

Argyll and Bute Council
Comhairle Earra-Ghàidheal Agus Bhòid

Customer Services
Executive Director: Douglas Hendry



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22 October 2015

NOTICE OF MEETING

A meeting of the **POLICY AND RESOURCES COMMITTEE** will be held in the **COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD** on **THURSDAY, 29 OCTOBER 2015** at **10:30 AM**, which you are requested to attend.

Douglas Hendry
Executive Director of Customer Services

BUSINESS

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF INTEREST (IF ANY)**
- 3. MINUTES**
 - (a) Policy and Resources Committee held on 20 August 2015 (Pages 1 - 14)
 - (b) Special Policy and Resource Committee held on 8 October 2015 (Pages 15 - 20)
- 4. FINANCIAL REPORTING 2015/16 - MONITORING PACK - AUGUST 2015** (Pages 21 - 26)

Report by Head of Strategic Finance
- 5. MODERN APPRENTICESHIP SCHEME** (Pages 27 - 38)

Report by Executive Director – Customer Services
- 6. RECOGNITION OF NHS SERVICE** (Pages 39 - 42)

Report by Executive Director – Customer Services
- 7. EMPLOYEE ENGAGEMENT STRATEGY** (Pages 43 - 58)

Report by Executive Director – Customer Services
- 8. COMMUNITY BENEFITS CLAUSES IN PROCUREMENT GUIDE** (Pages 59 - 94)

Report by Executive Director – Customer Services

9. UPDATE ON COUNCIL'S SUPPLIER DEVELOPMENT PROGRAMME (Pages 95 - 102)

Report by Executive Director – Customer Services

10. SPSO CONSULTATION ON SCOTTISH WELFARE FUND (Pages 103 - 114)

Report by Executive Director – Customer Services

11. MONITORING OF GRANTS TO THE THIRD SECTOR 2014/15 (Pages 115 - 126)

Recommendation by the Helensburgh and Lomond Area Committee of 11 August 2015

12. POLICY AND RESOURCES COMMITTEE WORK PLAN AS AT OCTOBER 2015 (Pages 127 - 130)

13. LORN ARC - UPDATE REPORT AS AT 21 SEPTEMBER 2015 (Pages 131 - 136)

Report by Executive Director – Development and Infrastructure Services

E1 (a) LORN ARC APPENDICES (Pages 137 - 144)

E2 14. ARGYLL AND BUTE EMPLOYABILITY TEAM - OPTIONS FOR FINANCIAL SUSTAINABILITY (Pages 145 - 154)

Report by Executive Director – Development and Infrastructure Services

E1 15. UPDATE OF SALE OF CASTLE TOWARD ESTATE (Pages 155 - 158)

Report by Executive Director of Customer Services

The Committee 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 8 The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

Paragraph 9 Any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract for the acquisition or disposal of property or the supply of goods or services.

E2 Paragraph 1 Information relating to a particular employee, former employee or applicant to become an employee of, or a particular office-holder, former office-holder or applicant to become an office-holder under the authority.

Paragraph 8 The amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods or services.

Policy and Resources Committee

Councillor Dick Walsh (Chair)
Councillor Robin Currie

Councillor Rory Colville
Councillor Mary-Jean Devon

Councillor Donald Kelly
Councillor Iain MacLean
Councillor Aileen Morton
Councillor Gary Mulvaney
Councillor James Robb
Councillor Isobel Strong

Councillor Roderick McCuish
Councillor Alistair MacDougall
Councillor Ellen Morton (Vice-Chair)
Councillor Douglas Philand
Councillor Len Scoullar
Councillor Sandy Taylor

Contact: Hazel MacInnes Tel: 01546 604269

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**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the COUNCIL
CHAMBER, KILMORY, LOCHGILPHEAD
on THURSDAY, 20 AUGUST 2015**

Present: Councillor Dick Walsh (Chair)

Councillor Rory Colville	Councillor Gary Mulvaney
Councillor Robin Currie	Councillor Douglas Philand
Councillor Mary-Jean Devon	Councillor James Robb
Councillor Roderick McCuish	Councillor Len Scoullar
Councillor Alistair MacDougall	Councillor Isobel Strong
Councillor Aileen Morton	Councillor Sandy Taylor
Councillor Ellen Morton	

Also Present: Councillor Duncan MacIntyre

Attending: Sally Loudon, Chief Executive
Douglas Hendry, Executive Director – Customer Services
Pippa Milne, Executive Director – Development and Infrastructure Services
Cleland Sneddon, Executive Director – Community Services
Charles Reppke, Head of Governance and Law
Steve Barrett, Interim Head of Strategic Finance
Kirsty Flanagan, Finance Manager
Michael Nicol, Trainee Solicitor
Peter Cupples, Finance Manager
Judy Orr, Head of Customer and Support Services
Jane Fowler, Head of Improvement and HR
Malcolm MacFadyen, Head of Facility Services
Mike Casey, Schools Development Project Manager
Margaret Moncur, Finance Manager

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Donald Kelly and Councillor Iain MacLean.

2. DECLARATIONS OF INTEREST

Councillor Rory Colville declared a non financial interest in item 23 of the agenda (Request for Cash Flow Loan by South Kintyre Development Trust) due to the fact that he was a member of the South Kintyre Development Trust.

3. MINUTES

(a) POLICY AND RESOURCES COMMITTEE HELD ON 14 MAY 2015

The Minutes of the Meeting of the Policy and Resources Committee held on 14 May 2015 were approved as a correct record.

(b) SPECIAL POLICY AND RESOURCES COMMITTEE HELD ON 22 JUNE 2015

The Minutes of the Meeting of the Special Policy and Resources Committee held on 22 June 2015 were approved as a correct record.

4. FINANCIAL REPORTING 2015-16 SUMMARY

The Committee considered a report providing a summary of the financial monitoring reports as at the end of June 2015.

Decision

The Committee –

1. Noted the Revenue Budget Monitoring Report as at 30 June 2015.
2. Noted the current assessment of the Council's financial risks.
3. Noted the overall level of reserves and balances and noted the monitoring of the earmarked reserves.
4. Noted the Capital Plan Monitoring Report as at 30 June 2015.
5. Noted the Treasury Monitoring Report as at 30 June 2015.

(Reference: Report by Interim Head of Strategic Finance dated 10 August 2015, submitted)

5. SERVICE CHOICES

A report was considered which updated Members on the progress to date with the Service Choices process and which outlined recommendations on the way forward with the Service Choices process over the coming months.

Motion

That the Committee approve the recommendations contained within the report –

1. Members to note the progress being made on Service Choices through the Project Board, with feedback from the Member's Workshop of 5 June being taken on board and informing actions and work going forward.
2. The report to the Policy and Resources Committee on 22 June envisaged that service targets would be brought to the meeting on 20 August. The Project Board of the 30 June considered the savings options and now recommend the following which Members are asked to approve –

- Category 1 Management/Operational options where there are no policy or HR implications are noted and will be delivered as part of normal business.
 - Category 2 Policy Options are all progressed through to Stage 3 with further consideration of these options prior to consultation.
 - Category 3 Other Alternative Options are not progressed at this stage as they are alternative to the options already being further developed in Category 2.
3. Members to endorse the Project Board recommendation that for planning purposes an indicative target range of savings of 4% to 6% is applied to Social Work Services. This is in line with the average percentage reduction applied across other Council services included within Service Choices and provides a degree of flexibility in developing options, until confirmation of the financial settlement is received. The final decision on the reduction will require approval by Council.

Moved Councillor Dick Walsh, seconded Councillor Ellen Morton.

Amendment

That the Committee approve –

1. Members to note the progress being made on Service Choices through the Project Board, with feedback from the Member's Workshop of 5 June being taken on board and informing actions and work going forward. To note that a majority of Members didn't have access to the information that was provided to the Project Board.
2. The report to the Policy and Resources Committee on 22 June envisaged that service targets would be brought to the meeting on 20 August. The Project Board of the 30 June considered the savings options and now recommend the following which Members are asked to approve –
 - Category 1 Management/Operational options where there are no policy or HR implications are noted and will be delivered as part of normal business.
 - Category 2 Policy Options are all progressed through to Stage 3 with further consideration of these options prior to consultation.
 - Category 3 Other Alternative Options are not progressed at this stage as they are alternative to the options already being further developed in Category 2.
3. Members to endorse the Project Board recommendation that for planning purposes of the Health and Social Care Partnership, an indicative target range of savings of 4% to 6% is applied to Social Work Services. This is in line with the average percentage reduction applied across other Council services included within Service Choices and provides a degree of flexibility in developing

options, until confirmation of the financial settlement is received. The final decision on the reduction will require approval by Council.

Moved Councillor James Robb, seconded Councillor Sandy Taylor.

Decision

Following a show of hands vote the Motion was carried by 11 votes to 3 and the Committee resolved accordingly.

(Reference: Report by Interim Head of Strategic Finance dated 30 July 2015, submitted)

6. PERFORMANCE REPORTING FQ1 2015-16

The Committee considered a report presenting the Customer Services departmental performance report with the scorecards for Strategic Finance and Customer Services for FQ1 2015-16.

Decision

The Committee –

1. Noted the scorecards as presented.
2. Agreed the removal of redundant measure 'actual audit days as % of planned' from the Strategic Finance scorecard.
3. Noted that revised performance indicators for internal audit would be proposed to the Audit Committee, in the first instance, at its meeting in September 2015.

(Reference: Report by Executive Director – Customer Services dated August 2015, submitted)

7. AUDIT SCOTLAND ACTION PLAN - UPDATE

A report providing Members with a further update on the Audit Scotland Action Plan was considered.

Decision

The Committee noted the content of the report and the updated Action Plan as detailed at appendix one to the report.

(Reference: Report by Executive Director – Customer Services dated 20 July 2015, submitted)

8. LAND REFORM (SCOTLAND) BILL 2015

A report outlining some of the main provisions contained within the Land Reform (Scotland) Bill was considered. The report also identified some

potential implications for the Council and recommended that Members make representation to the Scottish Government in respect of these. The Scottish Parliament had issued two calls for evidence from the Rural Affairs Committee and from the Finance Committee.

Decision

The Committee -

1. Noted the information contained in the report by the Executive Director of Customer Services in relation to the Land Reform (Scotland) Bill 2015.
2. Recognised that while the Land Reform (Scotland) Bill is an important and far reaching piece of legislation, the intention of which is to be broadly welcomed, there are a number of issues arising in relation to the Bill.
3. Recognised that the nature of the Argyll and Bute area is such that there are differing views in relation to the various provisions contained within the Bill.

The Committee therefore agreed -

1. That Officers note the key points of concern as expressed by Members in the debate, and that the Council's response to the Scottish Government is made on the basis as set out in the report.
2. That the Executive Director of Customer Services be delegated to, in consultation with the Leader and Deputy Leader of the Council and the Leader of the largest opposition party, to draft the final response of the Council to the Scottish Government's call for evidence in relation to the Bill.
3. To encourage any council Member who has an interest in, or strong views on any of the provisions contained within the Bill, or the Bill as a whole, to make representations to the Scottish Government on an individual basis, provided that those views are consistent with the standards of conduct required of them as Council Members.

(Reference: Report by Executive Director – Customer Services dated August 2015, submitted)

9. LOCAL GOVERNMENT BOUNDARY COMMISSION FOR SCOTLAND - PUBLIC CONSULTATION ON PROPOSED ELECTORAL WARDS

The Committee considered a report providing Members with an update on the Local Government Boundary Commission for Scotland's Fifth Review of Electoral Arrangements. The report provided members with an outline of Argyll and Bute Council's engagement with the local authority consultation phase, details of the Council's official response, the public consultation arrangements and the next stages of the Local Government Boundary Commission for Scotland's Fifth Electoral Review Process.

Decision

The Committee –

1. Noted the contents of the report.
2. Agreed to maintain its objection in principle to the proposals that will reduce councillor numbers in Argyll and Bute by 3, notwithstanding the previous submission of a technical response.
3. Agreed to further reinforce the Council's position regarding the apparent disregard by the Local Government Boundary Commission to deprivation, rurality and Island issues as well as natural community links within the boundaries of Argyll and Bute.
4. Agrees to support community engagement activity to encourage a wide response to the Public Consultation.
5. Agreed that a letter be issued to all 16 MSPs who represent Argyll and Bute signed by the Leader, Depute Leader, and Leader of the main opposition group requesting that they support the Council's position and asking that, when the matter comes before Scottish ministers by way of an order before finalisation by the Scottish Parliament, the status quo is maintained for Argyll and Bute in terms of councillor numbers and ward boundaries.

(Reference: Report by Executive Director – Customer Services dated 4 August 2015, submitted)

10. DISCRETIONARY HOUSING PAYMENTS POLICY UPDATE

A report was considered advising of the need to update the policy for awarding Discretionary Housing Payments to claimants in receipt of Housing Benefit, and who are deemed to be in high, medium and or low levels of hardship.

Decision

The Committee approved the proposed amendment to the policy for awarding Discretionary Housing Payments as detailed at appendix one to the report by the Executive Director.

(Reference: Report by Executive Director – Customer Services dated 12 August 2015, submitted)

The Chair ruled and the Committee agreed to adjourn for lunch at 1.10pm and to reconvene at 1.45pm.

The Committee reconvened at 1.45pm. Councillor Mary Jean Devon was not present at this point.

11. COUNCIL TAX ON EMPTY PROPERTIES

The Committee considered a report proposing amendments to the Policy for the imposition of a double council tax charge on a long term empty property to provide a new owner with a minimum of a 12 month period before the double charge is imposed, where it is undergoing major repairs or structural alteration.

Decision

The Committee approved the amendment to the policy for charging double council tax on long term empty properties so that where major repairs are underway which require planning permission and/or building warrant and the property has recently been purchased by a new owner, the double charge is only applied after a 12 month period.

(Reference: Report by Executive Director – Customer Services dated 15 June 2015, submitted)

12. CONSULTATION ON REGULATIONS AND GUIDANCE UNDER THE WELFARE FUNDS (SCOTLAND) ACT 2015

The Committee considered a report containing a draft response to the consultation on Regulations and Guidance under the Welfare Funds (Scotland) Act 2015.

Decision

The Committee approved the draft response to the consultation as detailed at appendix one to the report by the Executive Director.

(Reference: Report by Executive Director – Customer Services dated 12 August 2015, submitted)

13. CONSULTATION ON PROPOSAL FOR A CYBER RESILIENCE STRATEGY FOR SCOTLAND

The Committee considered a draft response from the Council on the consultation on a proposal for a Cyber Resilience Strategy for Scotland.

Decision

The Committee approved the draft response to the consultation as detailed at appendix one to the report by the Executive Director.

(Reference: Report by Executive Director – Customer Services dated 17 July 2015, submitted)

14. SMITH AGREEMENT INQUIRY: CALL FOR EVIDENCE FROM WELFARE REFORM COMMITTEE

A report containing a draft response to a call for evidence from the Welfare Reform Committee in respect of the Smith Agreement Inquiry was considered.

Motion

That the Committee approve the draft response as detailed at appendix one to the report by the Executive Director.

Moved Councillor James Robb, Seconded Councillor Isobel Strong.

Amendment

That the Committee approve the draft response as detailed at appendix one to the report by the Executive Director subject to the deletion of the first two sentences of paragraph two of the response to question (a) on Page 117 of the agenda pack.

Moved Councillor Ellen Morton, seconded Councillor Gary Mulvaney.

Decision

Following a show of hands vote the Amendment was carried by ten votes to three and the Committee resolved accordingly.

(Reference: Report by Executive Director – Customer Services dated 12 August 2015, submitted)

Councillor Mary Jean Devon rejoined the meeting at this point.

15. PROCUREMENT AND COMMISSIONING STRATEGY 2015-2018

A report setting out the updated Procurement and Commissioning Strategy covering the period 2015-18 was considered. The Strategy would replace the previous one covering the period 2012-15.

Decision

The Committee –

1. Approved the Procurement and Commissioning Strategy 2015-18.
2. Approved the increase in the closed tender threshold for works contracts from £350k to £500k which allows works contracts up to this value to be tendered via a pre-selected list allowing local suppliers the ability to bid for these, which supports the Strategy's principles.

(Reference: Report by Executive Director – Customer Services dated 21 July 2015, submitted)

16. CORPORATE IMPROVEMENT STRATEGY

A report which presented a draft Corporate Improvement Strategy for approval by the Committee was considered.

Decision

The Committee –

1. Noted the content of the report.
2. Approved the draft Corporate Improvement Strategy as detailed at appendix one to the report by the Executive Director.

(Reference: Report by Executive Director – Customer Services dated 15 July 2015, submitted)

17. VOLUNTARY REDUNDANCY

A report setting out proposals to invite expressions of interest from employees for voluntary redundancy was considered. The report set out the proposed approach and timeline and highlighted the policy position which underpinned the proposal.

Decision

The Committee –

1. Agreed that management proceed to invite expressions of interest in voluntary redundancy from employees starting in late August 2015.
2. Agreed to exclude Teachers and SSSC registered Social Care staff from the process.
3. Noted that employees will be made aware that an expression of interest in voluntary redundancy does not mean that it will be granted.
4. Acknowledged that additional staff resource will be required within HR to manage the process, and noted that this requirement is outlined in a separate report.
5. Noted that there will inevitably be staff reductions in order to achieve the savings requirements over the next five years and the Council will need to consider making an allowance for the cost of severance, which could be significant.

(Reference: Report by Executive Director – Customer Services dated 22 July 2015, submitted)

18. HERMITAGE PARK, HELENSBURGH

A report providing an update on the current development phase of the Hermitage Park, Heritage Lottery Fund, Parks for People Stage Two Bid was considered.

Decision

1. Approved in principle the final masterplan.
2. Approved and adopted in principle the ten year Management and Maintenance Plan and associated financial resources needed to deliver the plan, which must meet and achieve Green Flag Standards for ten years after project completion.
3. Delegated authority to the Director of Development and Infrastructure to intimate agreement to HLF.
4. Noted that funding will come from within existing amenity services budgetary spend for Hermitage Park.

(Reference: Report by Executive Director – Development and Infrastructure Services dated August 2015, submitted)

19. ROTHESAY TOWNSCAPE HERITAGE PHASE 2 STAGE ONE BID

A report providing a background to the Townscape Heritage funding call and which highlighted the impact, deliverability, affordability and associated risk was considered. The report recommended that the Council submit a first round bid to the Heritage Lottery Fund by 31 August 2015.

Decision

The Committee –

1. Agreed to the submission of a stage one bid.
2. Noted that if the stage one bid is successful there will be a need to identify £200k of match funding to allow the project to progress to stage two.

(Reference: Report by Executive Director – Development and Infrastructure Services dated August 2015, submitted)

20. UPDATE ON IMPLEMENTATION OF NEW POLICY - PAVEMENT CAFE LICENSES

The Committee considered a recommendation from the Environment, Development and Infrastructure Committee held on 13 August 2015 to approve an amended Pavement Café Licence Policy and to waive the

Pavement Café Licence for a further year.

Decision

The Committee –

1. Agreed the proposal to waive the Pavement Café Licence fee for a further year.
2. Approved the amended Café Pavement Licence Policy as detailed at Appendix one to the report by the Executive Director.

(Reference: Recommendation from Environment, Development and Infrastructure Services Committee held on 13 August 2015 and report by Executive Director – Development and Infrastructure Services dated 13 July 2015, tabled)

21. POLICY AND RESOURCES COMMITTEE WORK PLAN

The Committee considered the Policy and Resources Committee Work Plan as at August 2015.

Decision

The Committee noted the updated work plan.

(Reference: Policy and Resources Committee Work Plan dated August 2015, submitted)

The Committee noted that, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, Appendix 2 of the following item of business contained exempt information as defined in Paragraph 1 of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

22. RESOURCING SERVICE CHOICES PROCESS - HR SERVICE

A report was considered which set out issues and proposed solutions to supporting the Council and its employees through the process of Service Choices.

Decision

The Committee –

1. Noted the additional work generated for HR by the Service Choices process and the inability for the service to deliver all of this additional work from existing resources. The professional advice and support will continue to be delivered from within existing HR resources, but there is a need to augment the administrative resources. This will be done by utilising wider Departmental funding.
2. Noted that the additional resources can be funded from the existing

2015-16 Customer Services departmental forecast underspend, and agreed that the budget to be earmarked and the balance permitted to be carried forward to fund the additional posts for a maximum of 2 years. This will allow the HR service to support the administrative elements of the service choices process. Earmarked balances are routinely monitored and any balance no longer required would be returned to the General Fund Reserve.

3. Agreed that the Year 2 savings of up to 25% for IHR, which involve the full implementation of service redesign, creating an integrated team that puts people at the heart of performance, are profiled for year 3 to ensure that the service has sufficient resource to support the organisation through the significant change of Service Choices in Years 1 and 2.
4. Agreed that the Service Choices proposal set out in Appendix 2 is accelerated for immediate implementation, noting that this will put in place a transitional structure that is equipped to support the organisation through Years 1 and 2 of Service Choices.

(Reference: Report by Executive Director – Customer Services dated 22 July 2015, submitted)

The Committee resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for the following 4 items of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraphs 4; 8&9; 8&9 and 8&9 respectively of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

Councillor Rory Colville, who had previously declared a non financial interest in the following item of business, left the meeting at this point and took no part in the consideration of this item.

23. REQUEST FOR CASH FLOW LOAN BY SOUTH KINTYRE DEVELOPMENT TRUST

The Committee considered a report outlining a request for a Cash Flow Loan from South Kintyre Development Trust.

Decision

The Committee agreed the recommendations as detailed within the report by the Interim Head of Strategic Finance.

(Reference: Report by Interim Head of Strategic Finance dated August 2015, submitted)

Councillor Rory Colville rejoined the meeting.

24. HELENSBURGH OFFICE ACCOMMODATION - UPDATE

The Committee considered a report providing an update on the Helensburgh Office Project.

Decision

The Committee

1. Agreed the recommendations as detailed within the report by the Executive Director.
2. Agreed that a Press release providing an update on the current situation with regards to the project be produced by Executive Director of Customer Services, Head of Facility Services and Communications Manager in consultation with the Area Chair, Leader and Depute Leader and circulated to all Area Committee Members.

(Reference: Report by Executive Director – Customer Services dated 12 August 2015, submitted)

25. NEW SCHOOLS REDEVELOPMENT PROJECT

A report was considered which provided the Committee with details of the Stage 1 submissions by hubNorth Scotland Ltd (hubNorth) to build new secondary schools in Campbeltown and Oban; and a new primary school in Kirm. The report also detailed the review of the Stage 1 submissions together with an update on the project in respect of Dunoon Primary School.

Decision

The Committee agreed the recommendations as detailed within the report by the Executive Director.

(Reference: Report by Executive Director – Community Services dated 23 July 2015, submitted)

26. MAJOR CAPITAL REGENERATION PROJECT PROGRESS REPORT

A report was considered which updated the Policy & Resources Committee on progress in delivering the fourteen major capital regeneration projects led by Development and Infrastructure Services.

Decision

The Committee agreed the recommendations as detailed within the report by the Executive Director.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 15 July 2015, submitted)

**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the COUNCIL
CHAMBERS, KILMORY, LOCHGILPHEAD
on THURSDAY, 8 OCTOBER 2015**

Present:

Councillor Dick Walsh (Chair)

Councillor Rory Colville	Councillor Ellen Morton
Councillor Robin Currie	Councillor Douglas Philand
Councillor Donald Kelly	Councillor James Robb
Councillor Roderick McCuish	Councillor Len Scoullar
Councillor Iain Stewart MacLean	Councillor Isobel Strong
Councillor Alistair MacDougall	Councillor Sandy Taylor
Councillor Aileen Morton	

Also Present:

Councillor Donald MacMillan	Councillor Robert E MacIntyre
Councillor Neil MacIntyre	Councillor James McQueen

Attending:

Sally Loudon, Chief Executive
Douglas Hendry, Executive Director – Customer Services
Pippa Milne, Executive Director – Development and Infrastructure Services
Kirsty Flanagan, Head of Strategic Finance
Anne Marie Knowles, Head of Education
Jane Fowler, Head of Improvement and HR
Jane Jarvie, Communications Manager
Patricia O'Neill, Central Governance Manager

It was noted that item 3 of the agenda (Planning Our Future) should have been marked with an asterisk on the agenda to signify the intention of the Committee to make a recommendation to the Council in respect of each of the component parts thereof.

The Chair sought agreement from the Committee to withdraw item 3d (Additional Communication Resources) from the agenda.

Motion

To withdraw the item from the agenda.

Moved Councillor Dick Walsh, seconded Councillor Ellen Morton.

Amendment

To consider the item on the agenda.

Moved Councillor James Robb, seconded Councillor Sandy Taylor.

Decision

Following a show of hands vote the Motion was carried by 10 votes to 3 and the Committee resolved accordingly.

The Chair advised that it would be his intention to hear presentations by officers and questions from Members in respect of items 3a to 3c of the agenda before opening debate to Members. He advised of his intention to move a Motion in respect of all three items.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mary Jean Devon and Gary Mulvaney.

2. DECLARATIONS OF INTEREST

There were none intimated.

*** 3. PLANNING OUR FUTURE**

(a) SERVICE CHOICES

A report updating Members on the progress to date with the Service Choices process was considered. The report outlined recommendations from the Project Board on the savings options to go out to public consultation and also provided an update on the budgetary outlook.

(Reference: Report by Head of Strategic Finance dated 1 October 2015, submitted)

(b) INNOVATION, INCOME GENERATION AND GROWING THE ECONOMY

The Committee considered a report which set out a proposal to capture ideas through staff and Services that can be appraised and evaluated to be taken forward as possible projects to deliver innovation, income generation, efficiencies and wider benefit to the communities of Argyll and Bute and growth in the economy and population.

(Reference: Report by Executive Director – Customer Services dated 1 September 2015, submitted)

(c) PUBLIC CONSULTATION

The Committee considered a report which set out for comment a proposed public consultation exercise as part of Planning Our Future. The consultation would seek the views of communities on savings options and suggestions for innovation, efficiencies and income growth.

(Reference: Report by Executive Director – Customer Services dated October 2015, submitted)

(d) ADDITIONAL COMMUNICATION RESOURCES

This item was withdrawn from the agenda as was agreed by the Committee at the beginning of the meeting.

The Chair adjourned the meeting at 12.50pm and reconvened at 1.30pm.

Motion

That members of the Policy and Resources Committee:

Note that 80% of the Council's funding comes from the Scottish Government.

Notes the eight-year Council Tax freeze and the Scottish Government's penalty scheme for local authorities which do not participate.

Note that the Council's grant from the Scottish Government has been reduced by over £30m in recent years while funding for other public agencies has increased (in one case by £17m).

Note that Argyll and Bute Council's funding from the Scottish Government is predicted to reduce substantially over the coming years, resulting in a budget gap of between £21.7m and £26m.

Welcomes the advice in Audit Scotland's annual report to members and the Controller of Audit dated September 2015, which notes the following key points about Argyll and Bute Council's financial management:

- The Council's financial management in 2014/15 has been effective
- The Council has a good history of keeping expenditure within budget
- Budgets are closely monitored with progress against budget being regularly reported
- Governance arrangements are generally sound and improvements are in progress
- Key financial controls operated effectively during 2014/15
- The Council is generally meeting its requirements to report publicly on its performance

Note the Scottish Government underspend of £413m in 2014 and £347m in 2015 – a total underspend of £760m.

To note the advice supplied by the Auditor General to the Scottish Government where he said "that there is a growing need for more information on the financial position of the devolved Scottish public sector and has called on the Scottish Government to set out clear plans and timescales on how it plans to improve on its financial reporting to enhance proper scrutiny of its spending".

Note that alongside the budget arrangements and Planning our Future process, the Council set up a cross-party project board in April 2015, including 8 Administration members, 4 SNP Group members and two trades union representatives.

Note the consensus among members of the cross-party project board, with no dissensions, in agreeing to recommend to this committee that all options for savings go out to public consultation as set down in recommendation 3.2 in the report to members.

Note that the options going out to consultation offer more total savings than required, to allow for choice and effective consultation with the public.

Note that, in light of the reduced funding from the Scottish Government, in order to retain the current level and quality of services and job numbers, the Council would have to increase Council Tax by around 23% over the next two years in order to meet both the estimated £9m budget gap and a £1.4m hold-back penalty from the Scottish Government for removing the Council Tax freeze.

In light of the lack of sufficient funding from the Scottish Government to deliver the current level of Council services and the concerns being expressed to us by our communities, calls on the Council's Trade Unions, SNP Council Group and all members, our constituency and regional MSPs and MP to support our request that the Scottish Government provides additional funding from the advised Government underspend/surplus to local government in Scotland generally but in particular to our Council to assist us in removing the advised gap in our funding as they have done with other parts of the public sector, to help us keep important Council services and jobs and assist with the removal of savings.

Agrees that the Council Leader writes to the Depute First Minister requesting additional funding for our Council and that, until the security of that additional funding is forthcoming, that members agree to the recommendations to council that all options go out for public consultation.

Note that as part of the savings scoring a matrix will be developed, building on the work done with the trades unions as set down in paras 4.3.1 and 4.3.2 in the report before members.

Note that as part of the stage 3 templates, options for consideration followed a rapid equalities impact assessment with the intention of a full EQIA being carried out by Heads of Service alongside the consideration on the agreed matrix which will contain scoring and weightings prior to any savings option moving to firm budget savings proposals for consideration by the Council at its budget meeting in 2016.

Agrees to support the recommendations to set up an Innovation and Growth Fund as specified in the relevant paper.

Notes the detailed discussion that took place around the consultation paper; agrees that the paper should be reviewed in light of these discussions; that all elected members are invited to contribute any further comments on the consultation to the Communications Manager before 9am on Monday 12th October; and that the reviewed paper will be presented for consideration to the Council on 22nd October.

Moved Councillor Dick Walsh, seconded Councillor Ellen Morton.

The Chair adjourned the meeting at this point for 10 minutes to allow the amendment to be put in writing.

Amendment

Members note that the reduction in Scottish Government support to local authorities is the direct result of the reduced support afforded to the Scottish government and to local authorities by the UK Government.

3a. Members note the paper and instruct the Head of Strategic Finance to include the proposed reduction to the Social Work budgets in Appendix 1 prior to it being presented to Council on 22nd October 2015.

3b. Members agree the recommendations

3c. Members note the paper but instruct the Executive Director of Customer Services to make the following alterations prior to it being presented to Council on the 22nd October 2015:

1. Include the cuts to the Social Work budgets in proposals for consultation
2. Add commentary explaining how the arbitrary percentage cuts to budgets will actually affect those receiving the service and the Council's SOA outcomes.
3. Replace the statement on p25 "This means a savings target of around £9m million in both 2016/17 and 2017/18 with further savings in future years" with a statement of the best estimate of the actual funding gap for those years.
4. Remove the requirement for contributors to balance positive and negative responses and replace it with a tolerance scale: 1 Strongly Agree with proposal, 2 Agree with proposal, 3 Neutral on proposal, 4 Disagree with proposal, 5 Strongly disagree with proposal.

Moved Councillor Sandy Taylor, seconded Councillor James Robb.

Decision

Following a show of hands vote the Motion was carried by 10 votes to 4 and the Committee resolved accordingly.

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ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES COMMITTEE****STRATEGIC FINANCE****29 OCTOBER 2015**

EXECUTIVE SUMMARY**FINANCIAL REPORT MONITORING PACK – AUGUST 2015**

1. INTRODUCTION

1.1 This report provides a summary of the financial monitoring reports as at the end of August 2015. As agreed at Policy and Resources Committee on 14 May 2015, the individual reports are noted as web links should Members wish to read the detail. There are five detailed reports summarised in this Executive Summary:

- Revenue Budget Monitoring Report as at 31 August 2015
- Monitoring of Financial Risks
- Reserves and Balances
- Capital Plan Monitoring Report as at 31 August 2015
- Treasury Monitoring Report as at 31 August 2015

The web link to the detailed reports is as follows:

<http://www.argyll-bute.gov.uk/financial-monitoring>

2. DETAIL**2.1 Revenue Budget Monitoring Report**

2.1.1 This report provides a summary of the current revenue budget monitoring position to ensure net expenditure is contained within budget. It provides corporate and departmental information with comparisons on a forecast outturn and a year to date basis.

2.1.2 The projected year end outturn at 31 August 2015 is an overall underspend of £0.930m. This compares to an underspend reported as at 30 June 2015 of £0.950m, a reduction in the forecast underspend of £0.020m.

2.1.3 At the end of June 2014, the underspend was in relation to School and Public Transport (£450k) due to procurement savings and lower inflation increases and Council Tax Empty Home income (£500k) that will now be transferred back into the General Fund. These new variances contributing to the revised underspend as at 31 August 2015 are noted as:

- Small underspend of £5k within Integration Services. This relates to underspend within Children and Families as a result of lower than expected uptake of kinship care orders, offset by overspend due to increased demand for Homecare and Supported Living Services and small overspend in relation to increased CareFirst system maintenance.

- Overspend of £25k in relation to building warrant fees being less than anticipated.

2.2 Monitoring of Financial Risks

2.2.1 This report outlines the process and approach developed in carrying out a financial risks analysis and provides an update on the current assessment of financial risks.

2.2.2 There are a number of Council wide risks identified. All have been assessed as remote or unlikely with the exception of the auto enrolment into the pension scheme which impacts on employers superannuation. The majority of staff will not be auto enrolled until 2017 and the estimated worst case financial impact has been built into the medium term budget outlook.

2.2.3 There are currently 63 departmental risks totalling £9.292m. This compares to 58 departmental risks totalling £7.944m as at the end of June 2015 and relates to 5 new risks totalling £1.348m.

2.2.4 The new risks are noted below:

- Education – New risk in respect of additional requirements on Councils as a result of the Education (Scotland) Bill due to commence in 2016. The financial risk has been quantified as £50k at this stage.
- Education – New risks in respect of a duty on the Council to consult and plan on delivery of early learning and childcare with service users as a result of the Children and Young People (Scotland) Act. The financial risk has been quantified as £50k at this stage.
- Education – New risk added, however, has been an ongoing risk that there could be a financial penalty if teacher numbers for 2015-16 are not maintained at 2014-15 levels. The financial risk is £895k with a likelihood of possible.
- Facility Services – New risk in respect of provide meals in an early years setting to entitled children where sessions span over lunchtime. The total funding may not be sufficient depending on update and additional costs to support the meal provision in partner provider settings. The financial risk has been quantified as £100k at this stage.
- Economic Development – New risk in respect of potential loss of income at Rothesay Harbour as a result of CMAL maintenance work at Wemyss Bay and the reduction in ferry berthings throughout these works. The financial risk has been quantified as £253k at this stage.

2.2.5 Only 12 of the risks are categorised as likely, with a potential impact of £2.700m, and no risks have been categorised as almost certain. These will continue to be monitored and action taken to mitigate or manage these risks.

2.2.6 The top 3 risks in terms of their likely financial impact are noted in the table

below.

SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	LIKELIHOOD	FINANCIAL IMPACT £000
Adult Care	Increased complexity of care packages - Older People, Physical Disability, Learning Disability and Mental Health	Level of service demand remains at current commitment or increases due to needs becoming more complex.	3	950
Education	Non-compliance with Scottish Government Requirement to Maintain Teacher Numbers	Financial penalty if Teacher numbers for 2015-16 are not maintained at 2014-15 levels.	3	895
Roads and Amenity Services	Winter Maintenance	Adverse weather conditions which require greater than budgeted number of gritting runs.	4	700

2.3 Reserves and Balances

- 2.3.1 This report summarises the overall level of reserves and balances and monitors the spending of the earmarked reserves, providing detailed information on the unspent budget earmarked balances.
- 2.3.2 The Council has usable reserves of £50.478m. Most of these are earmarked for specific purposes. The General Fund contingency level remains at 1.5% of net expenditure. There is currently an estimated surplus over contingency of £12.952m and this is being directed towards the delivery of the Single Outcome Agreement.
- 2.3.3 The total surplus over contingency is now £13.205m which represents a reduction of £0.073m compared to the surplus reported at the end of June of £13.278m. The reason for this reduction is the change to the forecast outturn for 2015-16 and an adjustment as part of the audit.

2.4 Capital Plan Monitoring Report

- 2.4.1 Capital Plan Monitoring Report – this report provides a summary of the current capital plan monitoring position. Information is provided in terms of monitoring year to date budget, current full year budget, future years total budget and funding and non-financial in terms of project performance.
- 2.4.2 Actual net expenditure to date is £9.001m compared to a budget for the year to date of £9.093m giving rise to an underspend for the year to date of £0.092m. The forecast outturn for the year is forecast to be overspent by £0.937m. There is only 1 project classified as off track and this relates to the Kintyre Renewables Hub – there is no financial net increase in cost to the Council.
- 2.4.3 The £0.092m year to date underspend is made up of small non-material variances within a number of projects. This differs little from the year to date underspend reported at the end of June of £0.082m.
- 2.4.4 The forecast overspend for the year of £0.937m is largely made up of £0.443 of overspends in previous years carried forward. These will be

funded through virements from underspends to be identified elsewhere within the Service and contingency amounts. £0.150m relates to Roads Reconstruction work to C48 Carsaig which is now taking place a year earlier than planned therefore budget will be accelerated to reflect this. There are £0.117m of projected underspends within Education which will be used to fund overspends elsewhere within the Service. The remaining balance of £0.461m overspend is made up of non-material variances less than £0.050m each.

This varies significantly with the £9.216m underspend reported at the end of June largely due to the budget for Strategic Change Projects now being correctly phased over the life of the projects.

- 2.4.5 The total Capital Plan forecast overspend of £0.952m is again largely made up of the £0.443m of overspends in previous years carried forward. £0.172m relates to the Rothesay CHORD funding gap and again, the £0.117m of projected underspends within Education are also taken into account. The remaining balance of £0.454m overspend is made up of non-material variances less than £0.050m each.

This varies to the £2.194m underspend reported at the end of June largely due to the capital requirements for new schools at Campbeltown and Oban being underestimated at the end of June. In addition the report is now prepared on a net basis therefore taking account of any external funding instead of looking at expenditure only.

2.5 Treasury Monitoring Report

- 2.5.1 This report provides information on the current levels and recent transactions in relation to the capital financing limit, total borrowing, temporary borrowing and long term borrowing and investments.
- 2.5.2 There have been no new borrowings in the period to 1 July 2015 to 31 August 2015. External Loans have been repaid in the period to 1 July 2015 to 31 August 2015 amounting to £2.959m.
- 2.5.3 Borrowing is estimated to be around £24.6m below the capital financing requirement for the period to 31 March 2016. This reflects the approach taken to minimise surplus cash on deposit in order to avoid overdue exposure to investment/credit worthiness risks. However, if it becomes clear that longer term interest rates are likely to increase significantly the position will be reviewed to ensure the Council locks in funding at low interest rates.
- 2.5.4 Investments at 31 August 2015 were £58.9m with a return for the last quarter of 0.654% compared to the average 7 day rate of 0.361%.

3. RECOMMENDATIONS

- 3.1 Members to note the revenue budget monitoring report as at 31 August 2015
- 3.2 Members to note the current assessment of the Council's financial risks.
- 3.3 Members to note the overall level of reserves and balances and note the monitoring of the earmarked reserves.
- 3.4 Members to note the capital plan monitoring report as at 31 August 2015
- 3.5 Members to note the treasury monitoring report as at 31 August 2015.

4. IMPLICATIONS

- 4.1 Policy – None.
- 4.2 Financial - Outlines the revenue and capital monitoring for 2015-16 as at 31 August 2015.
- 4.3 Legal - None.
- 4.4 HR - None.
- 4.5 Equalities - None.
- 4.6 Risk - Details of financial risks are included within the report.
- 4.7 Customer Service - None.

Policy Lead for Finance: Councillor Dick Walsh

**Kirsty Flanagan
Head of Strategic Finance
16 October 2015**

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ARGYLL AND BUTE COUNCIL POLICY AND RESOURCES COMMITTEE

CUSTOMER SERVICES

29 OCTOBER 2015

MODERN APPRENTICESHIP SCHEME

EXECUTIVE SUMMARY

1.0

The aim of this report is update the Policy and Resources Committee on the Council's position with regards to the implementation of the Council's Modern Apprenticeship Scheme.

The Modern Apprenticeship Scheme was initiated in April 2014 as a pilot. It was then fully launched in July 2014, following approval at the Policy & Resources Committee on 15 May 2014, with an agreed target of 25 apprentices.

There are currently 11 new Apprentices in post, with a further 6 posts at the recruitment stage, bringing the total opportunities for MAs with the Council to 17. A further 8 - 10 apprenticeships are in the planning stage with the intention for these posts to be recruited in the next 2-3 months. This would allow us to meet our target of recruiting a total of 25 apprentices.

The Policy and Resources Committee is asked to:

Note the progress of the project and the implementation of the Council's Modern Apprenticeship Scheme, including the promotional activities.

Note the position with the number of apprentices appointed and their progress and achievements to date.

Note the current situation with regards to the numbers of eligible applicants.

Agree that a further 15 Modern Apprenticeship opportunities will be created by the Council in the next year.

Agree to offer assistance with obtaining a driving licence for eligible Modern Apprentices, by funding 5 driving lessons each.

Agree to extend the age criteria for Modern Apprentices from 16-19 to 16-24.

Note that the costs will be met from existing departmental budgets.

Modern Apprenticeship Scheme which would provide training and employment opportunities for local young people, within the Council.

- 4.3 A temporary Project Officer from HR was appointed for 6 months to research and implement the scheme, and developed guidance and support for managers as well as liaising with training providers to identify the best possible framework for the project to be delivered successfully.
- 4.4 A Modern Apprenticeship Project Team was established to include Isabel Bremner, Economic Development Manager, Aileen Goodall, Opportunities for All/Lead Officer 16+ and Julie Hallett, Project Officer and the group worked in liaison with the Employability Partnership.
- 4.5 The project was successfully completed on time and the Project Officer has returned to their substantive post as HR Officer but will retain an overview of the MA Scheme and act as the main contact in the immediate future.
- 4.6 A Managers Guide to Recruitment - Modern Apprentices was produced and is available on The Hub.
- 4.7 A list of potential training providers has also been produced and is available for managers, highlighting the type of qualification that can be offered to apprentices. There are opportunities in the future to work with more training providers or to develop delivery of relevant qualifications in house with the SVQ Unit.
- 4.8 Presentations on the MA Scheme were given at SMT, all three DMTs, the HR Board and Trade Union Liaison Meetings. This provided information and guidance on all aspects of the scheme.
- 4.9 One to one support has been provided to managers who have expressed an interest in taking on an apprentice and this has resulted in a number of modern apprenticeship posts being advertised and successful appointments made. Regular update reports have been taken to the HR Board.

5.0 WORKING WITH PARTNERS

- 5.1 The MA Project Team met regularly for the six months of the project during the secondment of the MA Project Officer. Ongoing liaison with Economic Development and Education has continued to ensure relevant schools are aware of any current opportunities.
- 5.2 There has been considerable liaison with a number of training providers to ensure appropriate courses can be provided locally. At the present time the Council is working directly with Argyll Training, and QA, who are delivering courses to our existing MAs.
- 5.3 During the secondment of the MA Project Officer there was an active participation in the Employability Partnership, working in partnership

with JCP, SDS, HIE, Argyll College, ATL, DWP and others within Argyll and Bute Council. This group continues to meet regularly and is chaired by Ishabel Bremner, Economic Development Manager.

6.0 PROMOTION AND PUBLICITY:

6.1 Features on Modern Apprentices (MAs) were included on the Council's Website and Facebook pages in May and September 2015 and included profiles on some of the MAs. See Appendix 1.

6.2 A promotional feature was also placed on the Hub with information for managers on recruiting a MA Feature on Hub.

6.3 Representatives from the Council have also attended Recruitment Fairs and Careers Information days across Argyll and Bute and more are planned for later in the year (October 2015).

6.4 Adverts for the MA vacancies have appeared in the local papers, included on MyJobScotland and S1 Jobs recruitment sites, JobCentrePlus and have been circulated to the relevant local schools.

7.0 MODERN APPRENTICES APPOINTMENTS AND OUTCOMES

7.1 11 MAs in total have been appointed since May 2014, 7 of which were within Customer Services and 4 within Community Services - Children and Families.

7.2 4 of the 11 MAs have successfully completed their apprenticeships with 2 achieving the higher grade of SVQ3 in Business and Administration due to the quality of their coursework (they were originally scheduled to undertake a SVQ2). One of the two original MAs has gained permanent employment with the Council, and one has left on completion of their apprenticeship and is believed to be applying for college courses.

7.3 Of the remaining 9 MAs, 3 have gained other employment opportunities prior to completion of their apprenticeship (2 are seconded within the Council and one has obtained a permanent post with the Council). This demonstrates a high level of achievement and success for the apprenticeship scheme.

7.4 With regards to recent adverts for apprentices there has been limited interest in some of the MA vacancies, and 4 of the posts have been advertised twice, without success. This has been a particular issue for the ICT apprenticeship posts and it may be that the salary offered is a factor. It may also be that the age criteria has been restrictive and it is recommended that this is reviewed (see 8.00 below).

7.5 In addition to the Modern Apprentices, the Council has mechanic apprentices in place in Roads and Amenity Services.

8.0 MARKET AND ISSUES AFFECTING RECRUITMENT

8.1 The focus for Modern Apprentices has currently been on 16-19 year olds as they meet the requirements for 100% funding from SDS for the training element of the apprenticeship and this age group is under-represented in the Council’s age profile.

8.2 However, the take up of MAs has been relatively low so far, and information from the DWP states numbers ***of those claiming Job Seekers Allowance and looking for work in Argyll and Bute*** are as follows:

- **16/17 year olds** 7
- **18-24 year olds** 162*

*Only 58 of the 162 are on the Work Programme and eligible to apply for MA opportunities.

8.3 Of the 11 existing MAs employed by the Council, over half were aged 18+ at the start of the apprenticeship. This is illustrated below:

Aged 16	Aged 17	Aged 18	Aged 19
3	1	3	4

8.4 In order to increase the numbers of applicants for Modern Apprenticeships it is recommended that the age criteria is extended to include 20-24 year olds. This would expand the local opportunities for young people but would potentially result in additional expenditure for higher salary costs (as they may be eligible for the minimum wage for their age).

8.5 There would also be reduced financial support for training costs, which would only be partially funded by SDS up to 50% and the Council would need to pay 50%.

8.6 However, from the unemployment statistics, it would appear that there would be a larger pool of unemployed people within this age bracket who would benefit from this opportunity.

9.0 TARGET FOR 2015-2016

9.1 It is necessary to reconsider the target for Modern Apprentices for 2015-2016.

9.2 It has not been possible to meet the current target of 25 for 2014-2015 within the first 12 month period, but plans are in place to ensure that this target is met. Giving consideration to the current population profile and eligibility, it is recommended that a target of 15 is agreed for the

next year. Specific allocations will be given by SMT for each department based on capacity and resources available.

- 9.3** There is no specific financial allocation being made for Modern Apprentices so Departments will be expected to meet the cost from their existing resource allocations.

10.0 CONCLUSION / FUTURE DEVELOPMENTS

- 10.1** The Council's Modern Apprenticeship Scheme is now fully established and is operating successfully, in liaison with partnership agencies.

- 10.2** The feedback from the Modern Apprentices and Skills Development Scotland is very positive and we have already seen successes with MAs completing their apprenticeships and obtaining permanent posts within the Council.

- 10.3** There have been 11 MAs employed so far, with authorisations in place for a further 5 to be recruited in the near future, and up to another 8-10 opportunities currently being developed.

- 10.4** The numbers of applicants for apprenticeships has been low and some vacancies have not been filled. There are a number of factors that may be contributing to this, including the salary offered and this may need to be considered further, particularly if the age criteria is expanded. More targeted advertising should also be considered to appeal to the youth market.

- 10.5** Additional benefits are proposed to make the overall MA package more attractive. This will include support with Driving lessons (in accordance with the arrangements already in place for our Looked After and Accommodated Children), participation in the Duke of Edinburgh Scheme, as well as participation in the STEPS programme.

- 10.6** It is also proposed to expand the Modern Apprenticeship Scheme to include 20 to 24 year olds. This would result in a higher capital cost per apprentice but would expand the opportunities available to a wider group and expand the pool of potential applicants. This is the recommended approach to be taken in Year 2 of the programme.

11.0 IMPLICATIONS

- 11.1** Policy: The Modern Apprenticeship scheme complies with current Council policies and procedures and contributes towards the Council's delivery of SOA outcomes.

- 11.2** Financial: The current Government scheme provides for 100% funding for training for MAs aged 16-19, and 50% for those aged 20-24. Some services have cited a lack of budget to commit to taking on a MA, but the recommendation is that funding for modern Apprentices is found from within existing departmental budgets. There is the potential for some additional funding to be allocated to the MA scheme from the

Youth Employment Opportunities Fund.

- 11.3 Legal: The Council is compliant with appropriate legislation.
- 11.4 HR: The MA process is compliant with the Council's procedures.
- 11.5 Equalities: The MA scheme is compliant with the Council's equality duties.
- 11.6 Risk: N/A
- 12.0 **APPENDICES**
- 12.1 Appendix 1 Profiles of current Modern Apprentices from the Council's Website

Executive Director – Customer Services – Douglas Hendry
Policy Lead – Dick Walsh

Date: 29th September 2015

For further information contact:

Jane Fowler, Head of Improvement and HR - Tel 01546 604466

Julie Hallett, HR Officer. Tel: 01546 604343

Appendix 1 – Modern Apprentice Profiles (taken from feature on Argyll and Bute Website):

Modern Apprentices Share Their Experiences



For two Mid Argyll girls, Jenny Blair and Samantha Newlands, the Modern Apprenticeships scheme has already proven to be a valuable experience. Samantha, from Ardrishaig, and Jenny, who is from Crinan, joined the council's Customer Services team in May 2014 as Modern Apprentices. Ahead of Scottish Apprenticeship Week, 18th to 22nd May 2015, the girls were proud to receive their Modern Apprentice certificates and SVQ qualifications.

Samantha heard about the council's Modern Apprenticeship opportunities at school and, seeking a career in administration, decided it would be the ideal way to get started in the workplace.

"I did Higher Admin at school and really enjoyed it. I've always thought the council is a really good place to work. When I heard about this, it sounded great, with opportunities to learn more and work your way up. My family lives in Argyll and I really want to be able to stay here and have a good career. This is a chance for me to do that," she explained.

Jenny added: "I've always been interested in working with the council and I got the chance to do work experience there while I was at school. That was a good stepping stone to the Modern Apprenticeship scheme. I've found the training really interesting and

everyone has been very helpful. I've been able to build on what I learned at school – we are learning how to use different systems and software, as well as shadowing other people and seeing how the process works. It's really good."

Now armed with their Modern Apprenticeship certificates and new SVQ qualifications, both Samantha and Jenny are fully prepared to enter the world of work.

Jenny has completed her apprenticeship and has now moved on but has found the experience to be really helpful and is hopeful of getting a permanent job very soon.

Samantha has been successful in obtaining a clerical post within the council's Customer Services department and is clear about how much her Modern Apprenticeship experience has contributed to her success.

"When I started, I had literally just left school - the day before! This gave me a great chance to learn and get experience before going out and getting a job. I'm really happy that I've got a job with the council - it means I can continue doing something I've really enjoyed. It's never been boring and has really helped to develop my knowledge and skills. I can't wait to get started full time."



Twenty-year-old Chris Cupples is an apprentice mechanic with Argyll and Bute Council's Fleet Support team in Lochgilphead.

Chris, from Tarbert, joined the council in January 2013 after starting his apprenticeship with a private garage company. He says that one of the best things about his job is the chance to work on a wide range of vehicles and challenges.

"Every day is different," he explained. "One day, you could be fixing a bin lorry or a gritter – and then you're doing everyday repairs on a small car. It means you can learn about a lot of different aspects of mechanics, which you might not be able to do somewhere else."

As part of his apprenticeship, Chris spends a week every two months at college in Glasgow. “It’s a good chance to learn more about what you’re doing at work. I’m able to learn on the job but also in a college environment, which is really good.”

Finding a job with prospects for the future, that’s also close to home, has been a bonus for Chris: “Being able to learn a trade, but also earn a wage at the same time, is great, and I started earning as soon my apprenticeship with the council started. It’s close to where I live which is handy, but I also get the chance to work all over Argyll and Bute, including the islands, and that’s not an opportunity that comes with every job.

“I would encourage anyone else who is interested in an apprenticeship with the council to find out more. It’s a good place to work.”



Sixteen-year-old Connor Chlopuk from Lochgilphead started work in the council’s HR team in December 2014. He’s currently working towards an SVQ in Business Administration and says the opportunity is ‘definitely a positive thing’.

“I wanted to find work in Argyll after leaving school and was job-hunting when I saw the Modern Apprenticeship advert,” said Connor. “It seemed like a good way to further my education and get into the working world.

“I did have the chance of another job but decided to go for the Modern Apprenticeship as it offered more opportunities and was local – this was really important to me.”

In the busy HR team, Connor is learning about working with and supporting employees across all council services, using new software and systems and other administration skills. “I’m surprised how much I am enjoying it – it is definitely better than school! I’d encourage anyone thinking about a Modern Apprenticeship to go for it – it really is a great opportunity.”

Over in Helensburgh, we spoke to Liam Atkinson (17) who is undertaking a Modern Apprenticeship in the council’s Children and Families service. He found information about the opportunity on Facebook and, like Connor, sees it as a great way to expand

what he learned at school and take those skills into the world of work. He is also studying for the SVQ in Business Administration.

“I was keen to stay in Helensburgh and this was ideal for me,” he said. “I studied Business Administration at school and was applying for lots of jobs before I saw this one. I think I’m really lucky to get this opportunity at the council – it’s a good job and if you work hard there are prospects. I’m learning lots of different skills – there is even more to it than you think.”

In Dunoon, Kjeld McIntyre joined the Criminal Justice team as a Modern Apprentice in early February 2015. Finding employment in his home town was important to him too but, as a keen footballer who trains regularly in Glasgow, he initially thought that his best option was to look for a job in the city. However, he was convinced to stay local by the opportunities offered by the Modern Apprenticeship – which also allowed him to commute easily to the central belt for football. It offers Kjeld the best of both worlds and helps him maintain a healthy work-life balance.

When asked about his experience so far, he said: “It’s really good – in fact it’s brilliant.

“I first heard about the Modern Apprenticeship on a jobs website. Because I had studied business administration at school, I thought it would be a chance to build on that. I’m also getting to learn new skills, things I probably wouldn’t have thought about before.”

Kjeld, who is 18, added: “The people I work with are really friendly and helpful and there’s always support if you need it. I feel really lucky to have got the chance to do this and I’d definitely encourage anyone else who’s thinking about it to go for it too.”

You’re hired! Modern Apprenticeships from the service point of view

It’s clear that Modern Apprenticeships offer young people a great opportunity to earn and learn at the same time. But taking on a Modern Apprentice also brings real benefits to council teams– especially when it comes to planning ahead for the future and making sure the organisation has a sound bank of skilled people who’ll be able to deliver services in the future.

Sandra Black, Fleet Performance Manager is currently responsible for five apprentice mechanics. This is the fourth year that the team has been working with apprentices and Sandra is enthusiastic about the process.

“It’s excellent for them and for the council,” she said. “We have been involved with our apprentices all the way from application stage through interview to starting work in the depots. It’s been a very good experience for the team, who are proud to be able to act as mentors and pass on their skills. Working with the apprentices is also fun – they are really keen and that’s like a breath of fresh air for the rest of the team.

“There is a misconception that all apprentices do is brush the floor – that’s simply not the case. Our apprentices fit in really well – they don’t just work for the team, they are part of it. We’ve structured the service so that all the apprentices get the chance to travel around all our depots to work and learn. This gives them the chance to see different parts of Argyll and Bute, meet and work with other colleagues, work on different things – and all that adds to their training and work experience.

“I would encourage other teams to look at what a Modern Apprenticeship could bring to their service. For us it has been a really positive thing to do.”

Of the 11 new Modern Apprentices taken on in 2014/2015, three have already been successful in gaining either temporary or permanent employment with the Council, and it is hoped that the others will also be successful in achieving either ongoing employment or further training opportunities over the coming months.

There will be further opportunities for new apprentices over the coming year and current opportunities can be found on our website/MyJobScotland:
<https://www.myjobscotland.gov.uk/councils/argyll-bute-council/jobs> <http://www.argyll-bute.gov.uk/modern-apprenticeships>

ARGYLL AND BUTE COUNCIL POLICY AND RESOURCES COMMITTEE

CUSTOMER SERVICES

29 OCTOBER 2015

RECOGNITION OF NHS SERVICE

1.0 EXECUTIVE SUMMARY

- 1.1. This report recommends to the Policy and Resources Committee that the Council recognises NHS continuous service for service related entitlements such as annual leave and occupational sick pay, but not for statutory employment rights. This will provide parity across the two organisations that are entering into the new arrangements for the delivery of Health and Social Care services in in Argyll and Bute, through the Integrated Joint Board.

- 1.2. NHS Highland recognises Argyll and Bute Council employment for service related entitlements.

It is recommended that:

The Policy and Resources Committee agree that the Council approves recognition of NHS Scotland employment as continuous service for service related entitlements. This paper has been discussed with the Trade Unions at the TU Liaison meeting on 4 September and this is proposed with their full support. A collective agreement will be drawn up by HR and TUs to formalise the change to the Council's conditions of service.

1.0 SUMMARY

- 1.3. In the spirit of joint working and to provide parity between the Council and NHS Highland, the HR Workstream of the Health and Social Care Partnership has requested that the Council recognises NHS Scotland employment as continuous service for service related entitlements, such as annual leave and occupational sick pay, but not for statutory employment rights.
- 1.4. NHS Highland recognises Argyll and Bute Council employment for service related entitlements.

2.0 RECOMMENDATIONS

It is recommended that:

- 2.1. The Policy and Resources Committee approve the recommendation that the Council approves recognition of NHS Scotland employment as continuous service for service related entitlements. This paper has been discussed with the Trade Unions at the TU Liaison meeting on 4 September and this is proposed with their full support. A collective agreement will be drawn up by HR and TUs to formalise the change to the Council's conditions of service.
- 2.2. Recognition is effective from 1 January 2016 and will apply to existing employees of Argyll and Bute Council with continuous service with NHS Scotland and any new employees joining the council from that date.

3.0 DETAIL

- 3.1. The HR Workstream of the Health and Social Care Partnership requested that the Council recognise service with NHS Scotland as being continuous for service related conditions of service, i.e. annual leave, sick pay and maternity/paternity/adoption pay.
- 3.3. Continuous service means there must be no break in service between leaving NHS Scotland and taking up employment with Argyll and Bute Council.

- 3.4. NHS Highland have, for a number of years, recognised Argyll and Bute Council employment for service related conditions of service.
- 3.5. Recognition of NHS service may encourage NHS staff to apply for posts designated as “Council posts” within the Partnership thus ensuring the best person for the post is recruited. Currently a NHS employee would lose continuity of service.
- 3.6. The Council already has employees who have joined us from NHS Scotland. It is proposed that, if it is agreed to recognise NHS Scotland service, that this should also apply to existing employees.
- 3.7. For ease of administration, recognition of NHS Scotland service would commence from 1 January 2016.
- 3.8. The Trade Unions are fully supportive of this proposal.
- 3.9. There would be no retrospective recognition of service therefore existing employees could not claim service from their start date. For example, an employee who had their NHS Highland service recognised on 1 January 2016 and was therefore now entitled to a further 5 annual leave days could not claim back these annual leave days for previous years but would be entitled to them from 1 January 2016 onwards.
- 3.10. A poll of all local authority employers elicited 13 responses. Of these 3 authorities recognise NHS service. Of those who do not recognise the service 1 reported that with the integration agenda they may revisit this.

4.0. CONCLUSION

- 4.1. NHS Highland recognises Argyll and Bute Council service as being continuous for service related purposes and in order to provide parity of conditions of service, and in the spirit of joint working, it is recommended that NHS Scotland service is recognised by Argyll and Bute Council.
- 4.2. For ease of administration, if approved, recognition of service would be from 1 January 2016 for all new and existing employees with continuous service. There would be no retrospective application of recognition.

5.0. IMPLICATIONS

- 5.1 Policy NHS Scotland service would be recognised for service related conditions of service, provided there is no break in service between leaving NHS Scotland and taking up employment with Argyll and Bute Council.

5.2 Financial	There would be a small increase in costs in service related conditions of service, such as eligibility for leave and occupational sick pay, in that employees would reach triggers for improved conditions of service sooner than if they were to be calculated from their start date with the Council. It is estimated the additional cost of sick pay may be around £7,800 per annum and an efficiency cost of additional leave of £7,100.
5.3 Legal	None
5.4 HR	Conditions of service would require to be updated and cascaded to employees.
5.5 Equalities	N/A
5.6 Risk	N/A
5.7 Customer Services	N/A

Executive Director – Customer Services – Douglas Hendry

Policy Lead – Dick Walsh

Date: 30th September 2015

For further information contact:

Jane Fowler, Head of Improvement and HR – Tel 01516 604466

Julie Hallett, HR Officer, Tel 01546 604343

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES

CUSTOMER SERVICES

29 OCTOBER 2015

EMPLOYEE ENGAGEMENT STRATEGY

1.0 EXECUTIVE SUMMARY

This report presents the Policy and Resources Committee with a proposed Employee Engagement Strategy for their consideration and approval.

The draft strategy is informed by consultation and engagement with the Joint Trade Unions, management teams and uses information gathered from employees through the employee surveys that have been carried out.

The strategy is based around 5 principles:

- Employee Voice – Involving our Employees
- Employee Recognition – Acknowledging a job well done
- Development and Training
- A safe and healthy work environment
- Growing Excellent Leaders

The strategy includes an action plan for delivery.

There are no financial implications from this paper.

EMPLOYEE ENGAGEMENT STRATEGY

2.INTRODUCTION

2.1 This report presents the Argyll and Bute Council Employee Engagement Strategy for consideration by the Policy and Resources Committee.

2.2 The strategy is identified as an action in the HR/OD Strategy Action Plan and has been informed by engagement activity with employees, with managers and with the joint trade unions.

3.RECOMMENDATIONS

It is recommended that the Policy and Resources Committee:

3.1 Approve the Employee Engagement Strategy for implementation.

4.DETAIL

4.1. Employee Engagement is widely recognised through robust data analysis to have a significant impact on organisational performance. Low levels of engagement highlight an organisation with poor performance levels, low customer approval, high levels of absence and high levels of employee relations issues such as grievances, disciplinaries etc.

4.2 Argyll and Bute Council exhibits average levels of engagement through employee survey responses, but response levels are poor in some areas and overall the average is quite low. The council is also performing in the lowest quartile amongst Scottish Councils in terms of sickness absence. High levels of absence result in reduced resource available to services, impact on employees who are at work and increased levels of stress.

4.3 The corollary to this is that organisations with high levels of employee engagement exhibit higher levels of productivity, lower sickness, lower rates of stress and overall improved employee wellbeing.

4.4 The HR/OD Strategy identified the development of an Employee Engagement Strategy as one of the actions to be undertaken. This report contains the first draft of that strategy. The strategy comprises 5 objectives, all linked to the new Corporate Plan objectives:

1. Growing excellent leaders and managers
2. Employee Voice – Involving our employees
3. Employee recognition –acknowledging a job well done
4. Development and training
5. A safe and healthy work environment

4.5 The strategy is accompanied by an action plan

5.0 CONCLUSION

5.1 Improved engagement contributes to better performance and greater productivity. This strategy sets out the Council’s approach to achieving this.

6.0 IMPLICATIONS

6.1 Policy	None
6.2 Financial	None directly from this report
6.3 Legal	None
6.4 HR	The strategy is identified as an action in the HR/OD Strategy
6.5 Equalities	This strategy has been subject to an EQIA
6.6 Risk	Low levels of employee engagement presents a risk to the availability of employee resources in the council due to increased levels of absence, lower levels of productivity and poor performance.
6.7 Customer Services	Customer engagement and feedback will improve through better employee engagement

Douglas Hendry - Executive Director of Customer Services
Policy lead – Dick Walsh

September 2015

For further information contact: Jane Fowler, Head of Improvement and HR,
Carolyn McAlpine, Improvement Manager

APPENDICES

Appendix 1 – Employee Engagement Strategy

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Argyll and Bute Council Employee Engagement Strategy 2015 – 2017

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

Making it Happen

Author: Improvement and HR
Department: Customer Services
Version: 1.1
Approved by:
Date:



Argyll and Bute Council Employee Engagement Strategy

FOREWORD

We are pleased to introduce the Council's Employee Engagement Strategy for 2015-17. Our Council is committed to making Argyll and Bute a place people choose to live, learn, work and do business. The services we deliver are vital to doing this and our employees are at the heart of delivering those services. Our corporate plan identifies a culture, structure and systems that will make our council a high performing and improving organisation that we are confident that people choose to work for. This strategy outlines how we aim to achieve this through a commitment to engaging with our employees.

Our success so far has been rooted in the motivated employees who deliver our services. We want to develop a work environment where our employees continue to be involved in our success and can perform at their best. We recognise that having motivated and engaged employees is the best way to deliver best value services to our customers and partners. This strategy sets out the Council's approach to creating a work environment where employees feel engaged, involved and empowered to deliver high quality services to our customers and communities.

Dick Walsh, Council Leader

Sally Loudon, Chief Executive

Introduction

The Employee Engagement Strategy supports the delivery of the Council's priorities contained within the Corporate Plan 2015-2017 and puts in place some of the key objectives identified in the HR and Organisational Development Strategy.

Employee engagement can be seen as the way people think, act and behave at work. Engaged staff are committed and act as ambassadors for the Council supporting our ambition to remain an employer of choice. Evidence shows that higher levels of engagement in an organisation contribute to better performance, better quality of service and greater wellbeing for employees.

Engaged employees will not only choose to work for Argyll and Bute Council but will recommend us as an employer to others. As a council we ensure that each individual employee's objectives are clear and are aligned to our corporate priorities, as set out in our corporate plan. Many of our employees have an opportunity each year to feed back through our PRD process on their contribution and to discuss future development. Through our suggestion scheme and through team meetings, our employees can contribute their ideas for innovations to put in place improvements for their customers, service users, themselves and the wider organisation.

We recognise achievement amongst our employees on a regular basis, with employee award and recognition events and recognise the value of regular, positive feedback on a job well done. Our Celebrating Success pages of the Hub share employee achievements regularly and highlight the value placed on recognition.

The success of the Council is highly dependent on the skills and commitment of its employees. The employee engagement strategy seeks to send out a simple and clear message about the Council's aspirations and expectations as a good employer, setting out the principle of engaging with employees to become a better performing council.

During 2014 a range of engagement activity took place to find out what employees think of the Council as an employer. This included surveys, focus groups and roadshows. This Employee Engagement Strategy has been informed by the feedback received from employees through these activities.

Making it Happen

The Employee Engagement Strategy is an enabling corporate strategy and sets out how we will create an environment where employees' individual objectives are aligned to corporate outcomes and that they have the support they need to perform at their best.

The underlying purpose of this strategy is to have a meaningful, positive impact on front line services. There are five main categories of engagement activity identified in this Employee Engagement Strategy. Each activity is designed to ensure that employees are

engaged and empowered to deliver the Council's corporate priorities and involved in identifying areas for improving service delivery.

The strategy links to the successful delivery of the following key corporate priorities:

- Our culture, structure and systems make our Council a high performing and improving organisation that people choose to work for
- We provide excellent communications, customer service, consultation and engagement
- We grow excellent leaders in our managers and elected members

Our Employee Engagement strategic outcomes are illustrated in the diagram below.



These Strategic outcomes are developed in more detail below.

1.0 Growing Excellent Leaders and Managers

- 1.1 Line managers have an extremely important role at Argyll and Bute Council. For employees, their line manager is their gateway to the organisation. They rely on their line manager to communicate key corporate messages, ensure they have access to information and tools that allow them to do their job, agree clear objectives offering constructive feedback on their performance including recognition for a job well done. Great managers must also involve employees, listen to their views and encourage them to put forward suggestions and ideas. Great managers need to be great communicators.
- 1.2 Senior Managers have an important role to play in creating a vision for the organisation, defining the organisation's leadership, demonstrating those behaviours and sharing these with employees. The Council recognises the importance of supporting and developing our managers and leaders to ensure they have the skills, attitudes and behaviours to achieve this. The Argyll and Bute Manager and Leadership development

programmes, which have been recognised with a Bronze Cosla Excellence Award, will be continually developed to ensure they cover the relevant behaviours and competencies that allow managers to create a culture of open communication and engagement within their teams.

2.0 Employee Voice: Involving our Employees

- 2.1 Employees are more likely to be engaged when they are given opportunities to express their views and feel that their views are taken seriously. Our employees work with service users on a daily basis delivering a range of services and are therefore often best placed to provide input to how these services can be improved.
- 2.2 We will continue to build on the range of methods available for employees to become more involved at a corporate level this will include development of the suggestion scheme and a programme of consultation and engagement activities around large corporate themes such as change and transformation as well as day to day service delivery and improvement. We will ensure that systems are in place that allow employees to be involved in shaping the development and improvements in their services, embedding a culture of continuous improvement across the entire organisation.
- 2.3 The Council recognises the importance of fostering positive relations with the trade unions through consultation and involvement. The Council will continue to build on the positive partnership that exists with our recognised trades unions and further develop our framework of involvement and consultation.

3.0 Employee Recognition: Acknowledging a job well done

- 3.1 We have a dedicated and innovative workforce who deliver excellence across the board. We will continue to promote and celebrate the success of our employees and teams via the hub and various other communication methods. Recognition of success and excellence in our workforce will be further developed at individual, team and corporate level including further development of our internal excellence awards and formal recognition events. We will work toward developing a recognition scheme.
- 3.2 While formal recognition of successes and achievements are an important part celebrating our success, the engagement activity undertaken during 2014 suggested that positive informal feedback from line managers on a day to day basis for a job well done is something that employee's value. This element of employee recognition will be built into a future review of the Argyll and Bute Manager programme.

4.0 Development and Training

- 4.1 Our employees deliver vital services to our communities and to do this effectively they must have the appropriate skills, knowledge, attitudes and behaviours. The Council has a good reputation for providing staff with appropriate training and development opportunities which supports our reputation as an employer of choice and attracts

quality applicants to positions within the Council. Through initiatives such as growing our own we will continue to develop and train our employees to ensure they can continue to deliver excellent services to our service users and communities across Argyll and Bute both now and in the future.

- 4.2 In line with our HR and OD strategy we will ensure that we recruit and develop employees who display the appropriate attitudes and behaviours in line with our corporate values and provide them with the training they need. Our Management and Leadership development programmes will continue to be developed in line with organisational requirements.

5.0 A Safe and Healthy Work Environment

- 5.1 We recognise that for employees to give their best at work they must have a safe and healthy work environment in which to do so. Through our Healthy Working lives group, we will continue to drive forward our proactive wellbeing agenda which aims to promote healthy lifestyle choices for our staff. Through this agenda the Council has already achieved Bronze level Healthy Working Lives accreditation and we aim to build on this success. The ongoing work of this group and the highlighting of positive wellbeing will underpin the Council's approach to improving attendance at work and reducing stress levels.
- 5.2 In addition, we will continue to develop and refine processes to ensure that employees remain safe at work and where possible will mitigate risks to employee health and wellbeing.

6.0 Measuring Engagement

- 6.1 This strategy sets out the councils approach to employee engagement and in order to monitor the success of initiatives developed from this strategy it is important that the Council continues to monitor the engagement levels of our employees. The recent employee surveys have shown that our overall response rate and therefore engagement level is average for the size and type of organisation that we are. However it also shows us that there are low engagement levels amongst some of our employee groups. We recognise that high levels of employee engagement are an essential element of a resilient and high performing organisation, so we are ambitious to improve engagement and survey response levels. Evidence shows that different approaches to engagement are important, taking account of the employee group profile. It also shows that shorter, more frequent engagement achieves higher response rates and increases engagement.
- 6.2 We will develop a programme of regular engagement activity and will actively seek to increase accessibility of this to ensure that as many employees as possible can have their say. We are working to improve our engagement with employees, particularly those who are non-office based and who have shown the lowest levels of engagement, to ensure that they have sufficient opportunities to give feedback and make their views known. We will review the current employee questionnaires that are in use and simplify them to maximise their impact. We will ensure that the results and findings are

communicated in ways that are accessible to all.

- 6.3 We recognise that an important aspect of engagement is regular contact with managers and supervisors in a structured manner. As set out in the HR and OD Strategy, the organisation will prepare and develop a PRD system for manual workers, which will underpin an appraisal and engagement process for this group.
- 6.4 We also recognise that the skills required for managers to engage effectively with employees centre around communication and conversation. Research shows that improved conversations in the workplace between managers and employees are a prerequisite to improved engagement levels and ultimately overall performance. We will enhance the communication element of the Argyll and Bute Manager Programme to include appropriate training to address this.
- 6.5 Measurement indicators for conversation and communication are directly assessed in the employee survey questions. Over the longer term can be assessed against the people management indicators in service and departmental scorecards. Management units with greater communication and engagement skills and practice will exhibit lower levels of absence, grievances and disciplinaries. This has a direct impact on the resource available to the service, service quality and employee wellbeing.

7.0 Conclusion

- 7.1 Argyll and Bute Council is a people organisation, which is committed to being a high performing and improving organisation. Our employees are at the heart of what we do and are at the frontline of all the services that we deliver. We recognise that an organisation with an engaged workforce has a higher degree of success in performance and improvement. This strategy sets out our approach to achieving this.
- 7.2 The strategy is accompanied by an action plan that sets out the specific activities that we will implement in order to achieve these strategic objectives.

8.0 Measuring Performance

- 8.1 The performance indicators contained in the following table will be measured to determine the impact of the Employee Engagement Strategy through future employee engagement activities such as staff surveys. Some of these indicators are new measures and targets will therefore be confirmed following identification of a benchmark figure.

Measuring Performance			
Outcome	Performance Indicator	2014/15	2017 Target
We grow excellent leaders and managers	% of employees reporting they are treated with respect by their line manager	82%	85%
	% of employees who feel that their work contribution is recognised by their line manager	70%	75%
	% of employees who report they regularly receive constructive feedback on their work	49%	55%
Our Culture, structure and systems make our council a high performing organisation that people choose to work for	% of employees reporting conflict at work (friction or anger between colleagues)	20%	15%
	% of employees reporting they have agreed their training and development needs in the last 12 months	64%	70%
	Average days lost per employee due to sickness absence	10.6	9.78
	% of employees reporting that they would recommend the Council as a good place to work	60%	65%
	% of employees who feel the Council takes health and safety at work seriously	70%	75%
	% of employee reporting the Council takes equalities seriously as an employer	69%	75%
We provide excellent communication, consultation and engagement	% of employees who report their ideas are welcomed as a way of improving services	57%	65%
	% of employees reporting they are kept well informed of council decisions	46%	60%
	% of employees reporting that management seeks employees views and opinions	43%	48%
	% of employees reporting they are satisfied with communication in the Council	42%	52%

Employee Engagement Strategy Action Plan						
Reference	Topic	Outcome	Actions	Timeline	Responsible Person	Status
EE1.0	Growing Excellent Leaders and Managers	Our leaders and managers demonstrate behaviours which support the organisation's culture and create an environment where our employees can excel.	Leadership programme for third tier managers is refined based on feedback and rolled out	Dec 2015	HR and OD Manager	
EE1.1			Continued roll out and development of Argyll and Bute Manager Programme: <ul style="list-style-type: none"> • Preparing for Management tier • Refinements to ensure programme reflects planned work on culture and behaviours • Options considered for accreditation of the programme 	Ongoing March 2016 March 2017 March 2017	HR and OD Manager	
EE1.2			Self-Assessment Framework (developed as part of Corporate Improvement Strategy) is used to provide a benchmark for leadership results. This will in turn provide a baseline on which continuous improvement in our leadership approach can be developed	March 2017 (or in accordance with timescale developed in the CIS)	HR and OD Manager	
EE2.0	Employee Voice: Involving our employees	Employees are involved in corporate activities and have the ability to put forward ideas on how	Options for increasing ways for employees to feedback ideas to management developed as part of consultation and engagement toolkit (this will include development of existing methods such as the employee suggestion	March 2016	HR and OD Manager/ Communications Manager	

		services or processes could be improved.	scheme)			
EE2.1			Employee forums (including Equalities forum and Healthy Working Lives group) have the opportunity to be involved in the development and review of relevant corporate plans, policies and procedures	Ongoing	HR and OD Manager	
EE2.2			Regular Trades Union Liaison Meetings at corporate and departmental level take place	Ongoing	Head of Improvement and HR-Directors	
EE3.0	Employee Recognition: Recognising a job well done	Employees receive credit where it is due and feel their contribution is valued through recognition of a job well done.	Formal recognition: Employee Excellence Awards developed with recognition categories	October 2015	HR and OD Manager	Categories approved and closing date for applications 21 st August 2015
EE3.1			Informal recognition: Revision of Argyll and Bute Manager programme will include conversation skills and dialogue which will support provision of constructive feedback including recognition for positive contribution	March 2017	HR and OD Manager	
EE3.2			Celebrating success- Managers will be reminded to update the "Celebrating Success" pages on the hub with employee and team achievements	December 2015	HR and OD Manager	
EE3.3			Internal communications strategy will include focus on people and achievements	March 2016	Communications Manager	
EE4.0	Development and Training	Employees receive the	Corporate approach to Talent Management/ Growing our own	March 2017	HR and OD Manager	

		training they need to do their job and those who display the appropriate knowledge, values and behaviours have the opportunity to develop within the Council	developed and approved. This will link to workforce planning and include Modern Apprenticeships, Argyll and Bute Manager and Specific Professional development opportunities.			
EE4.1			Corporate training programme developed, approved and rolled out following learning needs analysis	March 2016	HR and OD Manager	
EE5.0	Safe and Healthy work environment	Employees are equipped to do their jobs safely and have access to information and resources on making healthy lifestyle choices	Healthy working lives group develop and roll out programme of campaigns to raise awareness of healthy options	Jan 2016	HR and OD Manager	
EE5.1			Investigation into possible joint HWL campaigns with key partners (e.g. CPP)	March 2016	HR and OD Manager	
EE6.0	Measuring Engagement	Council develops approach to measuring employee engagement	Work with Napier university in developing Employee Value Proposition	March 2016	Head of Improvement and HR	

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ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES COMMITTEE****CUSTOMER SERVICES****29 OCTOBER 2015**

Community Benefits Clauses in Procurement Guide

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this paper is to seek approval for a revised version of the Community Benefits Clauses in Procurement Guide. The main revisions to the Guide are amendment of threshold values for mandatory inclusion of Community Benefits Clauses (CBCs) within tenders and to provide clarity about when the different types of community benefits clauses should be utilised. It is proposed that Evaluated CBCs will be the default for use in services and supplies contracts over £100,000 and in works contracts over £500k but below £1m. Below these levels we would always seek Non-Evaluated CBCs. For works contracts over £1m in value we propose to follow a Client Based Approach.
- 1.2 Approval is sought for the revised guide which reflects these changes.

Community Benefits Clauses in Procurement Guide

2.0 INTRODUCTION

- 2.1 The use of Community Benefit Clauses (CBCs) in appropriate tenders provides a method of including social, environmental and economic matters in contracts for the supply of goods, services or works that do not conventionally have these requirements as defined or measured outcomes. These must be directly related to the core purpose of the contract, and must not be designed specifically to favour local suppliers or restrict employment or training to UK nationals. They have been used very successfully in the Glasgow Commonwealth Games to provide substantial number of opportunities for Modern Apprenticeships, and for long term unemployed people. For this council, one of the first examples of CBCs was for the Bute Food Project which won a procurement award for sustainability in 2010/11. We also have good examples of these in our general maintenance term contracts where the contractor has significant numbers of apprenticeships and created new opportunities for qualified tradespersons in our area. In the recent Dunoon Pier contract, there have been major sub-contracting opportunities for local businesses, sponsorship of local events and involvement with local schools.
- 2.2 Argyll and Bute Council is keen to continuously improve and develop the approaches used when including CBCs within contracts. To assist with this, informal discussions have taken place with other councils at training events and meetings, to share examples of best practice.
- 2.3 Based on the experience of other Councils, it is now recommended that Argyll and Bute Council update and standardize our approach to Community Benefits Clauses within tenders, increasing the use of evaluated CBCs and amending the thresholds for mandatory inclusion of CBCs to reflect this. This paper provides an update on the revised version of the Community Benefits Clauses in Procurement Guide (Appendix 1).

3.0 RECOMMENDATIONS

- 3.1 That the committee approves the revised guide to Community Benefits Clauses in Procurement attached at Appendix 1 and updated guidance for tenderers attached at Appendix 2.

4.0 DETAIL – MAIN REVISIONS TO THE GUIDE

Threshold Values for Mandatory Inclusion of Community Benefits Clauses

4.1 Although the national threshold for the mandatory inclusion of CBCs within tenders is a contract value of £4m, Argyll and Bute Council, along with the majority of other local authorities, has adopted a lower internal threshold. The majority of our contract values fall below this £4m threshold. This lower threshold will allow us to maximise the benefits that can be achieved across the Council’s contracts. It is proposed to amend the current internal threshold for mandatory CBCs from £350,000 for all types of contracts as follows:

- For Works Contracts, following the increase in the upper limit for Quick Quotes to £500,000, to also increase the threshold for mandatory CBCs to £500,000 for consistency. However, if a lower value Works Contract is carried out using the Open or Restricted procedure, a voluntary CBC clause should be used which would not be evaluated.
- For Supplies and Services Contracts, to reflect the recommended Evaluated CBC approach (outlined in more detail below), it is recommended to lower the threshold for mandatory CBCs to £100,000. This should increase the number of contracts including CBCs while ensuring that the requirements for the suppliers remain proportionate to the value and timescale of the contract.

Types of Community Benefits Clauses:

4.2 The Guide now outlines 3 different approaches to CBCs – Evaluated CBCs, Non-evaluated CBCs and the Client Based Approach. The table below standardises the method to establish the most appropriate approach based on contract type and value:

Contract Type	Contract Value		
Works	Open / Restricted below £500k: <ul style="list-style-type: none"> • Non-evaluated CBC 	Between £500k and £1m <ul style="list-style-type: none"> • Evaluated CBC or • Non-evaluated CBC 	Over £1m: <ul style="list-style-type: none"> • Client-Based Approach
Supplies / Services	Below £100k: <ul style="list-style-type: none"> • Non-evaluated CBC 	Over £100k: <ul style="list-style-type: none"> • Evaluated CBC or • Non-evaluated CBC 	

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- 4.3 The main focus for the majority of future tenders will be including CBCs as an evaluated element within the Quality/Technical section of the tender evaluation. This approach should help to ensure that all tenderers provide the required CB information, and provides a standard objective method of evaluation based on Community Benefits Points, a Community Benefits Method Statement, and a Delivery Timescale. This also provides Key Performance Indicators to be used within contract management to ensure that the successful supplier meets the CB requirements. The full process for the inclusion of Evaluated CBCs is outlined in Appendix 2: 'Evaluated Community Benefits Clauses: Guidance for Tenderers'.
- 4.4 For tenders where Evaluated CBCs are not appropriate for whatever reason (i.e. due to the value of the contract, or the nature of the contract) another option is the inclusion of a Non-Evaluated CBC, this has remained as per the previous version of the Guide.
- 4.5 Finally, for Works Contracts over £1m, the Client Based Approach for Community Benefits should be included as standard. This is detailed at paragraph 2.4 of the attached guide and is based on a toolkit developed by the National Skills Academy.

5.0 CONCLUSION

- 5.1 Using the revised approaches to the use of CBCs within appropriate tenders, the Procurement Team together with the Economic Development Team will continue to offer support and guidance by providing direction and assistance in the identification, evaluation, capture, monitoring and reporting of CBCs throughout the life of a contract. This will require minimum effort from the procurement areas while offering a maximum impact from the contract.
- 5.2 Purchasing Officers will ensure that appropriate monitoring arrangements are in place to monitor the Community Benefits element of the contract.

6.0 IMPLICATIONS

- 6.1 Policy: This supports the Council's Procurement and commissioning strategy and in particular the Sustainable Procurement Policy at Appendix 4 to this strategy.
- 6.2 Financial: None
- 6.3 Legal: None
- 6.4 HR: Increases opportunity for employment across the council area
- 6.5 Equalities: Ensures increasing opportunity to disadvantaged groups.
- 6.6 Risk: None.

6.7 Customer Service: None

Executive Director of Customer Services
Policy Lead - Councillor Dick Walsh

21 October 2015

For further information contact:

Elaine Appleby, Category Management Officer, 01369 70 8594

APPENDICES

Appendix 1: Community Benefits Clauses in Procurement Guide

Appendix 2: Evaluated Community Benefits Clauses: Guidance for Tenderers

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ARGYLL AND BUTE COUNCIL



***Community Benefits Clauses in Procurement
Guide***

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1. INTRODUCTION

1.1 BACKGROUND

1.1.1 The aim of this document is to provide guidance on Argyll and Bute Council's approach to incorporating Community Benefits Clauses (CBCs) within the Procurement Process where appropriate. The use of CBCs provides a method of including social, environmental and economic sustainability matters in contracts for the supply of goods, services or works that do not conventionally have these requirements as defined or measured outcomes.

1.1.2 The Local Government in Scotland Act 2003, the Public Contracts (Scotland) Regulations 2012 and European Procurement Directives enable public bodies to include Community Benefits in the procurement process, in certain circumstances. This guide provides guidelines for legally incorporating Community Benefits into the tendering process.

1.1.3 Although Argyll and Bute Council use CBCs as standard practice they have historically mostly been used on a voluntary basis. The aim of this document is to encourage the use of evaluated CBCs within tenders wherever possible as an improved approach to Community Benefits within procurement exercises. This document also aims to standardise and explain in detail the process of incorporating social consideration into procurement activities in order to promote greater use of mandatory Community Benefit Clauses.

1.2 WHAT ARE COMMUNITY BENEFITS CLAUSES?

1.2.1 Community Benefit Clauses (CBCs) provide a means of achieving sustainability in public contracts. The main areas considered to be Community Benefits include targeted recruitment and training, small business and social enterprise development and community engagement.

- **'Sustainable procurement'** is a way of delivering the Government's sustainable development objective.
- **'Social issues'** are part of the still wider concern of 'sustainable procurement';
- **'Community Benefits'** is one element in a wider range of 'social issues';
- **'Targeted Recruitment and Training'** is one elements in a wider range of Community Benefits

1.3 THE CHALLENGE

1.3.1 The Challenge is to identify the products, services and works Argyll and Bute Council procures that generate the greatest capacity to enhance social outcomes. These include activities such as employment, training, knowledge transfer and environmental outcomes.

1.3.2 Through best procurement practice we must ensure benefits are brought both to individuals and to the wider community creating additional and measurable social, environmental and economic improvements.

1.4 LEGAL SUMMARY

1.4.1 The Scottish Government summarise¹ the legal requirements as follows:-

- Procurement can be used to achieve social and environmental requirements if they comply with the EU procurement rules and general EU law, which includes a duty to specify the requirements in the contract notice published in the Official Journal of the European Union (OJEU). The contracting authority must also have the legal powers to pursue the requirements;
- In particular, the principles of equal treatment and transparency must be observed. Community benefit requirements in contracts must be objective and should not favour local suppliers or restrict employment or training to UK nationals. For example, contracting authorities must not express a preference for jobseekers from a particular locality to receive training or employment or require subcontracts to be placed with “local” SMEs. As wide a variety of suppliers as possible should be able to compete for the contract;
- Case law supporting use of social clauses and the extent of their use is available and should be observed;
- The EU legislative framework is generally more concerned with how public bodies procure, rather than what they procure, so long as value for money (VFM) is attained.

1.4.2 If varying the standard wording suggested within this guide, Purchasing Officers should seek legal advice to ensure that the CBCs they wish to use are within the parameters of their competence and comply with EC Treaty principles.

1.5 TRANSPARENCY AND NON-DISCRIMINATION

1.5.1 The principle of transparency and non-discrimination are crucial to ensuring that Community Benefits are legally incorporated within the tendering process.

1.5.2 The aim of achieving Community Benefits as part of the Council’s tendering processes must be made clear from the beginning. The Community Benefits statements should be issues within the Contract Notice indicating that the contract to be awarded may include the provisions to achieve Community Benefits (Please refer to Appendix A for samples of contract notice wording for all types of projects).

1.5.3 It is important to ensure that the inclusion of Community Benefits do not directly or indirectly disadvantage or discriminate against bidders outwith Argyll and Bute.

¹ Scottish Government (2008) *Community Benefits in Public Procurement* [available online] <http://www.scotland.gov.uk/Resource/Doc/212427/0056513.pdf>

Purchasing Officers should ensure that that Community Benefits do not directly or indirectly discriminate against individuals and groups covered under the protected characteristics of Equality Act 2010.

1.6 SUPPORT AND GUIDANCE

1.6.1 The Procurement Team together with the Economic Development Team will offer support and guidance by providing direction and assistance in the identification, evaluation, capture, monitoring and reporting of CBCs throughout the life of a contract. This will require minimum effort from the procurement areas while offering a maximum impact from the contract.

1.6.2 Purchasing Officers will ensure that appropriate monitoring arrangements are in place to monitor the Community Benefits element of the contract. The following monitoring information should* be requested and included in the contract management documentation:

- Single point of contact within the organisation who will be responsible for ensuring the delivery of the Community Benefits
- A clear statement of the actual outputs to be monitored
- The frequency of monitoring information arrangements
- A means of verifying the monitoring arrangements

*if this information are not possible to request in the contract document, they should be supplied to the Sustainability Lead Officer after agreement with the contractor, preferable at the contract implementation meeting.

1.7 COMMUNITY BENEFITS COMMITMENT

1.7.1 Argyll and Bute Council is committed to maximise Community Benefits from its procurement activities.

1.7.2 In respect of the contracts with an estimated value of:

- **Services >£100,000.00**
- **Supplies >£100,000.00**
- **Works >£500,000.00 (or <£500,000.00 if the tender is advertised using the Open or Restricted procedure rather than the Quick Quote procedure)**

Prior to commencement of the procurement process, the Purchasing Officer in conjunction with the Sustainability Lead Officer must consider whether CBCs can be included in the contract. As a part of the Sourcing Strategy requirements Sustainability factors are taken into account as well as the sustainability test, which will require to be completed by the Purchasing Officer with assistance from the service, which will determine what sustainability factors will be included within the procurement process. Where, after the consideration, it is decided that CBCs will not

be included in any tender (as per values above) the reasons will be recorded in Community Benefit Monitoring Spreadsheet and reported in the Contract Award Recommendation Report.

- 1.7.3 There is no formal requirement for the consideration of Community Benefits in contracts with an estimated value of less than above-mentioned values for supplies, services and works contracts, but it is strongly recommended to consider Community Benefits for each contract and apply these where appropriate. It may be possible to achieve creative Community Benefits as part of relatively low value contracts, when considering a wider approach rather than focusing on employment and training.
- 1.7.4 The Procurement and Commissioning Team will work with the Scottish Procurement and Commercial Directorate and Scotland Excel to incorporate Community Benefits into as many Category A and Category B contracts as possible
- 1.7.5 The commitment applies to Contracts and Framework Agreements.
- 1.7.6 The Procurement and Commissioning Team will report on a quarterly basis to the Procurement Board on the progress made towards improvement of the Community Benefits use in appropriate contracts (see Appendix E for the Monitoring Indicators and the Action Plan).

1.8 IDENTIFYING POTENTIAL COMMUNITY BENEFITS

- 1.8.1 There are three conditions that must be met prior to including Community Benefits in contracts:
 - Community Benefits are directly related to the 'core purpose' of the contract.
 - Community Benefits do not directly or indirectly, disadvantage or discriminate against any bidder.
 - Community Benefits are in line with Argyll and Bute Council Policy.

2. TYPES OF COMMUNITY BENEFITS CLAUSES

2.1 APPROACHES

2.1.1 The appropriate Community Benefits Clause will differ depending on the specification of the project, but for the purpose of this guide we can split the types available into 3 approaches: Evaluated CBCs, Non-evaluated CBCs and the Client Based Approach.

Contract Type	Contract Value		
Works	Open/Restricted below £500,000.00*: <ul style="list-style-type: none"> • Non-evaluated CBC 	Between £500,000.00 and £1,000,000.00: <ul style="list-style-type: none"> • Evaluated CBC or • Non-evaluated CBC 	Over £1,000,000.00: <ul style="list-style-type: none"> • Client-Based Approach
Supplies / Services	Below £100,000.00*: <ul style="list-style-type: none"> • Non-evaluated CBC 	Over £100,000.00: <ul style="list-style-type: none"> • Evaluated CBC or • Non-evaluated CBC 	

* The inclusion of a Community Benefits Clause in contracts below £100,000.00 is not mandatory, but it is strongly recommended to consider Community Benefits for each contract and apply these where appropriate. For Works contracts, CBCs should only be included in contracts below £500,000.00 if an Open or Restricted process is used (generally only in exceptional circumstances) – if the contract value is over £100,000.00 an Evaluated CBC should be given preference.

2.1.2 The Community Benefits Process Flowchart in Section 3 should be followed in order to aid this decision.

2.1.3 It is essential that Community Benefits are directly related to the ‘core purpose’ of the Contract. For example, it is not appropriate to include Community Benefits requiring suppliers to provide training across all of their operations when only one of their operations is relevant to the delivery of the contract.

2.2 EVALUATED CBCs

2.2.1 For all Supplies/Services contracts with an estimated value of over £100,000.00 and all Works contracts with an estimated value between £500,000.00 and £1,000,000.00 the recommended approach to Community Benefits is the use of an Evaluated CBC. This provides an objective methodology for the inclusion and evaluation of Community Benefits within a tender.

2.2.2 For each tender, Purchasing Officers should aim to follow the Community Benefits Process Flowchart in Section 3, and evaluate Community Benefits proposals as part of contract award criteria wherever possible.

- 2.2.3 When evaluating Community Benefits as part of the tendering process, Purchasing Officers should set a specific weighting for Community Benefits proposals within the defined contract award criteria (e.g. 10% Community Benefits).
- 2.2.4 In order for Community Benefits to be evaluated against objective criteria, Purchasing Officers should follow the process outlined in the document 'Evaluated Community Benefits Clauses: Guidance for Tenderers' to allocate a minimum expectation value of Community Benefits Points from the Community Benefits Points Matrix. Tenderers should then offer a Breakdown of Community Benefits to match or exceed this value, based on the Community Benefits Points Menu; a Community Benefits Method Statement and a Delivery Timetable. This will also ensure that performance against these proposals is measurable during contract monitoring post award.
- 2.2.5 Sample wording guidance for Community Benefits is provided in Appendix B of this Guide.
- 2.2.6 Purchasing Officers should also discuss any decision to evaluate Community Benefits proposals with the Sustainability Lead Officer.

2.3 NON-EVALUATED CBCs

- 2.3.1 For this process, Purchasing Officers should ensure that Community Benefits proposals within a bidder's submission are not scored, evaluated or taken into account when determining the winning tender. However, where a contract is awarded to a bidder whose Tender Submission includes Community Benefits, these will be enforceable as part of the contract.
- 2.3.2 The decision to evaluate Community Benefits as part of contract award criteria should be considered on a case by case basis. In some circumstances, the evaluation of Community Benefits proposals may not be appropriate.
- 2.3.4 As an alternative, the Council will seek to include contractual Community Benefits provisions without evaluating these as part of contract award criteria. Sample wording for the non-evaluation of Community Benefits is provided in Appendix B.

2.4 CLIENT BASED APPROACH

- 2.4.1 For Works contracts with an estimated value in excess of £1,000,000.00 the Council has adopted the National Skills Academy for Construction Client Based Approach. The National Skills Academy guidance provides a toolkit to deliver targeted recruitment and training Community Benefits (e.g. apprenticeships, jobs, leadership training etc.) across a variety of construction project values and construction project types (e.g. residential houses, highways and roads, schools, house repairs etc.).

- 2.4.2 A flowchart and supporting documentation for achieving Community Benefits via the National Skills Academy approach is provided in Section 3 and Appendix B of this Guide.

- 2.4.3 Once suitable targeted recruitment and training Community Benefits have been identified via the National Skills Academy guidance. The Purchasing Officer, in conjunction with the Sustainability Lead Officer, will implement the National Skills Academy approach and include the appropriate Community Benefits Clause within the construction project tender documentation.

3. PROCESS FOR INCLUDING APPROPRIATE COMMUNITY BENEFITS CLAUSES WITHIN TENDERS

Community Benefits Process Flowchart																									
<p>Sourcing Strategy: Purchasing Officer to complete the Sustainability Section of the relevant Sourcing Strategy Route with input from the Contract Administrator/UIG, this will help to identify potential areas of Community Benefits within the contract.</p>																									
<p>Works Contracts Community Benefits must be considered for contracts with an estimated value of >£500,000.00, or between £100,000.00 and £500,000.00 if an Open or Restricted process is to be used.</p>	<p>Supplies and Services Contracts Community Benefits must be considered for contracts with an estimated value of >£100,000.00</p>																								
<p>Purchasing Officers should complete the checklist below. Assistance can be sought at any time from the Sustainability Lead Officer.</p>																									
<p>Works Contracts</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Identifying Community Benefits</th> <th style="text-align: center;">V</th> </tr> </thead> <tbody> <tr> <td>If estimated contract value is in excess of £1m, contact the Sustainability Lead Officer to discuss targeted recruitment and training Community Benefits as outlined in the National Skills Academy guidance.</td> <td></td> </tr> <tr> <td>If estimated contract value is below £1m, consider the various examples of Community Benefits (see Appendix C) and discuss potential Community Benefits with the Sustainability Lead Officer.</td> <td></td> </tr> <tr> <td>Potential Community Benefits are in line with the Council’s <u>Corporate Plan</u> priorities.</td> <td></td> </tr> <tr> <td>Consider Best Value implications to the Council for all potential Community Benefits.</td> <td></td> </tr> <tr> <td>In conjunction with Sustainability Lead Officer record Community Benefits information in <u>the Community Benefits Monitoring Spreadsheet</u></td> <td></td> </tr> </tbody> </table>	Identifying Community Benefits	V	If estimated contract value is in excess of £1m, contact the Sustainability Lead Officer to discuss targeted recruitment and training Community Benefits as outlined in the National Skills Academy guidance.		If estimated contract value is below £1m, consider the various examples of Community Benefits (see Appendix C) and discuss potential Community Benefits with the Sustainability Lead Officer.		Potential Community Benefits are in line with the Council’s <u>Corporate Plan</u> priorities.		Consider Best Value implications to the Council for all potential Community Benefits.		In conjunction with Sustainability Lead Officer record Community Benefits information in <u>the Community Benefits Monitoring Spreadsheet</u>		<p>Supplies and Services Contracts</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Identifying Community Benefits</th> <th style="text-align: center;">V</th> </tr> </thead> <tbody> <tr> <td>Consider the various examples of Community Benefits (see Appendix C)</td> <td></td> </tr> <tr> <td>Discuss potential Community Benefits with the Sustainability Lead Officer.</td> <td></td> </tr> <tr> <td>Potential Community Benefits are in line with the Council’s <u>Corporate Plan</u> priorities.</td> <td></td> </tr> <tr> <td>Consider Best Value implications to the Council for all potential Community Benefits.</td> <td></td> </tr> <tr> <td>In conjunction with Sustainability Lead Officer record Community Benefits information in <u>the Community Benefits Monitoring Spreadsheet</u></td> <td></td> </tr> </tbody> </table>	Identifying Community Benefits	V	Consider the various examples of Community Benefits (see Appendix C)		Discuss potential Community Benefits with the Sustainability Lead Officer.		Potential Community Benefits are in line with the Council’s <u>Corporate Plan</u> priorities.		Consider Best Value implications to the Council for all potential Community Benefits.		In conjunction with Sustainability Lead Officer record Community Benefits information in <u>the Community Benefits Monitoring Spreadsheet</u>	
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Include Community Benefits Statement in the Contract Notice on Public Contracts Scotland (Appendix A)																									
<p>Works Contracts</p> <p>Purchasing Officers should complete the NSAA checklist below and choose the appropriate route:</p> <p>a) National Skills Academy Approach (All requirements in the checklist have been met.) Employment and Skills Plan with method statement to be completed by all bidders.</p> <p>b) NSAA not appropriate or all the requirements in the checklist have not been met. Complete CCBP - Evaluated checklist.</p> <p>If suitable targeted recruitment and training Community Benefits have been identified via the National Skills Academy guidance then Purchasing Officers should complete Checklist 2(a) below:</p> <table border="1" data-bbox="190 766 1075 1324"> <thead> <tr> <th>National Skills Academy Approach</th> <th>V</th> </tr> </thead> <tbody> <tr> <td>Contact the Sustainability Lead Officer to set Target outputs in line with the 'Benchmark' appendices within the National Skills Academy guidance.</td> <td></td> </tr> <tr> <td>An Employment and Skills Plan template, including target outputs, has been included within the tender documentation for completion by all bidders.</td> <td></td> </tr> <tr> <td>Requirement for a detailed Method Statement on how the Employment and Skills Plan will be delivered has been included within the tender documentation.</td> <td></td> </tr> <tr> <td>Community Benefits proposals are directly related to the 'core purpose' of the contract.</td> <td></td> </tr> <tr> <td>Community Benefits proposals do not, directly or indirectly, disadvantage or discriminate against any bidder.</td> <td></td> </tr> </tbody> </table>	National Skills Academy Approach	V	Contact the Sustainability Lead Officer to set Target outputs in line with the 'Benchmark' appendices within the National Skills Academy guidance.		An Employment and Skills Plan template, including target outputs, has been included within the tender documentation for completion by all bidders.		Requirement for a detailed Method Statement on how the Employment and Skills Plan will be delivered has been included within the tender documentation.		Community Benefits proposals are directly related to the 'core purpose' of the contract.		Community Benefits proposals do not, directly or indirectly, disadvantage or discriminate against any bidder.		<p>Supplies and Services Contracts</p> <p>Once suitable Community Benefits have been identified, Purchasing Officers should complete the CCBP - Evaluated checklist below and choose the appropriate route:</p> <p>a) All requirements in the CCBP – Evaluated checklist have been met:</p> <ul style="list-style-type: none"> • Set a specific weighting for Community Benefits proposals. • Evaluate Community Benefits Proposals <p>b) All requirements in the CCBP – Evaluated checklist have not been met:</p> <ul style="list-style-type: none"> • Complete the CCBP – Non Evaluated checklist. • Community Benefits not scored, evaluated or taken into account in any way. <table border="1" data-bbox="1131 774 2016 1173"> <thead> <tr> <th>Contractual Community Benefits Proposals – Evaluated</th> <th>V</th> </tr> </thead> <tbody> <tr> <td>Set a specific weighting for Community Benefits proposals within the defined contract award criteria.</td> <td></td> </tr> <tr> <td>Stipulate specific and quantifiable Community Benefits proposals within the tendering documentation.</td> <td></td> </tr> <tr> <td>Community Benefits proposals are directly related to the 'core purpose' of the contract.</td> <td></td> </tr> <tr> <td>Community Benefits proposals do not, directly or indirectly, disadvantage or discriminate against any bidder.</td> <td></td> </tr> <tr> <td>Consult with the Sustainability Lead Officer</td> <td></td> </tr> </tbody> </table> <p>Where requirements in the CCBP – Evaluated checklist cannot be met, Purchasing Officers should complete the CCBP – Non Evaluated checklist below and include contractual Community Benefits provisions without evaluating these as part of contract award criteria.</p>	Contractual Community Benefits Proposals – Evaluated	V	Set a specific weighting for Community Benefits proposals within the defined contract award criteria.		Stipulate specific and quantifiable Community Benefits proposals within the tendering documentation.		Community Benefits proposals are directly related to the 'core purpose' of the contract.		Community Benefits proposals do not, directly or indirectly, disadvantage or discriminate against any bidder.		Consult with the Sustainability Lead Officer	
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Where implementing the National Skills Academy guidance is not appropriate or where requirements in the NSAA checklist cannot be met, Purchasing Officers should complete the CCBP - Evaluated checklist below:

Contractual Community Benefits Proposals – Evaluated	V
Set a specific weighting for Community Benefits proposals within the defined contract award criteria.	
Stipulate specific and quantifiable Community Benefits proposals within the tendering documentation.	
Community Benefits proposals are directly related to the 'core purpose' of the contract.	
Community Benefits proposals do not, directly or indirectly, disadvantage or discriminate against any bidder.	
Consult with the Sustainability Lead Officer	

Where requirements in the CCBP – Evaluated checklist cannot be met, Purchasing Officers should complete the CCBP – Non Evaluated checklist below and include contractual Community Benefits provisions without evaluating these as part of contract award criteria.

Contractual Community Benefits Proposals - Not Evaluated	V
Request proposals for social, economic and environmental Community Benefits within the tendering documentation. (See sample wording – Appendix B)	
Community Benefits proposals will not be scored, evaluated or taken into account, in any way, when determining the winning tender.	

Contractual Community Benefits Proposals - Not Evaluated	V
Request proposals for social, economic and environmental Community Benefits within the tendering documentation. (See sample wording – Appendix B)	
Community Benefits proposals will not be scored, evaluated or taken into account, in any way, when determining the winning tender.	
Community Benefits proposals within the winning tender will be accepted and enforced as part of the contract.	
Consult with the Sustainability Lead Officer.	

Community Benefits proposals within the winning tender will be accepted and enforced as part of the contract.		
Consult with the Sustainability Lead Officer.		
Formal tendering process (including evaluation of Community Benefits where appropriate, ensuring that all tenderers have provided responses), and contract award in line with Standing Orders and Procurement Manual.		
Include contractual Community Benefits provisions		
Delivery of Community Benefits monitored by agreed responsible officers		
Planned and achieved Community Benefits recorded by the Sustainability Lead Officer in conjunction with the Economic Development Team.		

APPENDIX A - SAMPLE CONTRACT NOTICE

Purchasing Officers must make clear, from the outset of the tendering process, the Council's aim of achieving Community Benefits. Therefore a Community Benefits statement should be included within the Contract Notice.

CONSTRUCTION PROJECTS

A sample Contract Notice is provided below:

“Argyll and Bute Council is committed to maximising Community Benefits from its procurement activities. Under this procurement, the contractor, and its supply chain, will be required to support the authority's social objectives relating to participation in skills development, training and employment initiatives and other added value contributions. Accordingly, contract performance conditions may relate in particular to social, economic and environmental considerations.”

NON-CONSTRUCTION PROJECTS

A sample Contract Notice is provided below:

“Argyll and Bute Council is committed to maximising Community Benefits from its procurement activities. Under this procurement, the contractor, and its supply chain, will be required to support the authority's economic and social regeneration objectives. Accordingly, contract performance conditions may relate in particular to social, economic and environmental considerations.”

APPENDIX B - SAMPLE WORDING GUIDANCE

Please note that the samples set out in this procedure are provided as examples only and may not be appropriate for every project. It is vital that Purchasing Officers seek legal advice as to the clauses which they intend to use on a project by project basis to ensure they are appropriate. Note also that the law changes from time to time and so legal advice is necessary to ensure that clauses reflect the current legal position.

Purchasing Officers should always liaise with the Sustainability Lead Officer and Legal Services for assistance with the wording of Community Benefits within contract documentation.

The following links include many examples of sample wording for incorporating Community Benefits. Sample Contract Notice wording is provided separately in Appendix A.

Ready For Business (www.readyforbusiness.org)

Ready for business can provide practical support with the development and implementation of Community Benefit Clauses in procurement as well assistance with scoring and evaluation of tender responses and monitoring of impact.

- Community Benefit Clauses - A Guide for Public Sector Procurement Agencies
- Community Benefit Clauses - Frequently Asked Questions
- Sample Clauses – Waste Example
- Buying for Good

Scottish Government (www.scotland.gov.uk)

Special note should be given to Section 5 of the Scottish Government's Community Benefits in Public Procurement Report. This section includes model clauses for Contract Notices, Pre-Qualification Questionnaires (PQQ), tender specifications and contract conditions.

- Community Benefits in Public Procurement – Report
- Community Benefits in Public Procurement - Guidance Note
- Community Benefits – Leaflet
- [Monitoring the Impact of Community Benefit Clauses in Procurement Contracts – Guidance Notes and Definitions](#)

The Improvement Service (www.improvementservice.org.uk)

The Improvement Service report presents the findings of their Targeted Recruitment and Training in Procurement project. The report brings together a collection of case studies showing practical applications of Targeted Recruitment and Training clauses.

- Targeted Recruitment and Training Clauses in Procurement

Employability in Scotland (www.employabilityinscotland.com)

SAMPLE EVALUATED COMMUNITY BENEFITS CLAUSE

1.0 Community Benefits Clause

1.1 Argyll and Bute Council is committed to maximising Community Benefits from its procurement activities in order to build economic, social or environmental conditions into the delivery of Council contracts.

Social Benefits	e.g. jobs, work experience, training, apprenticeships and mentoring.
Economic Benefits	e.g. use of Small, Medium Enterprises, promotion of opportunities to Social Enterprises and the Voluntary Sector, community consultation, young person engagement, and community sponsorship.
Environmental Benefits	e.g. public art projects, community improvement projects, resources for community environmental initiatives and physical infrastructure.

1.2 Under this contract the successful Contractor will be expected to support Argyll and Bute Council’s requirements for delivering a range of Community Benefits including:

- Targeted recruitment and training for priority employability groups
- Work experience placements for the same target groups
- Curriculum support for schools and those on employability pathways
- Community Enhancement for community groups and projects
- Small and Medium Enterprises and Social Enterprise Organisations supply chain support

1.3 Based on the value and term of contract being offered the Council expects you to meet a minimum of *TBC* Community Benefits points (please see attached ‘Community Benefits – Guidance for Tenderers’ document for further information on this).

1.4 Tenderers are required to complete the Community Benefits question within this Invitation to Tender, providing a breakdown of the Community Benefits Points to be provided, a Community Benefits Method Statement, and a timetable for the delivery of these Community Benefits.*

** Remove reference to delivery timetable within frameworks.*

Wording for Evaluation Section of ITT

Item	Weighting
Community Benefits: <ul style="list-style-type: none"> • Breakdown of Community Benefits Points to be provided* 	<i>TBC%</i>

<ul style="list-style-type: none"> • Community Benefits Method Statement • Timetable for Delivery** 	
---	--

* Tenderers should note that the Breakdown of Community Benefits Points to be provided must meet the minimum of *TBC* points required for this contract, as per Clause *TBC* – Community Benefits Clause. Tenderers that do not offer this number of points as a minimum will have submitted a non-compliant tender which will not be eligible for contract award. Please see ‘Community Benefits – Guidance for Tenderers’ document for further information.

** Timetable for Delivery is N/A for frameworks.

Response Section (Quality Questionnaire)

<p>Community Benefits: Please provide your breakdown of the required <i>TBC</i> Community Benefits Points for this contract; a Community Benefits Method Statement for your approach to delivering these Community Benefits; and a timetable for delivery***.</p>	<p>Weighting: <i>TBC</i>%</p>

*** Remove reference to timetable for delivery from frameworks.

Please see ‘**Evaluated Community Benefits Clauses: Guidance for Tenderers**’ document for further information on the process of using Evaluated CBCs.

SAMPLE NON-EVALUATED COMMUNITY BENEFITS CLAUSE

1.0 Community Benefits Clause

1.1 Argyll and Bute Council is committed to maximising Community Benefits from its procurement activities in order to build economic, social or environmental conditions into the delivery of Council contracts.

1.2 In the Tender Submission, the bidder will be required to detail any social, economic and environmental benefits associated with contract performance during the

contract term in the event of their appointment, in particular, within any of the following areas:

Social Benefits	e.g. jobs, work experience, training, apprenticeships and mentoring.
Economic Benefits	e.g. use of Small, Medium Enterprises, promotion of opportunities to Social Enterprises and the Voluntary Sector, community consultation, young person engagement, and community sponsorship.
Environmental Benefits	e.g. public art projects, community improvement projects, resources for community environmental initiatives and physical infrastructure.

- 1.3 Such social, economic and environmental benefits are hereinafter referred to as “Community Benefits”.
- 1.4 If there will be no Community Benefits, the bidder should state this in the submission. If there will be Community Benefits, the Tender Submission should include a methodology/plan/statement as to how this will be delivered.
- 1.5 The information included in the Tender Submission in terms of this clause is hereinafter referred to as the “Community Benefits Information”.
- 1.6 Under this procurement exercise, the Community Benefits Information will in no way be scored/evaluated/taken into account beyond the requirement that the Community Benefits Information is included in the bidder's Tender Submission.
- 1.7 While the Community Benefits Information will in no way be scored/evaluated/taken into account beyond the requirement that it is included in the bidder’s Tender Submission, if the Community Benefits Information contains any Community Benefits, these will be enforceable as part of the contract. Accordingly, where a contract is awarded to a bidder whose Tender Submission included Community Benefits, the bidder will be required to deliver those Community Benefits as part of the contract.

SAMPLE CLIENT BASED APPROACH CLAUSE

Documented guidance for the National Skills Academy Client Based Approach is held by the Sustainability Lead Officer.

The guidance is the intellectual property of CITB-Construction Skills and has been released to Argyll and Bute Council under agreed conditions and is protected by copyright. Subsequently, sample extracts from the guidance cannot be included within this procedure.

Please contact the Sustainability Lead Officer who will be able to provide extracts specific to your construction project. The guidance includes benchmark appendices for the following categories of construction projects and maintenance projects:

Construction Projects

- Residential Offices and Commercial
- Retail, Sports, Leisure, and Entertainment
- Regeneration
- Highways and Roads
- Refurbishment/Scottish
- Quality Housing Standard
- Highways Infrastructure (excl. Highways)
- Water Supply and Waste
- Disposal
- Factories and Warehouses
- Off-Site Structures
- Education Courts, Young Offenders Institutes and Prisons
- Health

Construction Maintenance Projects

- Housing Repairs and Maintenance
- Non-Housing Repairs and Maintenance
- Highways
- Courts, Young Offenders Institutes and Prisons Refurbishment

The National Skills Academy guidance also includes:

- Pre-Qualification Questionnaire template clauses;
- Invitation to Tender Template clauses;
- Template contract clauses;
- A Template Employment and Skills Plan

Purchasing Officers should always liaise with the Sustainability Lead Officer and Legal Services for assistance with the wording of Community Benefits within contract documentation. The samples set out in the National Skills Academy guidance are provided as examples only and may not be appropriate for every construction project. It is vital that Purchasing Officers seek legal advice as to the clauses which they intend to use on a project by project basis to ensure they are appropriate. Note also that the law changes from time to time and so legal advice is necessary to ensure that clauses reflect the current legal position.

APPENDIX C - EXAMPLES OF COMMUNITY BENEFITS

Purchasing Officers should consider the following example areas of Community Benefits:

- **Targeted Recruitment and Training** - offering individuals and young people training, apprenticeships, jobs and work experience as part of a contract.
- **Supply Chain Initiatives** - offering Small and Medium Enterprises and Voluntary Sector organisations opportunities to provide goods and/or services as part of a contract.
- **Social Enterprise** - where a local social enterprise can either be established to service a contract, or an existing social enterprise be supported to deliver on part of a contract.
- **Community Consultation** - giving the local community an opportunity to express an opinion and possibly influence the design and delivery of a project or service in an area.
- **Young Person Engagement** - giving young people in the area an opportunity to engage in a project. The engagement can range from young people learning about a project to giving them the opportunity to shape and influence a project thus giving them more say in and connection to the future of their area.
- **Educational Support** - giving school children an opportunity to learn about a project by providing educational presentations or arranging school visits.
- **Community Endowment Fund/Development Trust** - where a financial sum may be made available to implement projects that the community considers to be a priority. This often ensures ownership, participation and support at a very local level.
- **Public Art Projects** - a tangible project that a community can focus on and be involved in either as a standalone activity or part of a wider regeneration initiative.
- **Local Events** - local ownership of a project or service.
- **Physical Infrastructure** - often delivered by the private sector as part of a Section 75 agreement in relation to a planning consent. Examples would be infrastructure required to enable a new development to be implemented for example roads and footpath/cycleway improvements, schools and libraries and play areas and open space.
- **Local Sponsorship** - private companies are often asked to sponsor organisations local to the area in which they are developing/delivering a service.
- **Mentoring** - private sector suppliers can offer support, normally as part of their Corporate Responsibility activity, where they can offer support and guidance to local organisations and individuals.

APPENDIX D - COMMUNITY BENEFITS CONTACT LIST

Contact	Service	Community Benefit Remit	Contact No.
Elaine Appleby	Procurement and Commissioning Team	Sustainability Lead Officer	01369 708594
James Paterson, Employability Team Manager	Development and Infrastructure Services – Economic Development	Targeted Recruitment and Training	01586 555 939
Arlene Cullum	Social Enterprise Team	Community Benefits – Supply Chain Initiatives (Third Sector)	01436 658 727
Kate Fraser	Business Gateway	Community Benefits – Supply Chain Initiatives (SMEs)	01546 60 4550
Roddy Stewart	Ready For Business	Public Sector Support for Community Benefits	0141 425 2940

APPENDIX E –ACTION PLAN FOR MONITORING IMPLEMENTATION OF THIS GUIDE

1. The Procurement and Commissioning Team will report on a quarterly basis to the Procurement Board on progress made towards the improvement of the Community Benefits in all appropriate contracts. The Monitoring indicators are presented below:

Monitoring Indicators
The Number of Contracts where CBCs should be considered
The Number of Tenders where CBCs will be used
The Number of Tenders where CBCs will not be used
The Number of Active contracts where CBC are in use
The Number of completed contracts where CBC have been delivered
The Number of modern apprenticeships delivered through ABC Contracts
The Number of placements for students and graduates delivered through ABC Contracts
The Number of work experience programmes delivered through ABC contracts
The details of any other Community Benefits delivered through ABC contracts

2. The Sustainability Lead Officer will organise quarterly meetings (or as and when required) with the Economic Development Team in order to identify the current Employability needs of the Argyll and Bute communities and to assist with linking them with opportunities which may arise from future contracts.
3. Increase activity in the Knowledge-hub – sharing best practice, knowledge transfer.
4. Include the Revised Community Benefits Guide as an agenda on the next quarterly meeting with Heads of Service.
5. Liaise with Social Enterprise Team - to improve knowledge about third sector organisations and their work with Argyll and Bute
6. Provide a workshop on Community Benefits to Local Companies and Third Sector.

ARGYLL AND BUTE COUNCIL

EVALUATED COMMUNITY BENEFITS CLAUSES: GUIDANCE FOR TENDERERS

1 INTRODUCTION

1.1 Background

Sustainable procurement is aimed at securing the maximum economic, social and environmental benefit for residents and businesses within Argyll and Bute from investment in the area. Argyll and Bute Council promotes sustainability within its contracts and seeks to introduce measures to secure opportunities for training and employment, work placements, school curriculum support, community enhancement and SME supply chain development based on the evidence of need in the Argyll and Bute area.

Legislation already exists in terms of The Local Government in Scotland Act 2003, the Public Contracts (Scotland) Regulations 2012 and European Procurement Directives which enable public bodies to include Community Benefits in the procurement process, in certain circumstances. The forthcoming Procurement Reform (Scotland) Act 2014 to be introduced by April 2016 includes a requirement to consider the inclusion of community benefits.

Community Benefits should improve the economic, social or environmental wellbeing of the area. Argyll and Bute Council recognises the potential of Community Benefits Clauses within procurement processes and what it can bring in terms of employment and training and business development throughout the full period of the proposed contract and beyond.

Argyll and Bute Council is committed to maximise Community Benefits from its procurement activities, and as standard includes Community Benefits Clauses within contracts with an estimated value of:

- Services >£100,000.00
- Supplies >£100,000.00
- Works >£500,000.00

1.2 Expectations

Successful Contractors will be expected to embrace Argyll and Bute Council's requirements for delivering a range of community benefits including:

- Targeted recruitment and training
- Work placements
- Curriculum support

- Community enhancement
- Small and Medium Enterprises and Social Enterprise Organisations' supplier development

Contractors are encouraged to incorporate potential Community Benefit at all levels. The Contractor must be able to demonstrate their intention to integrate trainees and new entrants into the labour market without distinction of sex, marital status, race, ethnic origin or political or religious beliefs.

1.3 Process and Community Benefit Points (CBPs)

Please refer to Sections 2, 3 and 4 to understand the process further. The Contract will have been allocated a minimum expectation value of Community Benefits Points from the Community Benefits Points Matrix (Section 3) by the Purchasing Officer. It is up to the Contractor to decide what Community Benefits they wish to offer from the Community Benefits Points Menu (Section 4) which provides a selection of the types of Community Benefits that the Council would expect this Contract to deliver and allocates CBPs to each of these. As part of their tender return Contractors will complete a Breakdown of the Community Benefits Points to be provided; a Community Benefits Method Statement; and a timetable for delivery of the Community Benefits. This will be an evaluated part of the tender submission. There is no limit on the Community Benefits that a Contractor may offer and the total Community Benefits Points offered may exceed the Council's stated expectation.

1.4 Support

The Council will take a proactive approach with Contractors to provide early, strong and clear guidelines of social, economic and environmental opportunity expectations.

The Sustainability Lead Officer can advise on thresholds and processes undertaken to assess the inclusion of community benefits, and monitoring and verification of key performance indicators.

Contractors can receive a wide range of support to facilitate their community benefits obligations, including support from the Argyll and Bute Council Employability team.

1.5 Non Compliance Penalty

The Council's exclusive and sole remedy in respect of a breach of the Community Benefit Clause agreement shall be a penalty set for non-compliance that is equivalent to the value of the Community Benefits that should have been delivered. This shall be invoiced to the successful Contractor quarterly from the date of commencement and then every quarter until the end of the contract duration.

1.6 Remuneration

Trainees and recruits must, as a minimum, be paid in accordance with National Minimum Wage rates and industry norms and must have terms and conditions of employment that are at least equivalent to those provided to workers that have equivalent skills and experience.

Employers are encouraged to increase the remuneration of trainees in line with their experience and productivity.

1.7 Contractor and Sub-contractor Compliance

It is the Contractor's responsibility to develop a working method that will deliver the targeted recruitment and training requirements and related monitoring and verification data, and obtain the full co-operation of contractors and subcontractors in delivering these requirements for the full duration of the contract

1.8 Equal Opportunities

The successful Contractor will be required to ensure that it complies with equal opportunities and non-discrimination legislation in relation both to the delivery of the service and to employment and demonstrate the policies and practices which it will put in place to achieve this.

1.9 Insurances

The successful Contractor must ensure that insurance cover includes people aged 16 and over and staff from employment and training organisations when on site.

1.10 Frameworks

Spend with framework supplier(s) will be established by the Purchasing Officer on a quarterly basis.

Once trigger levels of spend are achieved as per the Community Benefits Points Matrix in Section 3, the supplier will be advised that a Community Benefits requirement has been activated. This will be done via quarterly contract management meetings or via email as appropriate.

The Community Benefits requirement is to be actioned during the following quarter, in line with the supplier's Community Benefits response within their tender submission for the framework.

Please note that no timetable for delivery is to be submitted for frameworks, as delivery will be dependent on spend on the framework.

1.11 Definitions

A New Entrant is defined as a person who is employed to do a specific job and is leaving an educational establishment or a training provider, or a person that has been non-employed who has been unemployed and/or is registered with worker or job Centre Plus and is seeking employment.

An Apprentice is a person defined as a New Entrant to the industry who is undertaking a recognised skill qualification or an equivalent apprenticeship scheme for construction or non-construction apprenticeships.

Work Placement is defined as a person undertaking a short term overview of the industry and/or a related training programme with on-site instruction and supervision provided.

Direct indicates that the New Entrant will be employed *or* trained by the main contractor

Indirect indicates that the New Entrant will be employed or trained through a specialist contractor or subcontractor as a result of work procured through the main contractor

1.12 Disclaimer

The inclusion of targeted recruitment and training requirements does not comprise or imply any promise on the part of Argyll and Bute Council or their partners or agents to provide suitable trainees or labour. All recruitment, supervision and discipline responsibilities rest with the Contractor and Sub-contractors. Within this context Argyll and Bute Council will work with local agencies to help facilitate the achievement of the recruitment and training requirements.

This action, however, does not comprise or imply any promise on the part of Argyll and Bute Council or their agents to provide suitable services, trainees, labour or resources.

Any action taken by Argyll and Bute Council to facilitate relationships between the successful Contractor and individuals/firms/agencies does not imply and should not be deemed to imply that they or its agents consider the individual/firm/agency as suitable for engagement by the successful Contractor. Within this context, Argyll and Bute Council will work with local employability partners to help facilitate the achievement of the employment and training requirements.

1.13 Questions or Concerns

During the tender process if the contractor has any concerns regarding the type of Community Benefit being requested and / or the proportionality and fairness of the

level of Community Benefit being requested then contact the Sustainability Lead Officer.

2.0 PROCESS FOR SUPPLIERS

2.1 Tender Stage:

- Purchasing Officer will use the Community Benefits Points Matrix (Section 3) to outline the minimum Community Benefits Points required in the contract.
- Tenderers will receive the Community Benefits: Guidance for Tenderers Document containing Sections 1-4 with the Invitation to Tender documents, they are expected to read and understand what Community Benefits would be expected should their tender be successful.
- Tenderers will answer the Community Benefits question within the Invitation to Tender document, providing a breakdown of the Community Benefits Points, a Community Benefits Method Statement and a delivery timetable*.
- Tenderers that do not offer the required number of Community Benefits points as a minimum will have submitted a non-compliant tender which will not be eligible for contract award.

* Delivery timetable N/A for frameworks.

2.2 Contract Management:

- The Purchasing Officer and Contract Administrator will make arrangements with the supplier to monitor Community Benefits delivery (*a penalty shall be set for non-compliance that is equivalent to the value of the CBs that should have been delivered*).
- Monitoring:
 - Responses to the Community Benefits question within Invitations to Tender will become part of the contract's Key Performance Indicators (KPIs).
 - KPIs will be monitored as part of the ongoing contract management process for the contract, and progress will be reported back to the Sustainability Lead Officer on a quarterly basis.
 - Information on outcomes of Community Benefits Clauses in Argyll and Bute Council contracts are widely reported both within the Council and externally.

3.0 COMMUNITY BENEFITS POINTS MATRIX

Estimated Contract Value	Estimated Contract Duration			
	0-6 months	6-12 months	12-24 months	24-36 months
£100,000-£250,000*	5	5	10	30
£250,000-£500,000*	5	10	20	40
£500,000-£1,000,000	10	20	30	50
£1,000,000-£3,000,000*	20	30	40	60
£3,000,000-£5,000,000*	30	40	50	70
£5,000,000-£10,000,000*	40	50	60	80
£10,000,000-£20,000,000*	50	60	70	90
£20,000,000-£30,000,000*	60	70	80	100

* Services and Supply contracts only. The minimum contract value for works contracts which require inclusion of a Community Benefits Clause is £500,000, unless an Open/Restricted tender is carried out, in which case the £100,000 threshold applies. Argyll and Bute Council utilise the Client-Based Approach to Community Benefits in Works Contracts with values over £1,000,000.

4.0 COMMUNITY BENEFITS POINTS MENU

Community Benefit Outcomes	Description	Community Benefits Points
Modern Apprenticeships	Create a new Apprenticeship Position registered with sector skills body	20
Graduate Internship	New graduate intern position created for university graduate	20
Job (Unemployed)	Offer employment to a new entrant who is seeking employment (employment offered for a minimum of 6 months)	20
Trainee Position	Offer structured training places to new entrant leading to industry recognised qualifications.	10
Work Experience Placement (maximum of 10 points)	Provide a structured period of work experience for a pupil, student or	5

available for this section)	trainee (a minimum of 4 weeks is required to achieve 5 points i.e. (1 x student for 4 weeks or 4 x students for 1 week)	
Education Support Initiative (maximum of 10 points available for this section)	<ul style="list-style-type: none"> • Industry awareness days or workshops for school pupils or college students. • Structured career events for school pupils or college students. • Workplace visits for school pupils or college students (min 10 students to qualify) • School mentoring or enterprise/vocational programme 	5
S/NVQ Training (maximum of 10 points available for this section)	<ul style="list-style-type: none"> • S/NVQ's or equivalent for Existing Employees • S/NVQ's or equivalent for New Entrants • S/NVQ's or equivalent for Subcontract staff 	5
Community Enhancement (maximum of 10 points available from this section)	<ul style="list-style-type: none"> • Physical/environmental project • Organisation business development • Sponsorship 	5
Supply Chain Development Activity (maximum of 10 points available for this section)	<ul style="list-style-type: none"> • Supply Chain Briefings with SME's • Business Mentoring with SME's • Business Support for Social Enterprises, Supported Businesses, Third Sector Organisations • Mentoring Third Sector Organisations 	5

If you would like further information on this document please contact Elaine Appleby, Sustainability Lead Officer – Elaine.appleby@argyll-bute.gov.uk.

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ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES COMMITTEE****CUSTOMER SERVICES****29 OCTOBER 2015**

Update on Council's Supplier Development Programme

1.0 EXECUTIVE SUMMARY

- 1.1. The Council is a member of the national Supplier Development Programme which aims to minimise any barriers for companies, particularly smaller businesses within our council area, in winning contracts from the council. The programme educates suppliers as to what is required of them to become a public sector supplier and provides them with the knowledge and skills required to complete the necessary paperwork for a tender process. This helps to ensure the sustainability of the local economy whilst also benefitting the council through providing access to those who can provide best value services.
- 1.2. The Procurement and Commissioning Strategy approved by Policy & Resources Committee on 20 August 2015 sets out that we will improve procurement processes and policies by “supporting local businesses and SMEs through closer working with Economic Development and by making our processes more streamlined and accessible”. It reports an intention to work closely with SMEs, particularly those within Argyll and Bute. Our key measures include percentage of contracts awarded to SMEs and percentage of contracts awarded to local businesses and numbers of local suppliers bidding for business as a percentage of total bids received. The Sustainable Procurement Policy also has a key principle of maximizing the socio-economic and environmental benefits of locally sourcing goods and services, within the limits imposed by procurement legislation.
- 1.3. This report provides an update on the Supplier Development Programme work to date and provides information on proposed procurement surgeries aimed at supporting the local supply base of Argyll and Bute.

Update on Council's Supplier Development Programme

2.0 INTRODUCTION

- 2.1. The Council is a member of the national Supplier Development Programme which aims to minimise any barriers for companies, particularly smaller businesses within our council area, in winning contracts from the council. The programme educates suppliers as to what is required of them to become a public sector supplier and provides them with the knowledge and skills required to complete the necessary paperwork for a tender process. This helps to ensure the sustainability of the local economy whilst also benefitting the council through providing access to those who can provide best value services.
- 2.2. The Procurement and Commissioning Strategy approved by Policy & Resources Committee on 20 August 2015 sets out that we will improve procurement processes and policies by "supporting local businesses and SMEs through closer working with Economic Development and by making our processes more streamlined and accessible". It reports an intention to work closely with SMEs, particularly those within Argyll and Bute. Our key measures include percentage of contracts awarded to SMEs and percentage of contracts awarded to local businesses and numbers of local suppliers bidding for business as a percentage of total bids received. The Sustainable Procurement Policy also has a key principle of maximizing the socio-economic and environmental benefits of locally sourcing goods and services, within the limits imposed by procurement legislation.

3.0 RECOMMENDATIONS

- 3.1 The committee notes the detail provided in this report and agrees to the proposals to augment this by holding quarterly procurement surgeries across the council area to supplement the work of the Supplier Development Programme.

4.0 DETAIL

- 4.1 The following highlights the level of support already provided to suppliers as part of the Council's Supplier Development Programme:
- We have a dedicated Procurement page on the Council's website which has specific FAQs and guides for suppliers;

- We subscribe to the national Supplier Development Programme to allow our local suppliers free membership to gain access to advice, local training and webinars to assist them to be tender ready;
- We have a close working relationship with our Business Gateway Team who offer support to bidders when completing tenders. All tender documents provide contact details for this support;
- Our closed tender process for works contracts up to £500k in value allows us to ensure that local suppliers win a high proportion of these;
- In closed tenders, we provide common brand names for goods being specified in the bill of quantities to support local small suppliers have an understanding of what is required. We make it clear that “equivalents” are equally acceptable;
- We hold “meet the buyer” events which allow suppliers to meet each other and develop networks and potential sub-contracting opportunities;
- We publish contract award notices on the portal as quickly as possible. This allows local suppliers the opportunity to contact the winning supplier to determine if they can become sub-contractors to them and share in the value of the contract awarded;
- For large value contracts wherever possible we require the winning contractor to offer sub-contracting opportunities to the local supply base.

4.2 Invites to register with the Supplier Development Programme have been issued to approximately 800 suppliers using all our contacts from Public Contracts Scotland (PCS) and the Council’s Health and Safety Approved Contractors List. In addition Business Gateway issued invites to a further 2,000 local suppliers and the Social Enterprise Team also issued invites to all members of their contact list. This has ensured the maximum coverage of local suppliers. In addition to the initial invites the Procurement and Commissioning Team also contacted local suppliers by phone and sent out reminder emails and letters to encourage them to join. As at June 2015, 115 suppliers have registered with the Programme.

4.3 Suppliers who have joined the programme (which is free to them) are able to gain free training and guidance on tender processes. They are able to access online training and can attend training events across Scotland. We have also arranged local Supplier Development events, the most recent being the “Maximising your tender score” event that we held in Oban. Feedback has been very positive which confirms the need for this type of work to support SMEs to grow and develop their knowledge of the procurement process.

4.4 The Procurement and Commissioning Team along with Business Gateway will be working to develop the training schedule for the Supplier Development Programme for the coming year to ensure a wide range of training is offered to the SMEs within Argyll and Bute taking into account all feedback received.

4.5 The table below shows that the percentage of council business being bid for and won by SMEs and local businesses is growing:

Local and SME Bids/Wins	2013/14	2014/15	2015/16 YTD
% Bids by local companies	-	23%	31%
% Contracts awarded to local companies (National average in 2014/15 was 21%)	37%	34%	39%
% Bids by SMEs	-	82%	79%
% Contracts awarded to SMEs	87%	85%	83%
Local wins by tender type	2013/14	2014/15	2015/16 YTD
% local wins - Open/restricted tenders		19%	40%
% local wins - Quick Quotes		42%	38%

4.6 The following tables show that where local companies actually tender for a contract, they have a particularly good success rate:

Tender Type 2014/15	No. of tenders receiving local bids	No. of tenders won by local supplier	Success rate
Open/restricted	18	9 (10 local suppliers/awards)	50%
Quick Quote	56	39 (45 local suppliers/awards)	70%

Tender Type 2015/16 (YTD)	No. of tenders receiving local bids	No. of tenders won by locals suppliers	Success rate
Open/restricted	18	13 (25 local suppliers/awards)	72%
Quick Quote	21	16 (21 local suppliers/awards)	76%

- 4.7 The use of Meet The Buyer events for project specific prior market engagement on large contracts offers an ideal opportunity to generate supplier interest in forthcoming tenders and to obtain feedback on sourcing strategies. These events are a useful adjunct to the Council’s involvement in the Supplier Development Programme. The Council will shortly be tendering for two significant contracts in Rothesay and Dunoon as part of the CHORD regeneration programme. In support of these forthcoming contract opportunities, we held two “Meet the Buyer” events at the end of June. The events were publicised through a number of channels including the council website and social media, Supplier Development Program events pages, Public Contracts Scotland Prior Information Notice and by direct email to businesses in the Argyll in Bute area and through engagement with local Members.
- 4.8 The events included presentations on the project scope, key requirements and planned contracting and procurement approach, along with details of support available from Business Gateway and the Supplier Development Program. This was followed by a Question and Answer session and an opportunity to network with presenters and other attendees.
- 4.9 The event in the Queens Hall Dunoon took place on 23 June. Eleven companies (5 local) registered to attend and nine (3 local) showed up on the day as set out below:

Company	Region	Attended
Protan	Cheshire	Yes
Stewart McNee	Argyll and Bute	No
HF Electrical	Glasgow	Yes
WH Kirkwood	Inverclyde	Yes
George H Currie Blacksmiths	Argyll and Bute	Yes
Cowal Building & Plumbing Supplies	Argyll and Bute	Yes
Oban Electrical Services	Argyll and Bute	Yes
Instarmac Group Plc	Glasgow	Yes
Robertson Construction Central Ltd	Falkirk	Yes
Argyll Property projects	Argyll and Bute	No
Fire Risk Design	Glasgow	Yes

- 4.10 The Rothesay Pavilion event took place on 25th June. Nine companies (3 local) registered to attend and six (2 local) showed up on the day. Details below:

Company	Region	Attended
Protan	Cheshire	Yes
CBC Ltd	Glasgow	No
George Hanson	Argyll and Bute	Yes
Cowal Building & Plumbing Supplies	Argyll and Bute	Yes
Oban Electrical Services	Argyll and Bute	No
Instarmac Group Plc	Glasgow	Yes
PD Edenhall Ltd	Cheshire	Yes
Robertson Construction Central Ltd	Falkirk	Yes

WH Kirkwood	Inverclyde	No
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4.11 Feedback was obtained through discussion with attendees. Most attendees found the events to be extremely helpful in enabling them to understand the nature of the forthcoming tenders and the extent to which they were likely to present an opportunity either for direct contracting or as a subcontractor to a main contractor. Of the two events, the Rothesay event had the greater percentage of attendees likely to bid as main contractors.

Future Proposals

4.12 In addition to continued promotion of the Supplier Development programme, the Procurement and Commissioning Team along with Business Gateway colleagues are proposing to hold quarterly procurement surgeries in the various localities of Argyll and Bute. These surgeries will relate to specific upcoming tender opportunities and will provide the opportunity for the relevant service staff to provide information to local suppliers so they a better understanding of the forthcoming procurement process.

4.13 We would propose that these surgeries would be held in Oban, Campbeltown, Lochgilphead, Dunoon, Rothesay and Helensburgh and that suppliers must book an appointment in advance.

5.0 CONCLUSION

5.1 The Council’s Supplier Development Programme is a programme that helps small and medium sized enterprises (SMEs) to opportunity to grow and diversify through procurement. It aims to improve their performance in winning contracts with public sector organisations through offering information, support and training events.

5.2 This is necessary for the development of SMEs within Argyll and Bute to ensure the continued development of the supply base within Argyll and Bute whether that may be as main suppliers or sub-contractors.

6.0 IMPLICATIONS

6.1 Policy: This supports the Council’s procurement and commissioning strategy.

6.2 Financial: None – we already subscribe to the Supplier Development Programme.

6.3 Legal: None

6.4 HR: None

6.5 Equalities: Ensures equality of opportunity to all sizes of businesses.

6.6 Risk: Reduces risk of smaller local businesses being

unsuccessful in winning council business though lack of understanding of tender processes.

6.7 Customer Service: None

Douglas Hendry
Executive Director of Customer Services

Policy Lead – Councillor Dick Walsh

7 October 2015

For further information contact:

Anne MacColl-Smith Procurement and Commissioning Manager or Kate Fraser,
Senior Development Officer, Business Gateway

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ARGYLL AND BUTE COUNCIL**POLICY & RESOURCES COMMITTEE****CUSTOMER & SUPPORT SERVICES****29 OCTOBER 2015**

SPSO CONSULTATION ON SCOTTISH WELFARE FUND INDEPENDENT REVIEW PROCESS

1.0 EXECUTIVE SUMMARY

- 1.1 The Scottish Public Services Ombudsman (SPSO) launched a consultation on 4 September 2015 to help inform the way they will approach and manage reviews about Scottish welfare fund decisions. This is a new and different role for SPSO as up till now all such reviews have been carried out by the local authorities themselves.
- 1.2 The consultation sets out a draft statement of practice. This explains how they will approach decision-making, including some of the most important aspects of the process such as how they will decide when they can accept a review or how they will gather evidence. They are also consulting on draft rules for oral hearings, which will allow them to hold an oral hearing when that is the only fair way to resolve matters. In addition, they are consulting on their proposed approach to undertaking an Equalities and Human Rights Assessment of this new role and of their approach to it. The consultation closes on 27 November 2015.
- 1.3 The draft response is attached for approval.

SPSO CONSULTATION ON SCOTTISH WELFARE FUND INDEPENDENT REVIEW PROCESS

2.0 INTRODUCTION

- 2.1 The Scottish Public Services Ombudsman (SPSO) launched a consultation on 4 September 2015 to help inform the way they will approach and manage reviews about Scottish welfare fund decisions. This is a new and different role for SPSO as up till now all such reviews have been carried out by the local authorities themselves.
- 2.2 The consultation sets out a draft statement of practice. This explains how they will approach decision-making, including some of the most important aspects of the process such as how they will decide when they can accept a review or how they will gather evidence. They are also consulting on draft rules for oral hearings, which will allow them to hold an oral hearing when that is the only fair way to resolve matters. In addition, they are consulting on their proposed approach to undertaking an Equalities and Human Rights Assessment of this new role and of their approach to it. The consultation closes on 27 November 2015.

3.0 RECOMMENDATIONS

- 3.1 Policy and Resources Committee is asked to approve the draft response attached at Appendix 1.

4.0 DETAIL

- 4.1 The Welfare Funds (Scotland) Act 2015 gives the Scottish Public Services Ombudsman (SPSO) the responsibility of reviewing decisions made by local authorities in terms of awards of community care grants and crisis grants. Following an internal review stage, if the applicant is still not happy with the decision made by the local authority, there will be a second tier review carried out by SPSO. This is quite different from SPSO powers to investigate complaints under the SPSO Act 2002 which still apply alongside all requests for reviews.
- 4.2 Currently there are two review stages, but both are carried out by the local authority, with the second stage being carried out by officers independent of the service responsible for Scottish Welfare Fund decisions. The new legislation removes that responsibility from the local authority and moves it to SPSO who

will have more independence and also there should be more consistency of decision making as the one body will now do this for all Scottish local authorities.

- 4.3 The consultation sets out a draft statement of practice, and supporting these are draft regulations entitled “Rules on oral hearings for further reviews of welfare fund applications 2015”. The final part of the consultation is about their proposed approach to competing and equalities and human rights assessment.
- 4.4 From the council’s perspective the key change is that we will no longer have to carry out the second tier reviews ourselves, but we may have to attend oral hearings in relation to these to give evidence as to why we made the original decision. This may involve some travel – internal second tier reviews have all been done by Lync meetings without any need for travel.
- 4.5 From the claimant’s perspective, they may now need to present their case at an oral hearing, whereas previously we would just have gathered the evidence by telephone or in writing. This will only be done when it is considered appropriate and is unlikely to be done for crisis grants where the target timescale for a review is within one working day.
- 4.6 The numbers of second tier reviews to date for this council have been low. These are as follows:

	2013/14	2014/15	2015/16 to end September
Crisis Grants	1	3	0
Community Care Grants	7	2	2
Total	8	5	2

- 4.7 The draft response is attached at Appendix 1. In general it agrees with the proposals. It suggests that SPSO should consider practical issues such as child care and travel for claimants when deciding if an oral hearing is appropriate, and that such hearings should not be held on council premises as then the SPSO might not be considered independent of the council.

5.0 CONCLUSIONS

- 5.1 Policy and Resources Committee is asked to approve the draft response attached at Appendix 1.

6.0 IMPLICATIONS

- 6.1 Policy: In line with previous council responses on this topic.
- 6.2 Financial: The proposals will affect costs for SPSO in conducting reviews. There may be some minor costs for local authorities in attending oral hearings.
- 6.3 Legal: Legislation will follow in due course

- 6.4 HR: None.
- 6.5 Equalities: Changes will need to be subject to an equalities impact assessment at a national level.
- 6.6 Risk: Main risk is that the review could be disproportionately expensive for SPSO to conduct compared to amount of each award.
- 6.7 Customer Service: There may be a new requirement for claimants to attend oral hearings.

Appendices

1. Draft response to consultation questions

Background papers

Consultation on Scottish Welfare Fund Council 13 February 2014

Consultation on regulations and guidance under the Welfare Funds (Scotland) Act 2015 Policy & Resources Committee 20 August 2015

**Douglas Hendry
Executive Director Customer Services
12 October 2015**

Policy Lead: Councillor Dick Walsh

For further information please contact Judy Orr, Head of Customer and Support Services Tel 01586-555280 or Fergus Walker, Revenues and Benefits Manager, Tel 01586 555237

Consultation Questions

Please use this version if you wish to fill the form in electronically. To use this form, use tab / shift-tab keys to move between fields, and type your responses. Save the form, and email to consultation@spsso.org.uk

If you wish to respond by printing the consultation and filling in the responses by hand, please download the document called “SWF consultation questions print version” from our website, or contact us to receive a copy.

Respondent information form

This information must be completed and returned with your comments in response to the consultation to ensure that we handle your submission appropriately.

About you

Name: Fergus Walker

Email address: fergus.walker@argyll-bute.gov.uk

Organisation (if applicable): Argyll and Bute Council

Address: Witchburn Road, Campbeltown

Postcode: PA31 8RT

Phone number: 01586 555237

Permissions

If you are responding as an individual, please fill in section A. If you are responding on behalf of a group or organisation, please fill in section B.

Section A	I am responding as an individual
Do you agree to your response being made available to the public, including on the SPSO website?	Please let us know your answer (yes or no):
Where confidentiality is not requested, we will make your responses available to the public on the following basis: (please select one option):	Please let us know your answer (Option A, B or C):

<p>Section A</p> <p>a) Yes, make my response, name and address all available</p> <p>b) Yes, make my response available, but not my name and address</p> <p>c) Yes, make my response and name available, but not my address</p>	<p>I am responding as an individual</p>
<p>We may wish to contact you in the future to discuss the issues you raise, but we require your permission to do so. Are you content for us to contact you again in relation to this consultation exercise?</p>	<p>Please let us know your answer (yes or no):</p>
<p>Section B</p> <p>The name and address of your organisation will be made available to the public and may be included on the SPSO website. Are you content for your response to be made available?</p>	<p>I am responding on behalf of a group or organisation</p> <p>Please let us know your answer (yes or no): Yes</p>
<p>We may wish to contact you in the future to discuss the issues you raise, but we require your permission to do so. Are you content for us to contact you again in relation to this consultation exercise?</p>	<p>Please let us know your answer (yes or no): Yes</p>

Responses can be sent by email to: consultation@spsso.org.uk or by post to: SWF reviews consultation, Scottish Public Services Ombudsman, FREEPOST EH641, Edinburgh, EH3 0BR . Please respond by Friday 27 November 2015

If you have any questions, please contact us on 0131 240 8845.

Consultation Questions

We are keen to have as much feedback as possible, so please comment on any aspect of the documents. For each document there is a general question but we have also some specific questions which set out points on which we are particularly keen for views.

Questions on Annex A: Draft Statement of Practice

- 1. The draft Statement of Practice sets out our approach to handling Scottish Welfare Fund decision reviews. What are your thoughts about our approach?**

This approach appears to be well balanced in terms of catering for the needs of the individual claimant and the local authority. The claimant will get a fair and proper independent appeal. The local authority should benefit from good quality, independent decision making which may also reflect the need to improve processes internally wherever they are found to be sub standard. This approach should be welcomed by all.

- 2. Should there be any changes to the principles (either to add or remove any of the principles we have listed)?**

Please let us know your answer (yes, no or don't know):No

If you would like to add any comments, please type them here

- 3. Do any of the individual sections of the Statement of Practice conflict with the key principles (Section A)?**

Please let us know your answer (yes, no or don't know):No

If you would like to add any comments, please type them here

- 4. Have we correctly identified the minimum information that needs to be provided by us about how to apply for a review (Section B)?**

Please let us know your answer (yes, no or don't know):Yes the information about the process will be available and accessible to claimants and it clearly tells the claimant how long the process will take. This is the key piece of information they need.

- 5. We have set out what we consider to be the minimum information we need to receive to start the process of a review (Section C) – do you agree this is the minimum we need?**

Please let us know your answer (yes, no or don't know): Yes it is perfect. It allows the claimant flexibility and flexibility for the SPSO should they wish to tighten things up in the future in terms of the channels that they may wish to go down to take an appeal. We also like the use of the words "if available" in terms of the reasons that a claimant may think that the review decision was wrong. Some claimants may struggle to articulate why they think their review is wrong but this will allow them to proceed with the independent review process in any case. SPSO already has powers to conduct full reviews of all claims and therefore it is sensible to operate in this manner.

6. Relating specifically to Section D (Application for review by someone other than the applicant), do you agree with the general approach to obtaining consent?

Please let us know your answer (yes, no or don't know): Yes

The removal of any perceived barriers is key and the statement of practice gives sufficient flexibility to remove the barrier of applied consent where a claimant is represented by a support worker for example. The most straightforward approach is the best i.e. relying on consent given to the local authority for that person to represent a claimant in the initial application is good enough for SPSO review. This will ensure that the overall process from the initial application to the completion of the second review is as as efficient as possible, with little disruption if any for the claimant.

7. Do you have any comments on the additional matters about consent in the notes to Section D?

As in 6 above re obtaining consent. Part 2 on who can represent someone who cannot consent is also agreed.

8. Do you have any comments on the proposed approach to evidence (Section E).

We are satisfied with the proposals for considering evidence. Clearly in cases where the SPSO may wish to conduct visits to the applicant's home or other relevant location then geography and transport links to some places in Argyll and Bute could be an issue, and there may also be child care considerations for the applicant. Video conferencing facilities are available in Council offices in most locations and this option should be used to facilitate evidence gathering from the decision maker where this is required. Claimants could also use these facilities but they might be reluctant due to the fact they are in Council offices. Oral hearings may be difficult for

the Council and claimant to attend due to distance and we would prefer that this method of evidence gathering is not used unless it can be conducted using video conferencing technologies or similar.

9. We have outlined our process for obtaining information (Section F). What do you think about the process?

It looks reasonable and fit for purpose, can't think of anything else to add.

10. If anyone refuses to be interviewed or to allow a visit, we say that we may take a negative inference from this (Section G). What do you think about this?

The Council agrees with this approach. Visits in Argyll and Bute can be logistically challenging due to its size and geography, but if the SPSO insist on conducting a visit to gather evidence then the party whom they are visiting should accept this. If they don't comply, then it is correct to take a negative inference from it generally.

11. Local authorities can challenge mistakes at the end of the review process. However, if new information from a third party is likely to change a decision in the applicant's favour, should the ability to comment or challenge be extended to the local authority (Section H)?

Please let us know your answer (yes, no or don't know):No

If new information becomes available from a third party during a review that would in the view of the SPSO change the initial decision, then the information should be given to the local authority to allow them to reconsider the original decision. The local authority's original decision should be upheld by the SPSO in light of the fact that the LA did not have this new information at the time of the original application. If the authority assesses the new information and it doesn't change the original outcome, then they can refuse the revised application and the review process (internal review then external) would start again. If they accept that the new information should result in a different decision in the claimant's favour, then an award is made under the terms of the new information which the claimant can appeal if they wish to in the normal way. Local authorities shouldn't need to have the ability to comment or challenge so long as they are allowed to consider the new information as a reconsideration or a new application for support.

12. We have suggested the order in which we will approach decision-making (Section I). Do you agree with this?

Please let us know your answer (yes, no or don't know):Yes this order is consistent and sensible

13. We have laid out what information we will include in all decisions (Section K). What other information should we include in this section (if any)?

None, this is good enough.

14. Where there is a change in circumstances following the decision by the local authority (Section M), do you agree with the approach we plan to take?

Please let us know your answer (yes, no or don't know): Yes

15. We have set out the timescales we intend to work to (Section N). What do you think about these?

These are reasonable and in line with the timescales set by the previous independent review of the Social Fund.

16. We have outlined scenarios for an instance when we receive a possible complaint alongside a request for review (Section O). Are the scenarios clear?

Please let us know your answer (yes, no or don't know): Yes

17. What should we let people know about the information they disclose to us (Section P)?

They should be of the understanding that the information will only be used to assist the decision making in respect of their appeal and will only be disclosed to the local authority in the final decision letter. These decision letters will be handled securely, given the sensitive nature of the information, by both the SPSO and the local authority.

18. Do you have any other comments on particular sections of the draft Statement of Practice?

(Please use this section to also draw our attention to any points that haven't been covered in the previous questions. If you are commenting on a particular part of the Statement of Practice, please state which section(s) you wish to make comment on)

No

Questions on Annex B: Draft rules on the conduct of oral hearings

19. Do you have any general comments on the rules?

The timescales are reasonable in our view and the process looks to be fine generally.

20. Do you have any comments on the individual rules (please state which sections)?

Rule 7(3): It is sensible to allow evidence to be given via live television link or video conferencing facilities in many cases. It would be rare that this would prejudice proceedings.

21. Do you think there is anything else we should include in the rules?

No

22. What steps do you think we can we take to make sure oral hearings remain informal and accessible, particularly to an unsupported applicant?

Hearings should not be held on Council premises where possible. Casual dress should be encouraged for all parties as some appellants may find formal wear intimidating

Questions on Annex C: Proposed approach to an Equalities and Human Rights Impact assessment

23. What are your views on the general approach?

We are satisfied with the general approach

24. What other sources of information do you think would be useful for our analysis?

None, the sources of information that you have identified should provide you with the information you require.

25. What issues in terms of equalities and human rights do you think we will need to consider in our analysis?

Accessibility of the service should be considered for all and any other common issues that you identify coming through the reviews should be fed back to local authorities to address any issues that may arise. The rights of the appellants should be reinforced throughout the process from the initial claim through to the second review. It is also important to be clear and transparent with claimants ensuring that decisions are communicated clearly and that the claimant understands the options that they have available to them going forward in the process.

26. Do you know of examples of good practice that we could learn from?

The equalities work carried out by the Scottish Government in setting up the Scottish Welfare fund would provide a good example for you to learn from.

27. How do you think we could best support improvements to the broader scheme?

By providing quality feedback to local authorities and the Scottish Government in terms of management information and in some circumstances on specific cases where something has gone wrong in particular.

ARGYLL AND BUTE COUNCIL

Policy and Resources Committee

Customer Services

29 October 2015

Third Sector Grants – recommendations from Helensburgh and Lomond Area Committee

1.0 EXECUTIVE SUMMARY

- 1.1 The Helensburgh and Lomond Area Committee considered reports which related to the allocation of Third Sector Grants at the Meeting held on 11 August 2015 and at a Special Meeting held on 8 September 2015.
- 1.2 The Area Committee made a number of recommendations at these meetings some of which were outwith the delegation of the Committee and will require approval by the Policy and Resources Committee.
- 1.3 Policy and Resources Committee is asked to agree the following:-
- (1) Recognise the exceptional weather circumstances that resulted in the cancellation of the entire Helensburgh Highland Games and partial abandonment of the Rosneath Highland Games and agrees:-
 - (a) that grant recipients provide evidence to the council of the costs incurred due to losses, to enable the amount of “unspent grant” to be determined in each case;
 - (b) a variation to the contract with both community organisations allow them to carry forward these ‘unspent grant’ funds to 2016/17;
 - (c) the organisation provide an assurance that the event is planned to take place in 2016/17. In the event that the organisation cannot provide an assurance, that ‘unspent grant’ is refunded.
 - (2) Allow the Area Committee to carry forward any Third Sector Grant balances in excess of the 10% of the total available.

ARGYLL AND BUTE COUNCIL

Policy and Resources Committee

Customer Services

29 October 2015

Third Sector Grants – recommendations from Helensburgh and Lomond Area Committee

2.0 INTRODUCTION

2.1 The Helensburgh and Lomond Area Committee considered reports which related to the allocation of Third Sector Grants at the Meeting held on 11 August 2015 and at a Special Meeting held on 8 September 2015. The Area Committee made a number of recommendations at these meetings some of which were outwith the delegation of the Committee and will require approval by the Policy and Resources Committee.

3.0 RECOMMENDATIONS

3.1 That the Policy and Resources Committee:-

- (1) Recognise the exceptional weather circumstances that resulted in the cancellation of the entire Helensburgh Highland Games and partial abandonment of the Rosneath Highland Games and agrees:-
 - (a) that grant recipients provide evidence to the council of the costs incurred due to losses, to enable the amount of “unspent grant” to be determined in each case;
 - (b) a variation to the contract with both community organisations allow them to carry forward these ‘unspent grant’ funds to 2016/17;
 - (c) the organisation provide an assurance that the event is planned to take place in 2016/17. In the event that the organisation cannot provide an assurance, that ‘unspent grant’ is refunded.
- (2) Allow the Area Committee to carry forward any Third Sector Grant balances in excess of the 10% of the total available.

4.0 DETAIL

4.1 The Helensburgh and Lomond Area Committee considered the second round of applications for Third Sector grants at the meeting held on 11 August 2015. At the meeting the Community Development Officer advised that both the

Helensburgh and Lomond Highland Games and the Rosneath Highland Games had been cancelled due to inclement weather.

4.2 The Area Committee discussed the officer recommendation that a proportion of the £4000 grant awarded to the organisations be returned as the applicants had not delivered on the event as is required in the contract between the organisation and the Council. Members were of the view that further information was required before any decision could be taken on the matter and this was provided at the Special Area Committee meeting held on 8 September 2015.

4.3 The Area Committee also discussed the monitoring report on the Third Sector Grants and at conclusion of the discussion on this item, Members asked that a recommendation be made to the Policy and Resources Committee to approve:-

“that any balance remaining in the Third Sector Grants budget which is above the threshold of the 10% already agreed be carried forward to the 2016/17 Financial year for allocation.”

4.4 At the Special Area Committee meeting, Members considered a report which provided an update on the position in relation to both Helensburgh Highland Games and Rosneath Highland Games. The report also provided information on advice received in relation to the contract between the organisations and the Council in respect of the grant awards and the possible options available. Following a full discussion, and a Motion and Amendment being tabled, the Area Committee agreed to recommend that Policy and Resources Committee:-

- (1) Recognise the exceptional weather circumstances that resulted in the cancellation of the entire Helensburgh Highland Games and partial abandonment of the Rosneath Highland Games and agrees:-
 - (a) that grant recipients provide evidence to the council of the costs incurred due to losses, to enable the amount of “unspent grant” to be determined in each case;
 - (b) a variation to the contract with both community organisations to allow them to carry forward these ‘unspent grant’ funds to 2016/17;
 - (c) the organisation provide an assurance that the event is planned to take place in 2016/17. In the event that the organisation cannot provide an assurance, that ‘unspent grant’ is refunded.
- (2) Allow the Area Committee to carry forward any Third Sector Grant balances in excess of the 10% of the total available.

5.0 CONCLUSION

5.1 The Area Committee considered the latest round of Third Sector Grants at the meeting in August, and asked for further information in relation to the funding for the Highland Games in both Helensburgh and Rosneath. This information was

provided to Members at a Special meeting of the Area Committee held on 8 September, at which time a number of recommendations were agreed and these are being referred to the Policy and Resources Committee for approval.

- 5.2 The Policy and Resources Committee agreed at the meeting in October 2014 that Area Committees would be allowed to carry forward any balance remaining in their Third Sector Grants allocation up to a maximum of 10% of the total available. The Helensburgh and Lomond Area Committee is now asking that they be allowed to carry forward any balances which are above the 10% already agreed, this has been recommended at both the August and September meetings and is now being referred to Policy and Resources Committee for approval.

6.0 IMPLICATIONS

- | | | |
|-----|------------------|--|
| 6.1 | Policy | The recommendations are asking for a decision to be made which does not accord with the current Third Sector grants policy. |
| 6.2 | Financial | None |
| 6.3 | Legal | None |
| 6.4 | HR | None |
| 6.5 | Equalities | None |
| 6.6 | Risk | The proposed approach is not in line with the normal practice in relation to grant contract, this will have to be closely monitored. |
| 6.7 | Customer Service | None |

Executive Director of Customer Services

Policy Lead Councillor Robin Currie

8 October 2015

For further information contact: Shona Barton, Area Committee Manager

Tel: (01436) 657605

APPENDICES

Appendix 1 – Report to Special Helensburgh and Lomond Area Committee meeting held on 8 September 2015.

Appendix 2 – Extract from Meeting of Helensburgh and Lomond Area Committee held on 11 August 2015

Appendix 3 – Extract from Special Meeting of Helensburgh and Lomond Area Committee held on 8 September 2015.

ARGYLL AND BUTE COUNCIL

HELENSBURGH AND LOMOND
AREA COMMITTEE

COMMUNITY SERVICES

8 September 2015

THIRD SECTOR GRANTS 2015/16 – Highland Games

1.0 SUMMARY

- 1.1 Grants of £4,000 were awarded to both Helensburgh Highland Games committee and Rosneath Highland Games committee in the first round of funding in April 2015. Both Games were cancelled at late notice due to inclement weather and the Area Committee is asked to consider recommendations regarding the grant funding provided by the Council for the events.

2.0 RECOMMENDATIONS

- 1.2 That the Area Committee note the conditions detailed in the Council's contract for Third Sector Grants that funds unspent for the purpose stated in application form are returned to the Council.
- 2.2 That the Area Committee note that at present the ability to carry forward money, retained by the council, from the previous years Grant Fund is a total of 10% of the amount available to that area, equating to £3,500. The total grant funding provided to the Highland Games Committees is greater than this. Further to this, in this instance, the funds are proposed to be retained by the grant recipients and not the council.
- 2.3 That the Area Committee note the opportunity to increase the amount carried over from the previous year is a matter for their agreement at this special meeting on 8 September. Should the Area Committee agree the exceptional circumstances such as experienced by both Helensburgh Highland Games and Rosneath Highland Games should allow for carrying forward of funds by the community organisations to the following year, that:

2.3.1 The grant recipients provide evidence to the council of costs incurred due to losses and the total amount being carried forward.

2.3.2 The Area Committee makes a recommendation to the Policy and Resources Committee to allow the agreed process for carry forward of 10% of the grants to be adjusted to include exceptional circumstances such as these.

3.0 COUNCILS POSITION WITH GRANTING OF THIRD SECTOR GRANT FUNDING

- 3.1 The grant contract issued to community groups in receipt of third sector grant funding includes a section on 'breach, termination and variation of contract' which states 'the Council shall have the right to demand immediate repayment by the organisation of the whole grant or any part thereof if there is a failure to, firstly, comply with the terms and conditions specified in the agreement and, also, in the event of any default on the part of the Grantee'.
- 3.2 For reasons pertinent to the auditing and administration of the Third Sector Grants, the grant contract states that 'The Grantee shall ensure all funds are spent in the current financial period and unspent funds returned....'
- 3.3 Advice has been sought from the Council's Governance and Law service on this issue and they have advised that the Area Committee would have the discretion to agree a variation to the contract, subject to the normal grant conditions. This means that if the Area Committee was minded to allow the Helensburgh Highland Games and Rosneath Highland Games committees to retain the funding from this year's grants, 2015/16, for the following year 2016/17, this would need the approval of the Policy and Resources Committee.
- 3.4 It is recommended that in agreeing to the exception to carry forward funding granted that the organisation evidence the amount of grant being carried forward. This clarity allows the council to fulfil its obligation to account for all spending of public money. Further to this it is essential to inform the Area Committee in its decision to award funding requests from either Helensburgh Highland Games and Rosneath Highland Games in 2016/17. As the grant process funds up to a maximum of £4,000 where this is 50% of eligible costs, an applicant carrying forward funds will have those funds deducted from the total eligible in 2016/17.

4.0 CONSIDERATION OF OPERATING LOSSES INCURRED AND INSURANCE

- 4.1 The council was informed prior to the Area Committee meeting on 11 August 2015 that the operating loss to the Helensburgh Highland Games committee of organising and cancelling the 2015 Games is was estimated at between £7,000 - £10,000 and the average cost of running the Games each year is approximately £30,000.
- 4.2 The operating loss to the Rosneath Highland Games committee of organising and cancelling the 2015 Games, and then reorganising the dancing and piping competitions is, as yet, unknown.

- 4.3. In the report to the meeting of the Area Committee on 11 August 2015, it was recommended that the grant recipients return, as per the conditions of the grant, funds to the council in proportion to the loss incurred. Therefore allowing the grant recipients to retain a portion of the funding to assist with covering the losses.
- 4.4 For Helensburgh Highland Games it was recommended that the amount returned be £1000 less than the £4000 awarded in order to assist with loss incurred. The recommendations adhered to the conditions of the contract and would allow the applicants to apply for up to the maximum Third Sector Grant award of £4,000 again in 2016-17.
- 4.5 The same rationale was recommended for Rosneath Highland Games.
- 4.6 Neither of the grant applications had insurance covering cancellation due to weather.

4.0 CONCLUSION

- 4.1 The council has a responsibility to be clear and accountable for the spending of public money. The Third Sector Grant contract requires any money unspent by a grant recipient for its purpose as set out in the application to be returned to the council.
- 4.2 Legal advice to the Area Committee states that as this is a case where there is a request for the Area Committee to alter the terms of a decision for reasons that can be said to be beyond the control of the applicants the Area Committee would have to request that the agreed process for carry forward of 10% of the grants is adjusted to include exceptional circumstances such as these. This request would require to be considered by the Council's Policy and Resources Committee, given the current grant conditions.
- 4.2 It is essential that in any event of carrying forward funding that the amount being retained by the grant recipients is evidenced to the council's distributor of the grants. In the case of Helensburgh and Lomond this should be evidenced to the Community Development Officer.

5.0 IMPLICATIONS

- 5.1 Policy: None
- 5.2 Financial: The Council would have to assess the risk of allowing a community organisation to retain funds for next years event.
- 5.3 Legal: None
- 5.4 HR: None
- 5.5 Equalities Consistent with the Equal Opportunities policy of Argyll and Bute Council.

5.6 Risk: Monitoring of the process will minimise any risk to the Council, however the proposed approach would not be in accordance with normal practice.

5.7 Customer Service: None

Rona Gold
Community Planning Manager
Community Planning and Community Development

For further information contact: Audrey Baird, Community Development Officer for Helensburgh and Lomond, Tel No: 01436 658735.

ARGYLL & BUTE COUNCIL

POLICY AND RESOURCES
COMMITTEE

CUSTOMER SERVICES

EXTRACT OF HELENSBURGH AND LOMOND AREA COMMITTEE HELD ON 11
AUGUST, 2015

7(b) MONITORING OF GRANTS TO THE THIRD SECTOR 2014/15

The Committee considered a report which highlighted how the funding from grants to the Third Sector was spent in 2014/15. Information was taken from the end of year project monitoring reports returned by those organisations awarded funding.

Decision

1. To note the report;
2. To note that those organisations who do not submit an end of project monitoring report are not eligible for funding from this grant scheme in future years;
3. That the Gibson Community Centre Committee is requested to return £1,644 of the £2,514 Third Sector Grant it received in 2014/15 as the actual cost of the events it had proposed was £1,740 rather than the projected cost of £5,770.
4. That the funds to be returned by the Gibson Community Centre Committee are reallocated in a third round of Third Sector Grant funding in Helensburgh and Lomond in 2015/16.
5. To recommend to the Policy and Resources Committee that any balance remaining in the Third Sector Grants budget which is above the threshold of the 10% already agreed be carried forward to the 2016/17 Financial year for allocation.

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ARGYLL & BUTE COUNCIL

POLICY AND RESOURCES
COMMITTEE

CUSTOMER SERVICES

**EXTRACT OF SPECIAL HELENSBURGH AND LOMOND AREA COMMITTEE HELD ON
8 SEPTEMBER, 2015**

3. THIRD SECTOR GRANTS - SECOND TRANCHE

The Committee considered a report which provided an update on the Third Sector Grants awarded to the Helensburgh Highland Games Committee and the Rosneath Highland Games Committee in the first round of funding in April 2015.

Councillor Trail entered the meeting at 9.15a.m.

Motion

- 1.1 That the Area Committee note the conditions detailed in the Council's contract for Third Sector Grants in that "unspent funds" for the purpose stated in the application are returned to the Council.
- 1.2 That the Area Committee recommends that the Policy and Resources Committee:-
 - 1.2.1 Recognise the exceptional weather circumstances that resulted in the cancellation of the entire Helensburgh Highland Games and partial abandonment of the Rosneath Highland Games and agrees:-
 - (a) that grant recipients provide evidence to the council of the costs incurred due to losses, to enable the amount of "unspent grant" to be determined in each case;
 - (b) a variation to the contract with both community organisations to allow them to carry forward these 'unspent grant' funds to 2016/17;
 - (c) the organisation provide an assurance that the event is planned to take place in 2016/17. In the event that the organisation cannot provide an assurance, that 'unspent grant' is refunded.
 - 1.2.2 Allow the Area Committee to carry forward any Third Sector Grant balances in excess of the 10% of the total available.
- 1.3 That officers provide a report in December on the final determined sum of 'unspent grants' carried forward by both organisations.
- 1.4 That both organisations are eligible to apply for a grant for 2016/17, but any 'unspent grant' brought forward from 2015/16 (in 1.21a above) would be deducted from the eligible amount available in 2016/17 for those organisations.

Moved by Councillor Mulvaney seconded by Councillor Ellen Morton.

Amendment

The Area Committee recommends to the Policy and Resources Committee that Helensburgh and Rosneath Highland Games Committees are requested to return the balance of their grants awarded over 50% of the costs incurred with their events as evidenced to the Council.

Moved by Councillor Robb seconded by Councillor Dance.

Decision

On a show of hands vote, the Motion was carried by 5 votes to 3 and the Committee resolved accordingly.

(Reference: Report by Executive Director – Community Services, dated 8 September 2015, submitted).

Policy and Resources Committee Workplan 2015-16

October 2015 - This is an outline plan to facilitate forward planning of reports to the P&R Committee.					
29 October 2015					
	Financial Reporting 2015-16 - Summary	Strategic Finance	Every meeting	29 September 2015	
	Modern Apprenticeship Scheme	Customer Services		29 September 2015	
	Recognition of NHS Service	HR (J Fowler)		29 September 2015	
	Employee Engagement Strategy	Customer Services		29 September 2015	
	Community Benefits Clauses In Procurement Guide - Revised Version	Customer Services		29 September 2015	
	Update On Council's Supplier Development Programme	Customer Services		29 September 2015	
	Lorn Arc – Update Report	Development and Infrastructure			
	Argyll and Bute Employability Team – Options for Financial Sustainability	Development and Infrastructure		29 September 2015	
	Monitoring of Grants to the Third Sector	H&L A/C		29 September 2015	Recommendation from H&L held in August 2015
	Policy And Resources Committee Work Plan	Customer Services	Every meeting	29 September 2015	
17 December 2015					
	Financial Reporting 2015-16 - Summary	Strategic Finance	Every meeting	17 November 2015	
	Performance Report FQ2 2015/16	Customer Services	Quarterly	17 November 2015	

Policy and Resources Committee Workplan 2015-16

	Major Capital Regeneration Project Progress Report	Development and Infrastructure Services	Quarterly	17 November 2015	
	Policy And Resources Committee Work plan	Customer Services	Every meeting	17 November 2015	
4 February 2016					
	Financial Reporting 2015-16 – Summary	Strategic Finance	Every meeting	5 January 2015	
	Treasury and Investment Strategy	Strategic Finance	Annual	5 January 2015	
	Planning and Budgeting 2016/17	Strategic Finance	Annual	5 January 2015	
	Policy And Resources Committee Work Plan	Customer Services	Every meeting	5 January 2015	
17 March 2016					
	Financial Reporting 2015-16 – Summary	Strategic Finance	Every meeting	16 February 2016	
	Performance Report FQ3 2015/16	Customer Services	Quarterly	16 February 2016	
	Policy And Resources Committee Work Plan	Customer Services	Every meeting	17 February 2016	
Future Items – date to be determined					
	Delivery of the SOA – Programme Management Arrangements	Customer Services			Removed from Pre-agenda for 20 August meeting. To come to future meeting.

Policy and Resources Committee Workplan 2015-16

	ABC Schools Limited - Change of Control	Special Projects	Occasional		
	IHR Policies: <ul style="list-style-type: none"> • Recruitment and Selection Policy • Maximising Attendance Policy • Improving Employee Performance Policy 	Improvement and HR	Occasional		
	NPDO Schools Project Annual Update	Special Projects	Annual		Report after March 2015 to allow a full year outturn to be reported
	Seminar/Workshop on Strategic Risk Register	Strategic Finance	Before future P&R meeting		Agreed 05/02/15 to hold a seminar/workshop for Members on the strategic risk register before a future P&R meeting
	Scottish Government Funding for Welfare Reform and Discretionary Housing Payment	Customer Services			March 2015 - Requested further report in to a future meeting on progress with proposals.
	Lorn ARC Tax Incremental Funding (TIF) Asset Project 5 – Oban North Pier Extension – Start Up Report	Development and Infrastructure			Agreed 14 May 2015 that FBC would be presented to a future Committee
	Lorn Arc TIF Asset Project 9 – Existing Access Improvements and Business Park Enablement, Oban Airport Start up Project	Development and Infrastructure	Quarterly		Agreed 14 May 2015 that quarterly updates would be provided to OLI and then P&R

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ARGYLL AND BUTE COUNCIL

Policy and Resources Committee

DEVELOPMENT & INFRASTRUCTURE
SERVICES29th October 2015**LORN ARC – UPDATE REPORT AS AT 21st SEPTEMBER 2015****1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to update the Policy and Resources Committee on progress in delivering the Lorn Arc Tax Incremental Financing Programme and its 9 capital infrastructure investment projects led by Development and Infrastructure Services. The attached Highlight Report (Appendix A) outlines the current position of the three most immediate projects as at the 21st September 2015.
- 1.2 This paper also reports on key issues that will impact on the successful delivery of the projects from design development stage through to procurement and implementation.
- 1.3 This report sets out the envisaged timelines for the nine projects within the Lorn Arc programme and provides a brief synopsis of the current position relating to each of these projects.
- 1.4 Of particular note, the Lorn Arc programme required the first material investment in one of the sub-projects to be made before the end of September 2015. This key milestone was achieved on the 1 September with work commencing on site to construct an access road to facilitate the development of a new business park on Council owned land adjacent to Oban Airport (Project 9). The project has been designed, supervised and implemented by the Council's own Roads and Amenity Services team.
- 1.5 At the Lorn Arc Programme Board meeting on the 18th August, the Board felt there would be merits in revising the Lorn Arc quarterly update report schedule to coincide with the CHORD quarterly update schedule; this would mean that the next update would be in December 2015.
- 1.6 Budget: Detailed below is the current budget position for both the revenue and capital approved budget allocations.

REVENUE	£	
Total approved funds	1,607,000	
Total project spend to date	36,034	
Balance	1,570,966	
CAPITAL	£	
Total approved funds	1,388,000	
Total project spend to date	169,000	
Balance	1,219,000	

- 1.7 It is recommended that the Policy and Resources Committee:-

- Note the current progress with the Lorn Arc Programme.
- Approve the rescheduling of the quarterly update reports to coincide with the Capital Regeneration Projects quarterly update schedule.

LORN ARC – UPDATE REPORT AS AT 21st SEPTEMBER 2015**2. INTRODUCTION**

- 2.1 This report provides an update to the Policy and Resources Committee on progress in delivering the Lorn Arc Tax Incremental Financing Programme led by Development and Infrastructure Services. The attached Highlight Report (Appendix A) outlines the current position of the three most immediate projects as at the 21st September 2015.
- 2.2 The paper also reports on key issues that will impact on the successful delivery of the projects from development stage through to procurement and implementation.

3 RECOMMENDATION

- 3.1 It is recommended that the Policy and Resources Committee:-
- Note the current progress with the Lorn Arc Programme
 - Approve the rescheduling of the quarterly update to coincide with the Capital Regeneration Projects quarterly update schedule.

4. DETAILS

- 4.1 The envisaged timeline for start dates for each of the nine projects within the Lorn Arc programme are set out in table 1 below.

Table 1 : Capital investment start dates			
TIF Asset project	Construction start date (financial yearly quarter – Q1-4)		
	15/16	16/17	17/18
1 - Lorn Rd / Kirk Rd Improvements, Dunbeg		Q4	
2 - Gateway Features / Traffic Calming, Dunbeg		Q4	
3 - Halfwayhouse Roundabout / Dunbeg Development Road, Dunbeg		Q4	
4 - South Oban Development Zone			Q4
5 - North Pier Extension, Oban		Q3	

6 - North Pier Streetscape, Oban		Q4	
7 - Access Improvements, Barcaldine		Q2	
8 - Operations + Maintenance Port Infrastructure, Barcaldine			Q4
9 - Existing Access Improvements and Business Park Enablement, Oban Airport	Q2		

Project Initiation document (PID) was approved by Council in January along with six years revenue funding totalling £1.6m. Project Managers are currently taking forward Oban Airport Access Road and Business Park, Lorn Road/Kirk Road and Oban North Pier extension. A review of the assumptions made in January 2015 PID will be undertaken to confirm they are still reasonable.

Meetings of the Lorn Arc Programme Board and Lorn Arc TIF Executive took place on the 18th August and 9th September, respectively. Both were productive meetings, clearly setting out the reporting format and matters which will require to be closely monitored going forward. The TIF Executive, in particular, acknowledges the need to be flexible to respond to changes in the economic market.

The Programme Board felt that the Lorn Arc quarterly update reports to the Policy and Resources Committee should coincide with the CHORD quarterly updates to best capture the impact of the capital infrastructure investment projects, led by Development and Infrastructure Services.

A brief synopsis of each of the projects progress is detailed below:-

- 4.2 **Project 1 - Lorn Rd / Kirk Rd Improvements, Dunbeg** – Start-up cost were approved for this project on the 19th March 2015 by the Policy and Resources Committee. Initial design works are complete. Purchase negotiations are underway to secure the necessary land. A planning application has been submitted with a decision awaited. A FBC on the merits of implementing this project will be presented to the Oban Lorn and the Isles Area Committee and to the Policy and Resources Committee in due course. This project lies within the Dunbeg Corridor development area and as such has formed an element of discussions with the principle developer of this area, Link Housing Association on how they can develop their Masterplan for the development of this area. These discussions with Link Housing Association have progressed to the point where it might be prudent to redesign this road improvement scheme, which could possibly avoid the need for a Compulsory Purchase Order and possibly reduce costs. This would require revised design work, revised financial modelling and a revised application for planning permission to be submitted. Delivery is therefore on hold until information is submitted from Link Housing Association, meeting scheduled to take place on the 20th October, and a resultant recommendation can be made on whether to continue with the current design or whether to embark on a redesign process. This is expected to be presented to Members in December 2015.
- 4.3 **Project 2 - Gateway Features / Traffic Calming, Dunbeg** –Project not scheduled to be

taken forward at this time. Signage has been installed by Highlands and Islands Enterprise which provides direction to the European Marine Science Park and SAMs. A report will be presented to Members at a later date requesting Start-up costs for this project.

- 4.4 **Project 3 - Halfwayhouse Roundabout / Dunbeg Development Road, Dunbeg** – This project lies within the Dunbeg Corridor development area, and as such has formed an element of discussions with the principle developer of this area, Link Housing Association on how they can develop their Masterplan for the development of this area. Negotiations / discussions are also taking place with developers to identify the best way forward in terms of scope and partnership working arrangements for this project, meeting arranged for the 20th October. A report will be presented to Members in due course requesting Start-up costs for this project.
- 4.5 **Project 4 - South Oban Development Zone** – Project not scheduled to be taken forward at this time. This project requires a FBC to be prepared and submitted to the Scottish Government for approval. This FBC will need to scope out the infrastructure investments required along with the potential benefits and financial forecasts.
- 4.6 **Project 5 - North Pier Extension, Oban** – The Policy and Resources Committee approved start-up costs of £560,000 for this project on 14 May 2015. Options are currently being assessed for physical and financial viability and sequencing with other complementary CHORD projects to include the interim step ashore facility (meeting taking place on the 24th September) and potential Oban Times Slip improvements. This option assessment will inform the extent and design of the extension to be taken forwards on the North Pier.
- 4.7 **Project 6 - North Pier Streetscape, Oban** – Following the finalisation of the Oban CHORD Public Realm Schemes and design approval of Project 5, discussions will take place on how best to proceed with this element.
- 4.8 **Project 7 - Access Improvements, Barcaldine** - negotiations / discussions are taking place with developers to identify the best way forward in terms of scope and partnership working arrangements for this project. A report will be presented to Members at a later date.
- 4.9 **Project 8 - Operations + Maintenance Port Infrastructure, Barcaldine** - negotiations / discussions are taking place with developers to identify the best way forward in terms of scope and partnership working arrangements for this project. This project requires a FBC to be prepared and submitted to the Scottish Government for approval. This FBC will need to scope out the infrastructure investments required along with the potential benefits and financial forecasts.
- 4.10 **Project 9 – Existing Access Improvements and Business Park Enablement, Oban Airport** –The construction of the access road to facilitate the development of the new business park started on the 1 September, the design of the road, site supervision and works is being undertaken by the Councils Roads and Amenity Services. The commencement of the works meets the Scottish Government's date for the First TIF investment. Work is progressing well on site and is anticipated to be completed by mid November 2015. Alongside this a draft Masterplan has been prepared and is currently being assessed prior to submission for planning approval. This Masterplan will form the basis of a marketing promotion aimed at ensuring the site is developed as speedily as possible. Investigative and exploratory design works are also underway to ensure service provision (in particular sewerage) is delivered.

- 4.11 **Resourcing** – Recruitment has been concluded for a replacement for Linda Houston, who left the Council in June. Kirsteen MacDonald has now been appointed to the team. Recruiting is underway for a full-time administration support officer to assist with the administration tasks associated with the programme. The closing date for applications is the 16th October. The resources required to deliver the Lorn Arc Programme will be continually monitored and reported to members.
- 4.12 **Programme Risks** – The Programme Risk Register - Appendix B outlines the main programme risks. The majority of the risks are deemed medium with the high risks around delivery of programme by 2020, increase in constructions costs and lack of private investor investment, all of which are currently being reviewed.
- 4.13 **Financial Model Summary Output** – The financial model calculates the affordability of the Programme over the life of the TIF agreement. Amendments change the output of the Programme financial model. As can be seen in Appendix C the financial model outputs changed between October 2013 and June 2015 due to projects capital spend profile, the agreed displacement figure differing from the original profile detailed in the Programme FBC (18% to 22%), movement in interest rate and NDR attaining to Timeshare being removed following advise that these would attain small business bonus scheme rates relief. The current model indicates that the Programme remains affordable.
- 4.14 **Budget:** Detailed below is the current budget position for both the revenue and capital approved budget allocations.

REVENUE	£	
Total approved funds	1,607,000	
Total project spend to date	36,034	
Balance	1,570,966	
CAPITAL	£	
Total approved funds	1,388,000	
Total project spend to date	169,000	
Balance	1,219,000	

5 CONCLUSION

Most significantly Project 9 – Existing Access Improvements and Business Park Enablement, Oban Airport is on site, thus meeting the end of September 2015 deadline for a first material investment required by the Scottish Government.

A review of the assumptions made in the January 2015 PID is currently underway to confirm they are still reasonable; members will be updated on the findings of the review in December 2015.

6. IMPLICATIONS

POLICY	The delivery of this project fits with the Council's Corporate Plan, Single Outcome Agreement and approved Development Plan policy for town centre regeneration. The economic outcomes from this project will contribute to the Government's Economic Strategy.
FINANCIAL	As outlined in sections 4.13 and 4.14 above.
LEGAL	Each project will have differing legal requirements; this will be laid out in each project's Project Initiation Document. No legal issues at Programme level.

PERSONNEL	Recruitment for an Admin Officer will take place shortly. The resources required to deliver the Lorn Arc Programme will be continually monitored and reported to members.
EQUAL OPPORTUNITIES	There are no equal opportunities implications.
RISK	As outlined in Appendix B
CUSTOMER SERVICE	There are no customer service implications.

Executive Director Development and Infrastructure Services: Pippa Milne

Policy Lead: Ellen Morton

13th October 2015

For further information - please contact :
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Appendices

Appendix A - Lorn Arc Programme Highlight Report 21 September 2015

Appendix B - Risk Register

Appendix C - Financial Modal Summary Output

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