-change with further entries added as they are received.</p> <p>The dedicated Climate Change funding opportunities search, available through the signposting page, is conducted and an updated document produced on a regular basis.</p> <p>The Community Planning team provides input and support to the Climate Change Working Group which feeds back to the Community Planning Partnership Management Committee.</p> <p>Through community engagement data collated over the past 3 years, Climate Change was selected as a priority theme to be included within the consultation to help inform discussions on the new</p>

ACTION	LEAD (L) AND PARTNERS	TARGET or MILESTONE	FUNDING	COMMENTS
				10-year Argyll and Bute Outcomes Improvement Plan.
COMM3 - Monitor the delivery of actions in the Climate Change Action Plan and review in 2024	(L) Climate Change Board	Review of this plan by December 2024		Monitored through Tracker to be submitted quarterly to Policy & Resources Committee. Completed – next review Dec 2024

ARGYLL AND BUTE COUNCIL**POLICY & RESOURCES COMMITTEE****CLIMATE CHANGE BOARD****11th May 2023**

**UPDATE ON LOCAL HEAT & ENERGY EFFICIENCY STRATEGY (LHEES) &
ENERGY EFFICIENT SCOTLAND: AREA BASED SCHEME (EES:ABS)**

1.0 EXECUTIVE SUMMARY

- 1.1 Making all buildings in Argyll & Bute energy efficient and heat efficient is a core part of fulfilling national targets and achieving net zero by 2045. The Council has a key leadership role in leading by example when it comes to energy efficiency and low fossil fuel heating solutions but in our region only around 2% of overall greenhouse gas emissions come from Council owned or occupied buildings. It is therefore essential that the Council support all sectors in becoming more efficient and reduce reliance upon fossil fuels. All '*Commercial*' and '*Domestic Buildings*' (not public sector buildings) including private and social homes, private offices, factories, industry, retail and private leisure account for around 25% of the regional carbon footprint ¹.
- 1.2 This report provides a summary update to two important projects being undertaken by the Climate Change Board helping get domestic properties in our region to be more heat efficient and also setting out a wider heat and energy efficiency strategy.

2.0 RECOMMENDATIONS

- 2.1 That the Policy & Resources Committee:
- 2.1.1 Consider the emerging requirements to develop a Local Heat and Energy Efficiency Strategy (LHEES); and
- 2.1.2 Commend and promote the successful installation of over £3.4m worth of property upgrades in our region to make homes more heat efficient through working in partnership with Scottish Government's Energy Efficient Scotland: Area Based Scheme (EES:ABS) and other partners.

¹ [Local Authority GHG Map \(beis.gov.uk\)](https://beis.gov.uk)

**UPDATE ON LOCAL HEAT & ENERGY EFFICIENCY STRATEGY (LHEES) &
ENERGY EFFICIENT SCOTLAND: AREA BASED SCHEME (EES:ABS)**

3.0 DETAIL

3.1 Local Heat and Energy Efficiency Strategies

3.1.1 The Scottish Government's Heat in Buildings Strategy makes clear the need to ensure that, by 2045, our homes and buildings no longer contribute to climate change, while also tackling fuel poverty. This means that our schools, hospitals, libraries, homes and businesses will need to improve their energy efficiency and install zero emissions heating. This will be immensely challenging, requiring action from all of us, right across society and the economy. It is anticipated there will be significant Scottish Government investment to deliver it.

3.1.2 Local Heat and Energy Efficiency Strategies will be the principal mechanism for this to be planned and delivered locally. In January 2022, The Local Heat and Energy Efficiency Strategies (Scotland) Order 2022 placed a duty on local authorities to prepare and publish and thereafter update a Local Heat and Energy Efficiency Strategy and Delivery Plan.

3.1.3 The Order defines a Local Heat and Energy Efficiency Strategy (LHEES) as a long-term strategic framework for the improvement of the energy efficiency of buildings in the local authority's area, and the reduction of greenhouse gas emissions resulting from the heating of such buildings.

LHEES Strategies should:

- Set out how each segment of the building stock needs to change to meet national and local objectives, including achieving zero greenhouse gas emissions in the building sector, and the removal of poor energy efficiency as a driver of fuel poverty;
- Identify strategic heat decarbonisation zones, and set out the principal opportunities and measures for reducing buildings emissions within each zone; and

Prioritise areas for delivery, against national and local priorities which include:

- A. By 2045 our homes and buildings no longer contributing to climate change, as part of the wider just transition to net zero;
- B. By 2033 all homes have the equivalent of EPC C where technically and legally feasible and cost effective;
- C. By 2025 all private rented sector homes to reach a minimum standard equivalent to EPC C, where technically feasible and cost-effective, at change of tenancy, with a backstop of 2028 for all remaining existing properties;
- D. By 2030 the large majority of buildings achieve a good standard of energy efficiency;
- E. By 2030 emissions from buildings have to be 68% lower than 2020 levels, which requires zero emissions heating in the vast majority of off-gas Fossil fuel heated homes

Argyll and Bute Delivery & Progress

- 3.1.4 Scottish Government has provided dedicated funding of £75k per annum for 5 years to each Local Authority to assist deliver LHEES. In addition, Argyll and Bute Council agreed to allocate £50k from capital funding to further facilitate delivery of the LHEES.
- 3.1.5 Officers have engaged with Scottish Futures Trust, and several other Council's through HubNorth, to collectively identify an agreed and common way forward to meeting the LHEES delivery challenge. HubNorth has identified a common consultancy framework which will allow external support to be utilised by Councils to tackle what is a new and data intensive exercise.
- 3.1.6 The Council's Housing Service is in the process of recruiting an LHEES Officer who will take the lead in driving forward delivery of the LHEES with appointment likely to be made in Spring 2023. However it is important to note, that this is a multi-disciplinary exercise and will require input from a number of Council Services including Property Services, Housing, Planning, Community Planning, GIS as a minimum. It is intended to procure through hub north additional consultancy support and this can be funded from within the dedicated funding that has been identified.
- 3.1.7 Until the LHEES officer is in post, it will not be possible to identify a firm timeline for delivery on the LHEES, but it is anticipated it will be in the order of 12 months.

3.2 Scottish Governments' Energy Efficient Scotland: Area Based Scheme (EES:ABS)

- 3.2.1 Since the 1st July 2022 Argyll & Bute Council has spent over £1.2m insulating more than 160 privately owned and privately rented households through the Scottish Government's Energy Efficient

Scotland: Area Based Scheme (EES:ABS), an annual programme of grant funding to support insulation measures. The Energy Efficiency Team projects that the budget of £2.1m will be spent in full with a successful application recently being made for a further £300,000 to allow additional homes to be included in the programme.

3.2.2 The Council was also successful in applying for funding of £2.2m to work in partnership with Argyll Community Housing Association to insulate mixed-tenure properties in Tarbert, Bute and Cowal, with works having started in Cowal.

3.2.3 The Energy Efficiency Team continues to promote the Scheme throughout Argyll & Bute, with geography being no barrier to take-up, to ensure all eligible households are aware of the substantial grants available to assist in reducing harmful carbon emissions and in turn reducing energy bills.

Below are some photo examples of the completed work:-

**BEFORE ENERGY EFFICIENT WORKS @ LONGSDALE CRES, OBAN
(FRONT)**



**AFTER ENERGY EFFICIENT WORKS @ LONGSDALE CRES, OBAN
(FRONT)**



**BEFORE ENERGY EFFICIENT WORKS @ LONGSDALE CRES, OBAN
(REAR)**



**AFTER ENERGY EFFICIENT WORKS @ LONGSDALE CRES, OBAN
(REAR)**



4.0 Conclusions

- 4.1 It is a requirement for the Council to produce a LHEES and progress is being made towards this notably with the live recruitment of an LHEES Officer. Furthermore, progress is being made towards making domestic properties in Argyll & Bute more heat efficient through working with partners and implementing improvement schemes.

5. IMPLICATIONS

- 5.1 Policy – This paper content is entirely consistent with climate change policy and action at local, national and international level.
- 5.2 Financial – Scottish Government have committed annual funding of £75,000 to support appointment of an LHEES Officer and progression of this work. Various other financial commitments linked to heat efficiency and are ringfenced to climate change activity.
- 5.3 Legal – Meeting requirements of Climate Change Scotland Act.
- 5.4 HR – None
- 5.5 Fairer Scotland Duty
- 5.5.1 Equalities – Protected characteristics – None
- 5.5.2 Socio economic Duty – Creating warmer or more efficient homes that are cheaper to heat is a positive for all.
- 5.5.3 Islands – None
- 5.6 Climate change – Direct link to meeting net zero obligations for our region.
- 5.7 Risk – Not addressing impacts or causes of climate change can lead to increased cost or censure if targets are not met.
- 5.8 Customer Service – Creating warmer or more efficient homes that are cheaper to heat is a positive for all.

Douglas Hendry
Executive Director with responsibility for Commercial Services

Councillor Ross Moreland
Policy Lead Climate Change & Environment

5th April 2023

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ARGYLL AND BUTE COUNCIL**POLICY & RESOURCES COMMITTEE****CLIMATE CHANGE BOARD****11th May 2023**

Non-Domestic Energy Efficiency Framework (NDEEF) Progress Update

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides a brief progress summary of Argyll and Bute Council's Scottish Government Non-Domestic Energy Efficiency Framework project (NDEEF1) which is delivering a range of energy efficiency projects at 12no. Council properties. The delivery of these projects has been instrumental in reducing energy costs and has made a significant contribution to the Council meeting Climate Change Carbon Reduction targets.
- 1.2 The project gained approval in March 2021 and utilized provisions made in the overall Council Budget in previous years for investment in energy efficiency and climate change of up to £1.1m. Further capital block allocations totaling £0.27m for previously identified asset sustainability projects were added into the NDEEF project giving an overall project budget of £1.37m.
- 1.3 The new award of £640,000 which was approved as part of the Council Budget in February 2023 combined with the £500,000 announced in February 2022 will facilitate a continuation of this programme and deliver further energy efficiency for our estate. This report also outlines the scope of some of the projects likely to progress and be supported by this additional capital funding that will be further developed into detailed business cases.
- 1.4 To date the NDEEF project has delivered 47no. out of the 50no. individual energy efficiency mini projects identified at the start of the project in 2021. Savings of £111,831 per annum with annual carbon savings of 357 Tonnes have been delivered to date.
- 1.5 On completion the project will deliver total savings of £134,630 per annum with annual carbon savings of 421 Tonnes.

2.0 RECOMMENDATIONS

- 2.1 That the Policy & Resources Committee:-
 - 2.1.1 Note the progress made to date on the NDEEF project completing 47no. out of 50no projects so far: and
 - 2.1.2 Note and consider the climate change projects outlined at Section 4 that

will be developed in 2023 onwards and will form NDEEF Project 2 that will commit a further £1.5m into projects relating to energy efficiency, reducing reliance on fossil fuels and increasing efficiency.

3.0 DETAIL

- 3.1 **Background** – Scotland is transitioning to a net-zero emissions outcome for the benefit of our environment, our people, and our prosperity. Scotland’s climate change legislation sets a target date for net-zero emissions of all greenhouse gases by 2045. The Scottish Government is currently updating its Climate Change Plan to reflect the increased ambition of the new targets set in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019. The Council’s Climate Change Board and Climate Change Environmental Action Group also seek to reduce greenhouse gas emissions by the Council both directly and indirectly.
- 3.2 Carbon emissions associated with the Council’s estate and buildings accounts for over 20% of the Council’s overall carbon footprint. These emissions arise from use of electricity, gas, heating oil and water in premises. Whilst a number of energy efficiency projects like insulation and switching to LED lighting or generating renewables have already been achieved more can be done. Switching to more efficient technologies will not only benefit both energy consumption and energy cost but will also improve ‘green credentials’.
- 3.3 Approximately £1.37m of viable project work was identified across 12no. assorted premises and a tender exercise was carried out utilizing the Scottish Government’s ‘Non-Domestic Energy Efficiency Framework (NDEEF)’. Framework providers were required to offer a level of energy performance guarantees. This robust energy performance contracting approach provided the opportunity to reduce carbon emissions, achieve substantial guaranteed energy savings, and cut costs through energy efficiency and energy generation measures.
- 3.4 The NDEEF was developed by the Scottish Government to provide a route to market for the effective delivery of retrofit energy efficiency works to existing non-domestic public buildings.
- 3.5 The framework has been developed over the past seven years by the Scottish Futures Trust (SFT), a public funded infrastructure delivery body, combined with assistance from the international engineering consultants Mott MacDonald. Further information is provided at:

<https://www.scottishfuturestrust.org.uk/page/energy-efficiency>
- 3.6 The framework is managed by Scottish Procurement, who are part of the Scottish Government, and has been developed to help public sector bodies progress their energy efficiency projects within their estates in order to achieve the legislated 2045 emission targets. The framework provides a list of eleven pre-selected

contractors that the public sector can call-off to retrofit energy efficiency works. Further information is provided at:

<https://www.gov.scot/publications/non-domestic-energy-efficiency-procurement-framework-buyers-guide/>

- 3.7 **NDEEF1 Approach** – A Commodity Sourcing Strategy for Energy Efficient Solutions was conducted and approved the use of the NDEEF as the preferred delivery mechanism. Subsequently, Procurement and Energy and Building Services Team staff engaged with Mott MacDonald to prepare an Invitation to Mini Competition (ITMC) for the delivery of various energy efficiency works at 12no. Council properties.
- 3.8 The Council conducted a mini competition amongst the Contractors who were party to the Framework Agreement.
- 3.9 Following this competitive tendering process, Asset+ Energy Performance Ltd were appointed as the Energy Services Company (ESCo) to deliver the full programme of works. Investment Grade Energy Audits were carried out across all 12no. buildings, detailed surveys were carried out, firm quotations received, energy calculations undertaken and stakeholders engaged with. This ensured that the figures contained within the final Investment Grade Proposal were fixed and guaranteed through the life of the payback by Asset+. Any shortfall between the agreed level of energy consumption savings and those achieved as determined through an internationally agreed approach to Measurement and Verification (M&V), conducted by an independent M&V Specialist, is deducted from payment otherwise due to be made to Asset+.
- 3.10 **NDEEF1 Financials** – The use of the framework on this occasion was targeted at 12no. Council buildings and when fully complete will deliver 50no. energy efficiency mini projects totaling a value of £1.37m which will deliver annual energy savings of £134,630 and annual carbon savings of 421 Tonnes.
- 3.11 **NDEEF1 Detail** - The properties which are ultimately being delivered in the NDEEF1 project, the Energy Conservation Measure (ECM), the cost of works, the savings and the completion dates comprise;

ECM	Capital		Savings		Date Completed
	£	kWh	CO ₂	£	
<u>LED Lighting Upgrade</u>					
Manse Brae Roads Office	19,322	37,150	10.30	3,269	Dec-21
Kilmory Castle & Estate	81,351	87,294	24.21	11,348	Jan-22
Lochgilphead CEC	10,276	12,921	3.58	1,137	Dec-21
Riverside Leisure Centre	8,824	7,804	2.16	1,014	Jan-22
Rothsay Leisure Pool	6,799	8,313	2.31	1,081	Sep-21
Graham Williamson IT Centre	9,161	10,513	2.92	925	Sep-21
Lochgilphead Resource Centre	10,284	10,305	2.86	907	Nov-21
Arrochar Primary School	17,648	20,890	5.79	1,838	Sep-21
Cardross Primary School	27,881	29,151	8.08	4,198	Aug-22
Kintyre House	29,767	30,780	8.54	4,001	Sep-21
<u>Solar PV</u>					
Kilmory Castle & Estate	81,246	38,329	10.63	5,519	Due April/May 23
Cardross Primary School	109,337	64,603	17.91	11,279	Due April 23
Blackhill Roads Depot	36,529	19,176	5.32	2,493	Jan-23
Rothsay Leisure Pool	51,023	34,620	9.60	4,501	May-22
Graham Williamson IT Centre	51,023	18,608	5.16	1,638	Oct-22
Lochgilphead Resource Centre	21,685	8,859	2.46	780	May-22
Kintyre House	31,889	20,470	5.68	2,661	Apr-22
<u>BMS Optimisation</u>					
Manse Brae Roads Office	1,870	18,706	4.82	1,033	Jul-22
Kilmory Castle & Estate	12,710	98,954	24.83	6,089	Jul-22
Lochgilphead CEC	1,870	12,843	3.31	721	Jul-22
Rothsay Leisure Pool	5,617	67,922	12.95	1,891	Jul-22
Strachur Primary School	2,125	6,863	1.77	380	Jul-22
The Moat CEC	1,870	12,843	3.31	721	Jul-22
Cardross Primary School	25,461	52,486	3.31	721	Jul-22
Lochgilphead Resource Centre	1,870	17,316	4.45	936	Jul-22
Kintyre House	6,820	12,628	3.50	1,642	Jul-22
<u>Covert Oil Boiler to ASHP</u>					
Cardross Primary School (Gas)	146,000	130,000	35.00	6,000	Due Jun/July 23
Manse Brae Roads Office	70,145	115,145	29.57	4,975	Final Comissioning Due Mar 2023
Lochgilphead CEC	67,928	107,588	27.63	4,648	Final Comissioning Due Mar 2023
Strachur Primary School	48,523	70,069	17.99	3,027	Final Comissioning Due Mar 2023
Lochgilphead Resource Centre	51,023	81,877	21.03	3,317	Final Comissioning Due Mar 2023
Arrochar Primary School	72,373	65,453	16.81	2,788	Final Comissioning Due Mar 2023
<u>Boiler Optimiser</u>					
Rothsay Leisure Pool	3,189	68,677	12.63	1,360	Oct-22
<u>Fridge Optimiser</u>					
Kilmory Castle & Estate	1,818	3,805	1.06	495	Oct-22
Strachur Primary School	620	1,183	0.33	104	Oct-22
Lochgilphead Resource Centre	950	1,809	0.50	159	Oct-22
Arrochar Primary School	621	1,183	0.33	104	Oct-22
<u>Server Room Cooling Upgrade</u>					
Kilmory Castle & Estate	92,959	114,581	31.77	16,500	Dec-22
Graham Williamson IT Centre	7,564	20,148	5.59	2,619	Mar-22
<u>Pool Pump Control</u>					
Riverside Leisure Centre	9,567	41,800	11.59	5,434	Mar-22
Rothsay Leisure Pool	9,567	28,500	7.90	3,705	Mar-22
<u>Coolnomix A/C Optimisation</u>					
Kilmory Castle & Estate	5,687	16,650	4.62	2,165	Jan-23
Riverside Leisure Centre	2,843	3,303	0.92	429	Jan-23
Rothsay Leisure Pool	2,843	3,303	0.92	429	Jan-23
Kintyre House	11,480	9,909	2.75	1,288	Jan-23
<u>Self-learning eTRV</u>					
Manse Brae Roads Office	1,276	2,285	0.63	201	Feb-22
<u>Valve Wrap</u>					
Kilmory Castle & Estate	15,446	34,938	0.55	1,781	Oct-22
Lochgilphead CEC	4,001	2,562	0.71	225	Oct-22
Strachur Primary School	638	556	0.15	49	Oct-22
Lochgilphead Resource Centre	638	1,165	0.32	103	Oct-22
TOTALS:-	1,291,958	1,686,836	421	134,630	

3.12 The properties were selected on the basis of perceived opportunities for energy efficiency savings and because previously identified capital works to replace the existing oil fired heating systems were required to be delivered at some of these locations.

3.13 Site pictures are included below to highlight some of the energy efficiency projects carried out;

1. Kintyre House LED Lighting Conversion



2. Strachur Primary School Air Source Heat Pump Install



Air Source Heat Pumps

3. Lochgilphead Learning Resource Centre Solar PV Install



4. Kilmory Castle Server Room Cooling Upgrade



4.0 NEXT STAGE – NDEEF2

It is proposed that the NDEEF framework is further utilized in 2023 to enhance our position by undertaking another project of similar size and scale. Data gathering and feasibility works are underway to fully define the site list and scope the potential energy efficiency opportunities. Currently 16no. unfunded projects are at initial case selection. Projects will be developed and investment business cases taken to point of commitment in 2023/24. Due to most sites being on Education estate most will await school holidays for actual installation to deliver. Contracts would be signed / committed in 2023/24 year. A list of projects currently under consideration for Business Case are:-

SITE	CLIMATE CHANGE / ENERGY EFFICIENT TECHNOLOGY
Carradale Primary School	LED Lighting, Solar PV, BMS Optimisation, Heating Optimisation
Hermitage Academy	LED Lighting, BMS Optimisation, Heating Optimisation
Lochgilphead Joint Campus	LED Lighting, BMS Optimisation, Heating Optimisation
Oban High School	LED Lighting, Solar PV, BMS Optimisation, Heating Optimisation
Dunoon Grammar School	LED Lighting, BMS Optimisation, Heating Optimisation
Rothesay Joint Campus	LED Lighting, BMS Optimisation, Heating Optimisation
Lismore Primary School	LED Lighting, ASHP, BMS Optimisation
Kirn Primary School	LED Lighting, Solar PV, BMS Optimisation, Heating Optimisation
Oban Joint Primary Campus	LED Lighting, BMS Optimisation, Heating Optimisation
Campbeltown Grammar School	LED Lighting, Solar PV, BMS Optimisation, Heating Optimisation
Tighnabruaich Primary School	LED Lighting, ASHP, BMS Optimisation
Port Ellen Primary School	LED Lighting, ASHP, BMS Optimisation
Lorn Resource Centre	ASHP, BMS Optimisation
Easdale Primary School	ASHP, BMS Optimisation
Keills Primary School	LED Lighting, ASHP, BMS Optimisation
Dalmally Primary School	LED Lighting, ASHP, BMS Optimisation

LED- light emitting diode (energy efficient lighting)

ASHP - Air Source Heat Pump (low carbon heating)

BMS - Building Management System

PLEASE NOTE NOT ALL OF THESE PROJECTS WILL BE ABLE TO PROCEED & ALL WILL BE SUBJECT TO BUSINESS CASE. THIS IS A SCOPING LIST THAT WILL BE REFINED DEPENDING ON THE BUSINESS CASE ANALYSIS

5.0 CONCLUSION

5.1 As the profile of energy and environmental issues continues to rise, this project has played a significant role in helping the Council to comply with increasingly challenging carbon reduction targets whilst integrating robust monitoring and verification procedures into its capital delivery program to validate savings achieved.

- 5.2 This delivery model has maximized best use of Council resources whilst ensuring best-in-class energy efficiency solutions were deployed resulting in value for money low carbon technologies across our built estate.

6.0 IMPLICATIONS

- 6.1 Policy – This paper content is entirely consistent with climate change policy and action at local, national and international level.
- 6.2 Financial – Capital and revenue investment is required to make our estate more energy efficient and to meet Climate Change obligations. More energy efficient buildings will also assist help reduce energy consumption and reduce or stabilize utilities costs. Outlines potential projects aligned to Council Budget decision relating to Climate Change.
- 6.3 Legal – Meeting requirements of Climate Change Scotland Act.
- 6.4 HR – None
- 6.5 Fairer Scotland Duty
- 6.5.1 Equalities – Protected characteristics – None
- 6.5.2 Socio economic Duty – Creating more efficient buildings that are cheaper to heat is a positive for all.
- 6.5.3 Islands – None specific
- 6.6 Climate change – Direct link to meeting net zero obligations for our Council.
- 6.7 Risk – Not addressing impacts or causes of climate change can lead to increased cost or censure if targets are not met.
- 6.8 Customer Service – Creating warmer or more efficient buildings that are cheaper to heat is a positive for all.

Douglas Hendry
Executive Director with responsibility for Commercial Services

Councillor Ross Moreland
Policy Lead Climate Change & Environment

5th April 2023

For further information contact:
Ross McLaughlin, Head of Commercial Services

Policy and Resources Committee Work Plan 2023-2024

This is an outline plan to facilitate forward planning of reports to the Policy and Resources Committee.					
Date	Report Title	Dept/Section	How Often?	Date Due	Comments
11 May 2023	Budget Outlook	Financial Services		11 April 2023	
	Budget Approach 2024/25	Financial Services			
	Public Sector Reform Update	Chief Executive			
	Argyll and Bute Equality Mainstreaming Report and Equal Pay Audit	Customer Support Services			
	Strategic Events and Festivals	Development and Economic Growth			
	Climate Change Board:				
	Deposit Return Scheme (DRS) – Implications for Argyll and Bute including Council services and stakeholders	Commercial Services /D&I			
	Council Carbon Emissions and Carbon Literate Organisation (CLO) Bronze Award	Commercial Services			
	Decarbonisation Plan Tracker	Commercial Services			
	Update on Local Heat & Energy Efficiency Strategy (LHEES) & Energy Efficient Scotland: Area Based Scheme (EES:ABS)	Commercial Services			

Policy and Resources Committee Work Plan 2023-2024

	Non-Domestic Energy Efficiency Framework (NDEEF) Progress Update	Commercial Services			
Date	Report Title	Dept/Section	How Often?	Date Due	Comments
12 August 2023	Financial Report Monitoring Pack	Financial Services	Every meeting except May	11 July 2023	
	Budget Outlook	Financial Services			
	Service Annual Performance Reviews	Customer Support Services			
	Community Empowerment (Scotland) Act 2015 – Update on Expressions of Interest / Asset Transfer Requests	Commercial Services			
Date	Report Title	Dept/Section	How Often?	Date Due	Comments
12 October 2023	Financial Report Monitoring Pack	Financial Services	Every meeting except May	12 September 2023	
	Budget Outlook	Financial Services			
	Policy For Empty Property Relief In Non-Domestic Rates From 1 April 2024	Financial Services			Agreed 13.10.22 that an update would be provided in October 2023
Date	Report Title	Dept/Section	How Often?	Date Due	Comments
7 December 2023	Financial Report Monitoring Pack	Financial Services		7 November 2023	
	Budget Outlook	Financial Services			

Policy and Resources Committee Work Plan 2023-2024

	Annual Review of Procurement Strategy and Sustainable Procurement Policy	Legal and Regulatory Support			
Date	Report Title	Dept/Section	How Often?	Date Due	Comments
15 February 2024	Financial Report Monitoring Pack	Financial Services	Every meeting except May	16 January 2024	
	Budget 2024-2025	Financial Services			
	Treasury Management Strategy	Financial Services			
	Strategic Events and Festivals	Development and Economic Growth			
Future Items – Date to be determined.					
	Key Performance Indicators FQ2 – 2022/2023 – changing to Corporate Outcome Indicators	Customer Support Services	Annual		
	Historic Environment Scotland Heritage and Place Programme – Opportunity for Place Based Heritage Funding	Development and Economic Growth			
	UK Shared Prosperity Fund – Argyll and Bute Investment Plan	Development and Economic Growth			Regular updates to be provided. Agreed 11.08.2022

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