Argyll and Bute Council
Comhairle Earra-Ghàidheal Agus Bhòid

Customer Services
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27 November 2017

NOTICE OF MEETING

A meeting of **ARGYLL AND BUTE COUNCIL** will be held in the **COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD** on **THURSDAY, 30 NOVEMBER 2017** at **10:30 AM**, which you are requested to attend.

Douglas Hendry
Executive Director - Customer Services

BUSINESS

1.   **APOLOGIES FOR ABSENCE**

2.   **DECLARATIONS OF INTERESTS (IF ANY)**

3.   **COSLA REVIEW**
     Presentation by Chief Executive and President of COSLA (Sally Loudon and Councillor Alison Evison)

4.   **DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT 2017**
     Presentation and report by Director of Public Health, Professor Hugo van Woerden and Alison McGrory, Health Improvement Principal (Pages 3 - 92)

5.   **MINUTES**

     (a)   Argyll and Bute Council held on 28 September 2017 (Pages 93 - 108)

     (b)   Special Argyll and Bute Council held on 26 October 2017 (Pages 109 - 112)

6.   **MINUTES OF COMMITTEES**

*   (a)   Policy and Resources Committee held on 19 October 2017 (Pages 113 - 120)

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

7.   **AUDIT COMMITTEE ANNUAL REPORT 2016-2017**
     Report by Chair of Audit Committee (Pages 121 - 128)

8.   **LEADER'S REPORT**
     Report by Leader of the Council (Pages 129 - 142)

REPORTS FOR NOTING

ARGYLL AND BUTE COUNCIL

Contact: Sandra Campbell Tel: 01546 604401

ARGYLL AND BUTE COUNCIL   **COUNCIL**

PUBLIC HEALTH (NHS HIGHLAND)   **30 NOVEMBER 2017**

NHS Highland Director of Public Health Annual Report 2017: Realistic Medicine

1.0   EXECUTIVE SUMMARY

NHS Highland's Director of Public Health report for 2017 considers the ethos and role of Realistic Medicine in delivering higher quality health and social care.

Realistic Medicine as a concept was launched by the Chief Medical Officer in her annual report in 2015 and was further developed in her subsequent annual report entitled Realising Realistic Medicine.

The 6 core elements of Realistic Medicine are:
- Shared decision making
- Personalised approach to care
- Reducing unwarranted variation
- Reducing harm and waste
- Managing risk better
- Making innovative improvements

Many of the tenets of Realistic Medicine have long been recognised as indicators of quality and have been at the heart of much improvement work. But through uniting these concepts in one shared philosophy in a challenging financial climate Realistic Medicine has gained a momentum and following across Scotland.

This report includes examples of Realistic Medicine in action from across NHS Highland and reflects on frailty and end of life care in particular as areas from which further benefits could be reaped using a Realistic Medicine approach. Many of the case studies have been kindly provided by the Area Clinical Forum.

ARGYLL AND BUTE COUNCIL   **COUNCIL**

PUBLIC HEALTH (NHS HIGHLAND)   **30 NOVEMBER 2017**

NHS Highland Director of Public Health Annual Report 2017: Realistic Medicine

2.0   INTRODUCTION

This year's report begins by illustrating the current challenges facing the health and care of our population from both a Scottish and a NHS Highland perspective. Spending on health and social care delivery has been increasing as a percentage of gross domestic product (GDP) since 1900 and has resulted in an impressive rise in life expectancy. There are multiple drivers for the costs of health and social care delivery including: increased and earlier onset of chronic disease and multi-morbidity conditions, developments in medical and pharmaceutical technology, an ageing population and increases in the national minimum wage.

As a result of all of these factors both health and social care provision has also become more complex and potentially unsustainable so there is a need to adopt new approaches. One example is considering new models of housing provision such as extra care, modular housing as an alternative to current care home and home care arrangements.

In Scotland these challenges have resulted in a shift in thinking about how to maximise value in health and social care and have precipitated Realistic Medicine. Internationally other countries have developed their own approaches, many examples of which are shared in this report. For example the Buurtzorg district nurse model originated in the Netherlands and is being piloted in NHS Highland. A comparison of these international approaches demonstrates they have many similarities however it also highlights the importance of the local culture and context in determining each model's success. In light of this it is recommended that robust evaluation work accompanies any adoption of international models.

3.0   RECOMMENDATIONS

The Council is being asked to consider the presentation and the terms of the report.

4.0 DETAIL

This report considers in depth two areas which could benefit from a Realistic Medicine approach: end of life care and frailty.

1)   End of Life Care

Across NHS Highland there is substantial variation in where people die. This variation is affected by geography, gender, condition type and age. Over the last 35 years there has been a reduction in the proportion of people dying at home and an increase in those dying in acute hospital and care homes. Men are more like to die in their own home than women, those dying from dementia and related conditions are most likely to die in community settings and those dying from renal, liver or respiratory related conditions are more likely to die in an acute setting.

Providing good end of life care requires clinical, community and family support. One firmly established way in which clinicians can support end of life care by being proactive in discussing individual's wants and needs and recording this in the form of Anticipatory Care Plans (ACPs) and key information summaries. Prognostic uncertainty has been identified as a barrier to such discussions and the absence of an ACP may result in people receiving futile and invasive treatment. It is estimated that between 30-38% of patients may have received non-beneficial treatment near the end of their lives.

The public health team have been working with Highland Hospice to develop the concept of a Compassionate Community and this is now embedded within the hospice's three year strategy. Helmsdale is also developing as a compassionate community in the form of a Dementia Friendly Community. The public health team have also piloted the use of Eco-mapping in a ward setting to support more personalised care. Eco-mapping is a practical tool which can be used prior to discharge to help both the patient and the healthcare team to map out the range of support a person may have on returning home including both formal and informal supports.

2)   Frailty

Frailty is a common condition particularly, although not exclusively, among our older population. Within NHS Highland there are an estimated 13,000 frail older people living in the community and around 1,100 in residential care homes or nursing homes. Frail individuals have up to ten times the rate of adverse outcomes such as falls, and hospitalisation. They are less able to adapt to stressors such as illness and trauma and have higher mortality rates. There is significant variation in emergency hospital admission rates across Highland and Argyll and Bute, suggesting that there is variation in the way in which such frailly is dealt with.

To reduce frailty we need to promote interventions that improve physical functioning, particularly during hospital admissions, by increasing muscle mass and strength, particularly progressive resistance strength training, exercise involving gait, balance, co-ordination, and encourage walking on a daily basis. For hospitalised patients, better outcomes for patients are associated with care delivered by geriatric-specific and multi-disciplinary teams, particularly when these were delivered in designated units or wards. This approach has been successfully used for hip fracture management in Raigmore and resulted in national recognition. Other Interventions identified by the literature that reduce hospitalisation include certain types of nurse-led unit, tele-healthcare for long-term conditions, discharge planning from hospital to home, case management in heart failure and integration with generic case management. Whilst some of this work is already being undertaken there is scope to do more.

5.0   CONCLUSION

Applying Realistic Medicine could assist in delivering the vision laid out in Argyll and Bute Health and Social Care Partnership Quality and Finance plan: that people in Argyll and Bute will live longer, healthier, happier independent lives. In particular it could assist in:

- Efficiently and effectively managing all resources to deliver Best Value
- Support people to live fulfilling lives in their own homes for as long as possible
- Reduce avoidable emergency admission to hospital and minimise the time people are delayed
- Support staff to continuously improve the information, support and care they deliver

6.0   IMPLICATIONS

6.1   Policy

There are no direct policy impacts.

6.2   Financial

Implementing Realistic Medicine and care will provide better health and social care for patients. It is anticipated that through reducing excessive or non-beneficial investigation and treatment and reducing harm, waste and variation in health and social care delivery that efficiency savings would be made.

6.3   Legal

There are no direct legal impacts.

6.4   HR

There are no direct HR impacts.

6.5   Equalities

It is acknowledged that some elements of Realistic Medicine have the potential to be in conflict with each other. For example it may be challenging to provide more personalised care at an individual level whilst reducing unwarranted variation at a population level.

6.6   Risk

Risk assessment not carried out.

6.7   Customer Service

There are no direct Customer Service impacts.

Specialty Registrar, Public Health
Dr Catherine Flanigan
6th November 2017

For further information contact:
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The Annual Report
of the **Director of
Public Health**

2017

NHS Highland

Realistic
Medicine

Acknowledgements and list of contributors

I would like to thank the following colleagues for their contributions:

Core Project Group and Contributors

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Contents

Introduction

Significant financial constraints, accelerating health and social care demand and the impact of wider political factors on the NHS have kept health care firmly in the public and media spotlight[1]. This year's annual report reflects on these challenges both practically and ethically, using the framework of Realistic Medicine.

Last year's annual report focused on loneliness, recognising that 67% of people aged 65 years and over in Highland feel lonely. The 'Reach Out' campaign linked to that report has made significant progress in mobilising a wider societal response to this issue. A grasp of the importance of Realistic Medicine will also lead to a recognition that we have to respond to health and social care needs as a society. The public sector cannot meet all of society's needs and part of a realistic approach will need to include empowering communities to increasingly develop approaches to meeting their own needs.

Since July the 2nd 1948, when the NHS was born, it has operated on the principle of being free at point of delivery to the whole population[2]. The NHS originated not from a legal duty to provide healthcare but from a combination of moral conviction and economic prudency[3]. However, prior to the commencement of the NHS, Aneurin Bevan predicted that, "Expectations will always exceed capacity"[4]. Almost 70 years later this analysis remains accurate. As a result, we must ensure that we maximise our available capacity to provide valued, high quality care and to minimise harm, waste and unwarranted variation through personalised and innovative patient centred care. This is the core message of Realistic Medicine[5].

The generosity of spirit underpinning the NHS has to be balanced against the need to allocate scarce resources as efficiently as possible. Public health is often viewed as a utilitarian discipline, seeking to maximise the greatest good for the greatest number. However, this is overly simplistic: public health also champions equity, recognising that unequal need requires unequal provision based on a moral duty to care for those in need.

Earlier this year the Scottish Public Health Network (ScotPHN) considered what contribution public health could make to realising Realistic Medicine and highlighted the roles of ensuring the wise use of available evidence, empowering communities and leading and supporting innovation and implementation. All of these elements have been considered in this report.

I want to end by thanking the team who have put together this year's report for their professionalism and commitment to the population we serve.

Professor Hugo van Woerden

Director of Public Health and Health Policy, NHS Highland
Stiùriche na Slàinte Phoblach, Bòrd Slàinte na Gàidhealtachd

Chapter One - Understanding the challenge

Why has the nomenclature of Realistic Medicine or Prudent Healthcare caught the imagination of many so effectively? This chapter explores some of the drivers that have been building up over many decades and that have led to the issue coming into focus.

The financial context

Total healthcare expenditure in the United Kingdom (UK) has increased inexorably as a percentage of GDP over the last 100 years. Healthcare spend is now over 8% of gross domestic product (GDP) as shown in Figure 1.1[1]. This could rise to as much as 19% of GDP by 2061[1]. One of the drivers for Realistic Medicine is a recognition that this trend has to be addressed if healthcare free at the point of delivery is to be societally affordable over the long term.
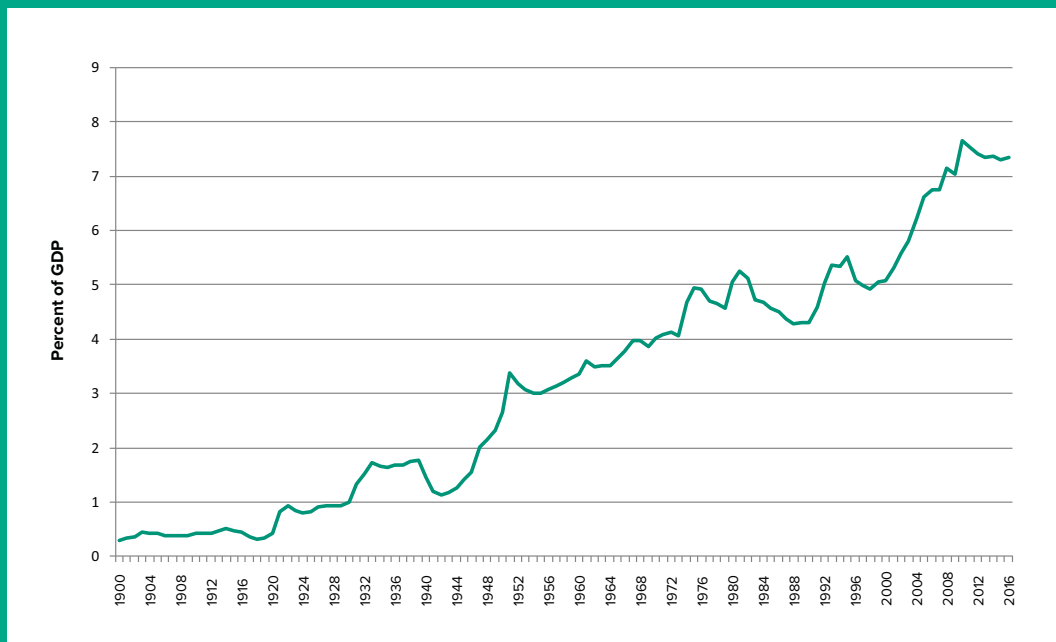
Figure 1.1 - Percent of General Domestic Product for the UK spent on Health
Source: ukpublicspending.co.uk[2]

There is no optimum amount of expenditure on health. However, there is some evidence that each extra increment of expenditure beyond a certain point leads to diminishing returns. Many high income economies are on the part of the curve where there are diminishing returns (Figure 1.2).
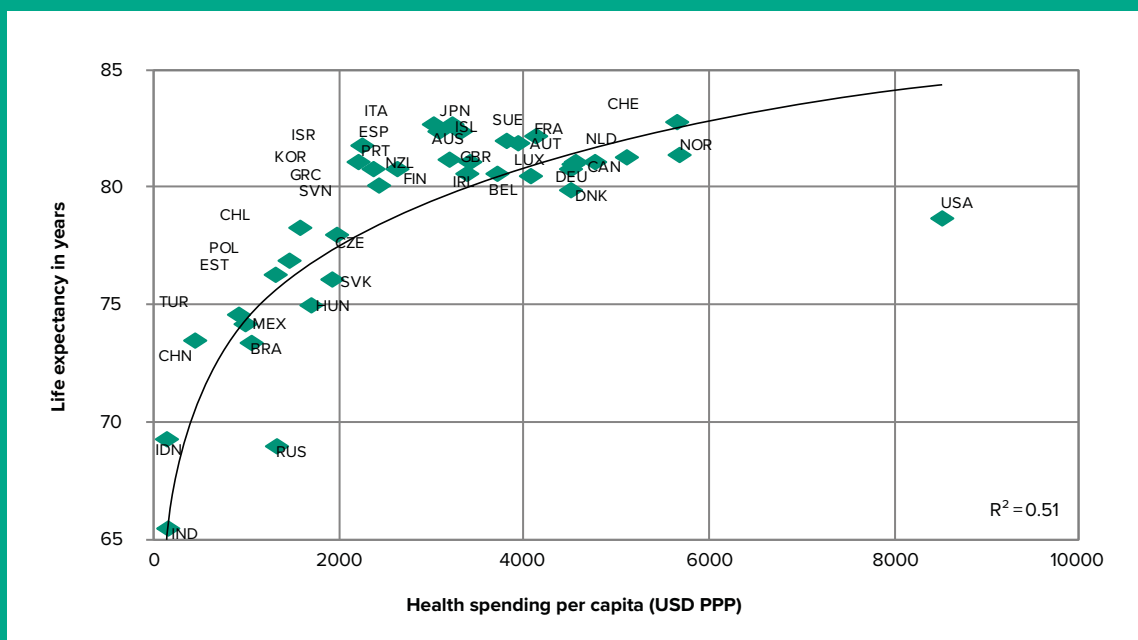
Figure 1.2 - Life expectancy at birth and health spending per capita, 2011
Source: OECD Health Statistics 2013[3]

Figure 1.2 indicates that there is a relationship between spending and health. A significant proportion of the relationship is simply a reflection of the relationship between Gross Domestic Product, or the wealth of a country and life expectancy, as income is one of the most important determinants of health. However, the graph clearly demonstrates that beyond a certain point, additional expenditure on health provides relatively little return, and that many wealthy countries are on the part of curve. This suggests that from a realistic or prudent healthcare perspective, major additional investment in healthcare may result in relatively modest benefit.

Scotland spends more per person on healthcare than the other nations of the United Kingdom (UK), although this gap is reducing over time, as healthcare spend per person in other UK jurisdictions is catching up[4]. In 2015/16, £11.2 billion was spent on Scottish health services. The bulk of healthcare spend occurs in secondary care with more than 50% of the budget spent on hospital care and less than 10% on General Practice as shown in Figure 1.3[5]. Part of the Scottish Government's commitment is to reverse this trend and to increase the proportion of spending in primary and community care; an initiative that is very much in line with Realistic Medicine. However, this is extremely challenging in practice as the 'drivers' in the system have been in the opposite direction for many decades. The ethos of Realistic Medicine is that providing more personalised and appropriate care will lead to better value care and as a result more efficient spending.
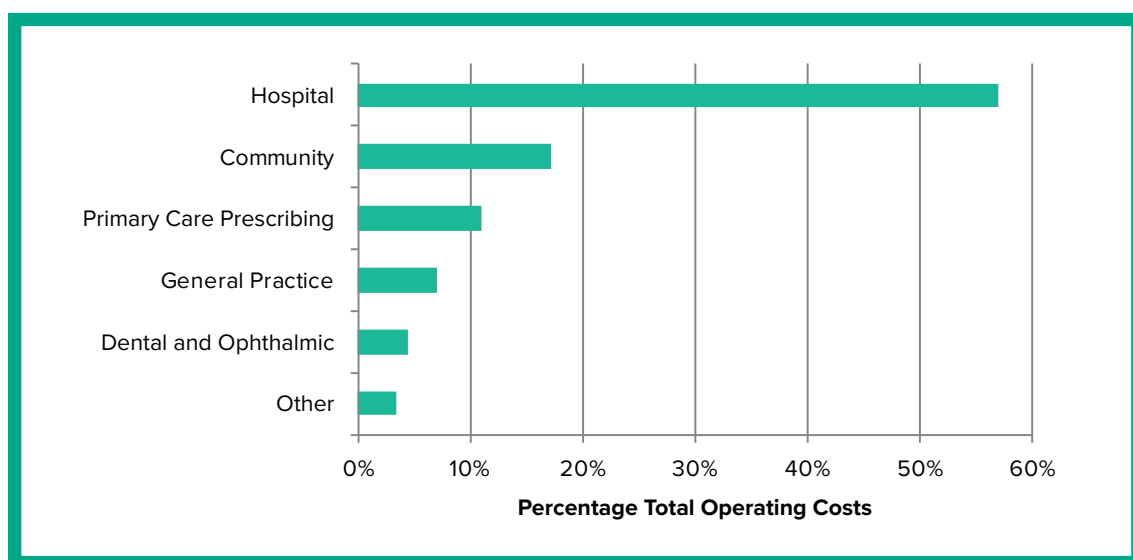
Figure 1.3 - Percentage of Operating Costs by Healthcare Sector 2015-2016
Source: Information Services Division (ISD), Scottish Health Service Costs[5]

The cost of social care

In Scotland between 2004 and 2014, social care spending has seen a 15% increase in real terms for older people aged 65 and over, with 44% of the £4 billion spent in 2013/14 being on this group[6]. Across England social care spending has also risen consistently as a percentage of national income from 1977 to 2016[4]. However, despite the growth in expenditure, due to the rapid growth in the population aged 65 and over, there has been a 1% decrease in real terms per capita spending on social care over the decade between 2004 and 2014. Although there are also changes in where this money is spent the majority is still spent on care homes, which may not be the approach that gives the best value for money. Across Scotland, 38% of the spend on adult social care was on care homes and 25% on home care (2013/14 figures)[6]. There is a case for spending a greater proportion on home care.

Drivers for health and social care costs

The ageing population has been described as a 'population time bomb' responsible for continuously escalating health and social care costs. The truth is more nuanced. There are many drivers for increased costs including:

- Increasing prevalence of patients with multiple co-morbidity (perhaps undiagnosed in past generations and over diagnosed in our own)
- increases in the national minimum wage and greater competition with alternative occupations
- spiralling medication costs, largely driven by industry
- developments in high cost medical technology
- increasing life expectancy, extending the duration of treatment for long term conditions[1,7]
- earlier onset of chronic conditions associated with obesity such as osteoarthritis and diabetes[7]
- rising identification of cognitive decline, impaired mental function, and dementia against a background of a world in which cognitive skills such as using the internet is increasingly essential
- changes in social cohesion and a common perspective around the social contract.

Some of these issues are explored further within this report. We must remain mindful of this complex array of factors which are driving changes in healthcare cost and demand. The growth of our older population is a success story of modern medicine and modern public health interventions which have resulted in people living longer, healthier lives and should be celebrated. Our older population are also a valued and vital part of our community and contribute a wealth of experience and skills. Many of the older population are active members of the community, contribute to third sector organisations and work as informal carers supporting the role of the NHS.

Ageing and co-morbidity

A number of interacting factors related to ageing, co-morbidity, identification of sub-clinical levels of disease and increased therapeutic options, which have driven costs upward, have perhaps resulted in a desire to see the pendulum swing in the opposite direction and driven realistic or prudent healthcare initiatives. Figure 1.4 presents some aspects of this complex relationship between different long term conditions in our ageing Scottish population.

% of patients with this condition... ...who also have this condition (% = % of all patients with the condition)

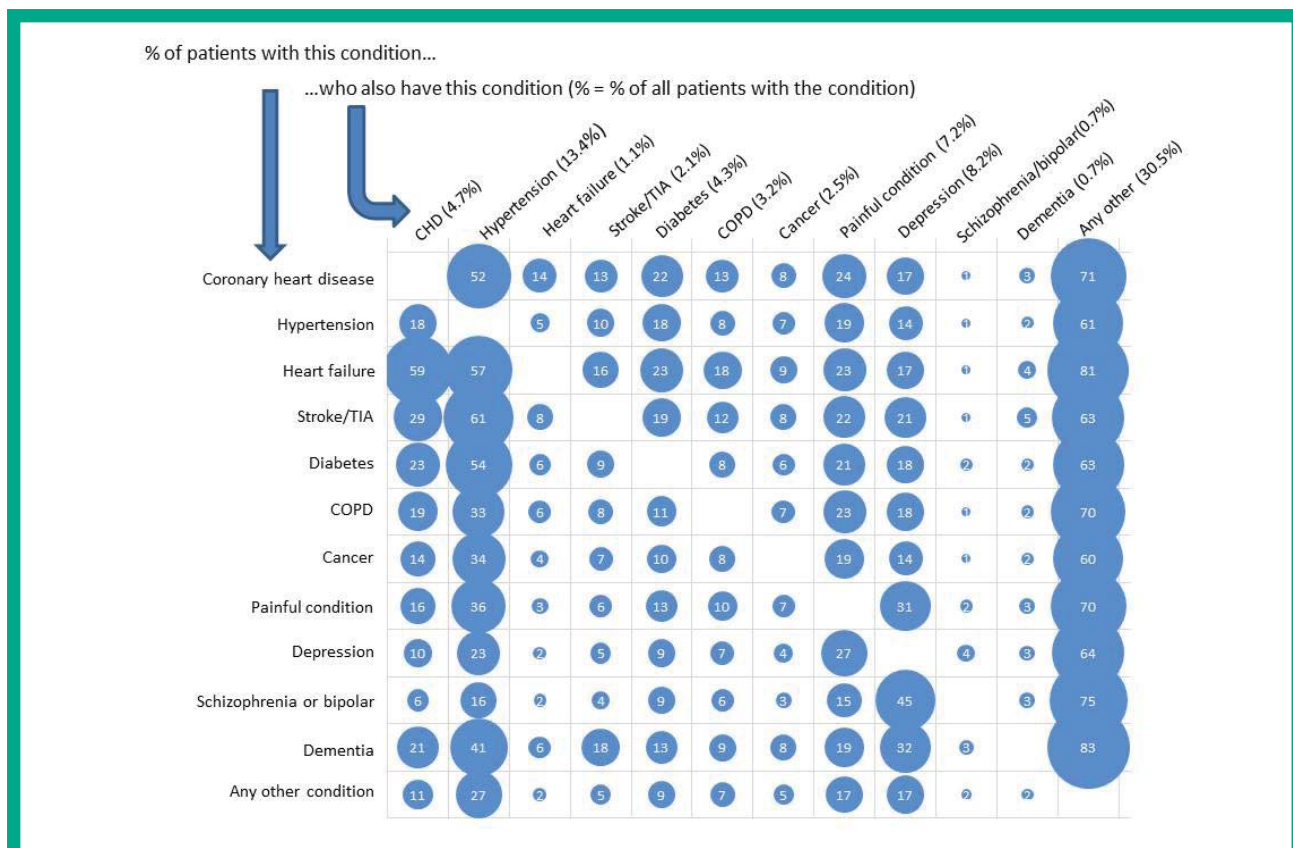|	CHD (4.7%)	Hypertension (13.4%)	Heart failure (1.1%)	Stroke/TIA (2.1%)	Diabetes (4.3%)	COPD (3.2%)	Cancer (2.5%)	Painful condition (7.2%)	Depression (8.2%)	Schizophrenia/bipolar (0.7%)	Dementia (0.7%)	Any other (30.5%)
Coronary heart disease		52	14	13	22	13	8	24	17	·	3	71
Hypertension	18		5	10	18	8	7	19	14	·	2	61
Heart failure	59	57		16	23	18	9	23	17	·	4	81
Stroke/TIA	29	61	8		19	12	8	22	21	·	5	63
Diabetes	23	54	6	9		8	6	21	18	2	2	63
COPD	19	33	6	8	11		7	23	18	·	2	70
Cancer	14	34	4	7	10	8		19	14	·	2	60
Painful condition	16	36	3	6	13	10	7		31	2	3	70
Depression	10	23	2	5	9	7	4	27		4	3	64
Schizophrenia or bipolar	6	16	2	4	9	6	3	15	45		3	75
Dementia	21	41	6	18	13	9	8	19	32	3		83
Any other condition	11	27	2	5	9	7	5	17	17	2	2	

Figure 1.4 - Combinations of long term conditions that define multi-morbidity among GP patients in Scotland
Source: The Scottish School of Primary Care Research Multi-morbidity in Scotland, slide five[8]

Old age is increasingly 'medicalised', as it is in the interests of pharmaceutical companies to support the identification of multiple healthcare problems that would previously have been treated as simply an inevitable part of ageing[9]. Each 'diagnosis' can then be subjected to a panoply of therapeutic interventions that only make a minor improvement to survival or quality of life, but which are sufficiently common to sell in large volumes, generating significant profits[10]. This is a global issue related to the way in which we develop new medicines and the extent to which such development should be leveraged via a profit motive. Current mechanisms encourage the develop of a 'me too' drugs, as opposed to genuine innovation, for example in relation to diseases of the developing world, which will not yield big profits.

Caring for the elderly and vulnerable

Free healthcare has probably been provided for the 'destitute and dying' in the Highlands since the establishment of monasteries such as that in Iona in 563 AD, Applecross in 673 AD, and Rosemarkie around 716 AD. A subsequent post-reformation growth in homes and care to the elderly in almshouses occurred in the 16th century[11]. Table 1.5 charts the timeline of nursing homes and residential homes from then to the present day[12].

Table 1.5 - Historical Timeline of Care Provision in the UK from 16th Century To present Day[12,13,14]

16th Century	Almshouses provide charitable care to 'elderly, poor and insane'.
19th Century	Workhouses and then poorhouses became main residences for these patients.
1880s	• Nursing Homes emerge for paying customers including surgery and maternity, numbers double every 10 years. • The first district nurses are trained for the 18 districts of Liverpool.
1930s	• Public Assistance institutions replace workhouses. • District Nursing provided on provident basis through District Nursing Associations, poor and elderly usual for free.
1948	• Home nursing provided through newly formed NHS. • New duty on local authorities to provide residential accommodation. Formal separation of nursing and residential homes.
1950s	1950s growth of NHS and emergence of geriatrics as a medical speciality, new recognition of needs of older people.
1960s-1970s	• Residential homes move from small 30 bedded homes to around 60 beds. • National Assistance act requires local authorities to enable people to remain in own home as long as possible.
1968	Social Work (Scotland) Act 1968. Local councils have a duty to assess a person's community care needs and take account of their preferences to inform assistance.
1980s	New regulation allows public funding of private bed spaces for residential care. Private sector expands but growth declines.
1980s-1990s	• As inpatient geriatric beds close, nursing home beds continue to increase. • Number of people receiving nursing and care at home declines as level of assistance increases.
2000s	Intermediate Care Teams and rehab services open as short stay residences. Both residential and nursing homes are renamed as care homes.
2010s	Level of need and cost for those in care homes increasing.
2014	The Public Bodies (Joint Working) Act 2014. Requires NHS boards and local authorities to jointly submit an integration scheme for integrating health and social care.

In 1948, the government placed a duty on local authorities to provide residential care for their population. From then until the 1980s the numbers of residents in care homes continued to increase, followed by a similar growth in nursing home residents from the 1990s[12].

A considerable expansion of the private sector accompanied the increasing numbers, so that by 2014, 74% of residential care home capacity and 86% of nursing home capacity was provided by the private sector. However, a large proportion of private provision remains funded in part or in full by local authorities (LAs), or in the case of the Highland Council area, via a commissioning arrangement between Highland Council and NHS Highland[15].

A realistic approach to care has to take account of the changes in the demography of those using care homes. In Scotland, over the last decade, the number of long stay care home residents aged 85 years and over has increased by 12%, the number of residents with dementia has increased by 30% and the average level of assistance required by those in such facilities to support activities of daily living (ADLs) has also increased[15,16].

The population in care homes is changing. Those residing in care homes are older, frailer and require more assistance than was the case in the past. In England, the population aged 65 years and over increased by 11% over the last 10 years, but in contrast, the nursing home population increased by only 0.3%. This suggests that only those with the highest levels of need are being admitted to nursing homes. This shift has been paralleled by the emergence of 600,000 unpaid carers (English data), who may receive Carer's Allowance, but who are not formally employed in the care industry. This emerging workforce has been integral to enabling more people to remain in their own homes[17].

In Scotland, estimates of the number of carers are derived from a combination of census data and the Scottish Health Survey, with the most recent estimates from 2011 and 2012/13 publications respectively[18]. The surveys found that 759,000 (17%) of the adult population (aged 16+) were carers and 29,000 (4%) of these carers were aged less than 16 years[17]. Although the percentage of the population in Scotland who are carers has been constant between 2001 and 2011, a higher proportion of those caring are providing 20 or more hours of care and 13% fewer carers providing 19 or less hours of care[17]. In carers aged 65 and over 47% are providing care for 50 hours or more[17].

Across Scotland 40% of carers had been caring for more than a year and a further 40% for between 5 and 20 years. Although the proportion of the population who are carers is the same regardless of deprivation status, those in the most deprived areas were 23% more likely to be providing 35 or more hours of unpaid care, which is the threshold for receiving the maximum level of Carer's Allowance.

Caring has an impact on the carer's wellbeing. While those providing up to 19 hours of unpaid care have comparable self reported health to the rest of the general population, those providing care for 20 or more hours per week report increasing levels of poor health. This effect is compounded by age.

Only 56% of carers are employed and this reduces to 35% in those who are providing 35+ hours of care per week. Those receiving the maximum level of Carer's Allowance are only allowed to work 10 hours per week. Estimates suggest that fifty percent of carers are entitled to, but do not receive, carers allowance, a figure which rises to over 95% of carers aged 65 and over. Across NHS Highland females aged 50-64 years are most likely to be carers.

NHS Highland context

Across both Scotland and NHS Highland the population is ageing and over the next 20 years there is likely to be a significant rise in the number of those aged over 70 years who have multi-morbidity and high levels of frailty (see Figure 1.6).
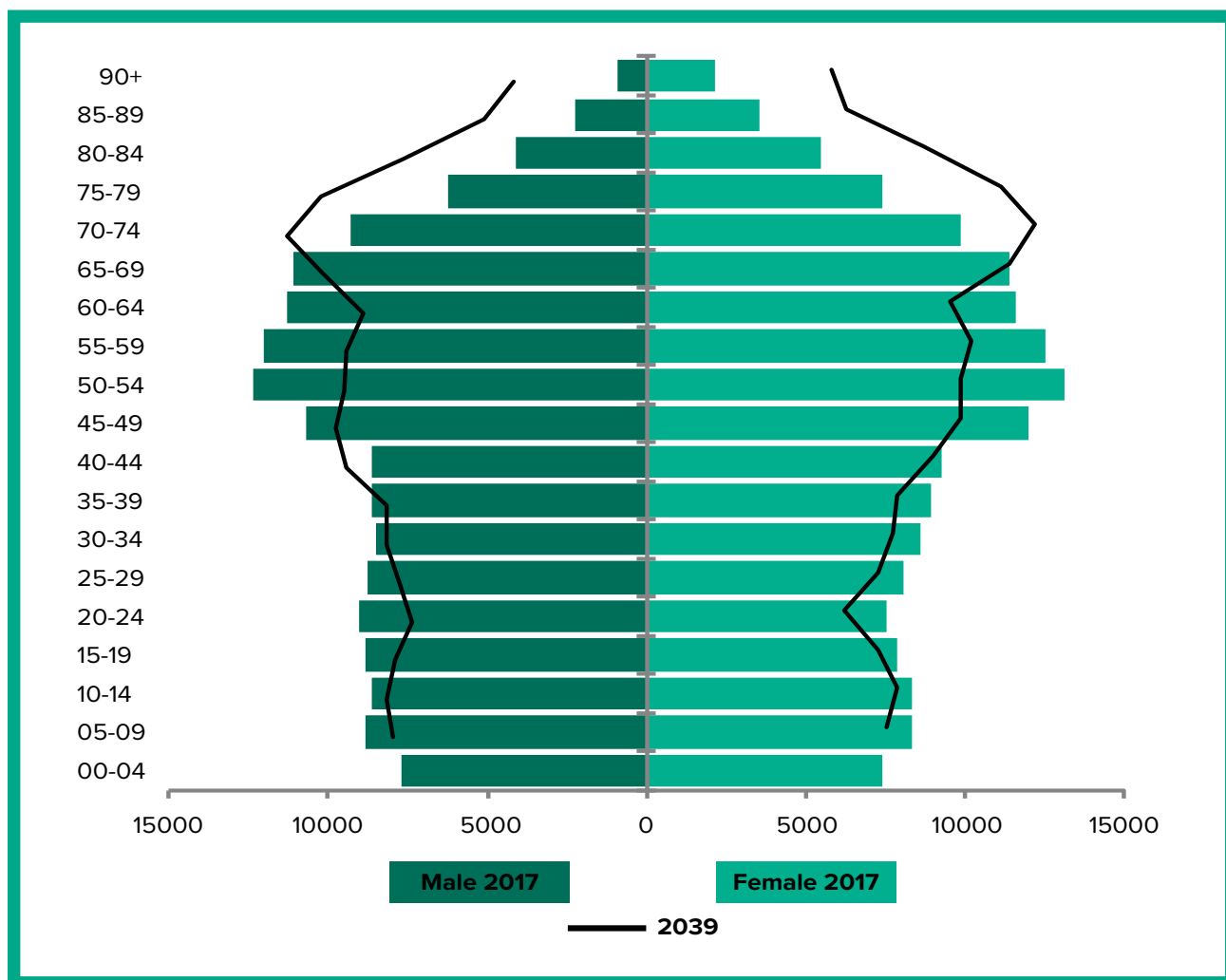

Figure 1.6 - Current and projected population, NHS Highland
Source: National Records of Scotland (NRS) Population Projections for Scottish Areas (2014-based)

As the population bulge shown in Figure 1.6 becomes older, new and imaginative solutions will need to be developed to respond to the needs of this population.

High resource individuals

Health and social care resources are not utilised evenly by all individuals in the population. The distribution of expenditure is very skewed. In north Highland, 2.2% of the population (3,903 individuals; 2015/16 data) utilised 50% of health and social care resources. Across NHS Highland there were 16.7 High Resource Individuals (HRIs) per 1,000 population[19]. Expenditure on the average person in HRI group across all age bands was £30,353 per person, whilst the average expenditure on the rest of the population was £644.61 per year.

Analysis of the pattern of expenditure is useful in effective planning and exploring realistic approaches to the management of service delivery. There is a strong correlation between having a long term condition (LTC) and an increased risk of admission to hospital, or of being classed as a High Resource Individual.
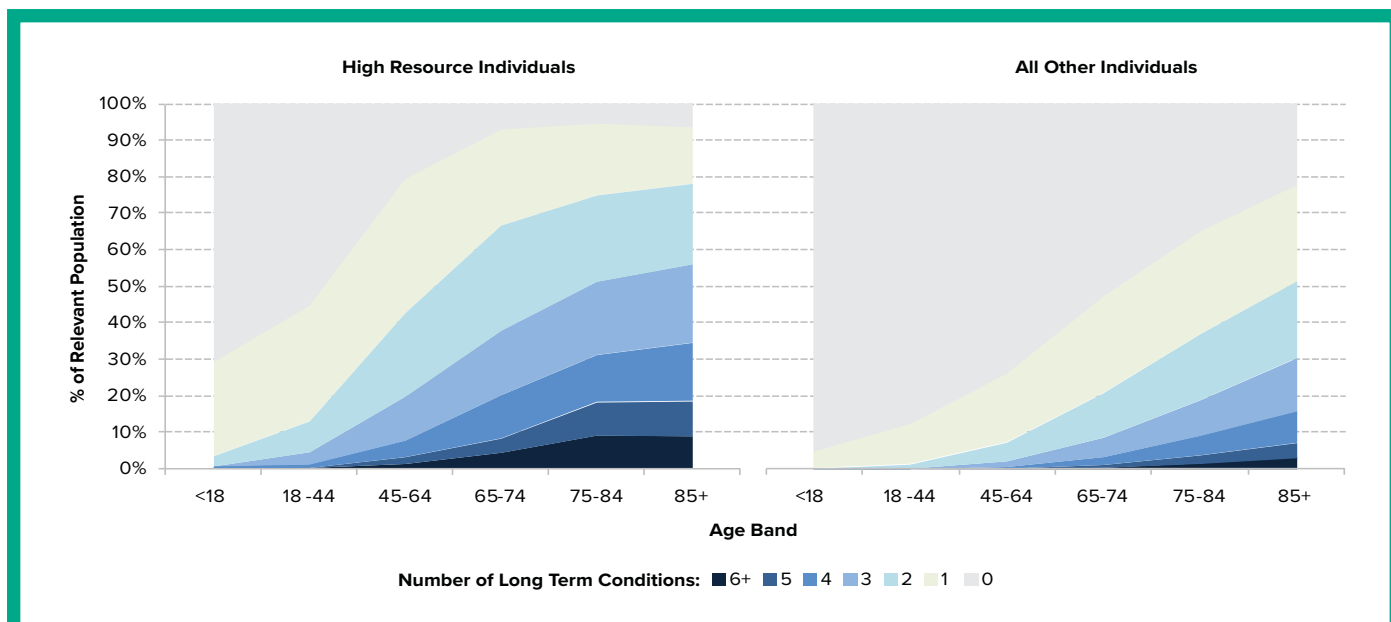
High Resource Individuals   All Other Individuals

Number of Long Term Conditions: 6+ 5 4 3 2 1 0

Figure 1.7 - Relationship between multiple long term conditions and age for High Resource Individuals

Figure 1.7 demonstrates that, apart from some expensive paediatric cases, High Resource Individuals generally have multiple long-term conditions. Table 1.1 provides a breakdown on the main diagnoses for HRIs.

Table 1.1 - High Resource Individuals by Long Term Condition

Diagnosis Group	Number of HRIs*	Percentage of HRI Cohort*	Percentage of Other Service Users*
Cardiovascular	2738	70%	13%
Cancer	1298	33%	6%
Arthritis	1091	28%	8%
Respiratory	1042	27%	8%
Liver Disease / Renal Failure	638	16%	2%
Diabetes	623	16%	4%
Neurodegenerative	472	12%	1%
Epilepsy	185	5%	1%

*Note that patients within multiple LTCs will be counted in several groups.

Table 1.1 indicates that diagnoses of cardiovascular disease, cancer, arthritis, respiratory disease, diabetes, neurodegenerative disease, liver disease and renal failure are particularly associated with high levels of expenditure.

Care at home

From 1962, the National Assistance Act required local authorities to make plans that would enable people to remain in their own homes for as long as possible[14].

The lack of housing that is suitable for the frail elderly is a major challenge across the UK including NHS Highland. Bungalows and extra care housing do not deliver as high profit margins as two story homes and this has led to a significant mismatch between what is needed by the population in the future and what is currently being built by the construction industry. This mismatch might be rebalanced if it was addressed by local government planning initiatives, working in conjunction with social housing providers, as there are funding sources for initiatives that would provide housing for those with high levels of dependence.

It would be possible to model the required number of extra-care houses required for each community across NHS Highland and take steps that facilitated the building of such accommodation. The main advantage for the NHS would be that it could increase flow though hospitals, allowing patients who are currently inappropriately stuck in hospital beds to move on to accommodation that is more suitable. Hospitals can be dangerous places to be for those who are frail, but not acutely ill, as such individuals are at particular risk of contracting 'hospital acquired infections' that can be fatal. Housing provision is one element of the wider challenge of providing appropriate care to individuals with high levels of dependence. The other challenge is providing staff to care for such individuals, which is addressed elsewhere in this report.

Integration of health and social care

National policy on integration of health and social care staff is aimed at improving seamless care that wraps around the individual and responds to their needs. Different parts of NHS Highland have approached integration in different ways. A lead agency model has been adopted in north Highland, with Highland Council as the lead agency for children's community health and social care services and NHS Highland as the lead agency for adult health and care services. A body corporate approach led by an Integrated Joint Board (IJB), has been taken in Argyll and Bute. The IJB and Health and Social Care Partnership in Argyll and Bute has delegated responsibility, from both NHS Highland and from Argyll and Bute Council, in relation to health and social care[20]. In the years since integration, many benefits have been realised across both models, including the forming of joint assessment teams and direct access for patients to a wide range of multidisciplinary teams.

Sustainable services

One of the aims of service integration is to reduce unnecessary admission to hospital and to reduce the number of delayed discharges, delivering a more efficient and effective use of available resources[20]. Progress has been made in this area, but more work remains to be done. Reducing the number of bed days occupied by people who are 'medically fit for discharge' has the potential to save money and deliver a more sustainable service. The costs associated with bed days occupied due to delayed discharges in NHS Highland is significant. Between £1.8 to 2.2 million could be saved if we were able to reach average practice in Scotland (based on 2015/16 figures).

Although this money might not be realised as 'cash releasing savings', it represents a significant opportunity to create greater system capacity. Sustaining flow though hospitals is a challenge across the world, but is particularly acute in a remote and rural area such as NHS Highland, as patients who need ongoing care at home cannot be discharged to remote areas until suitable care can be identified in that area. A realistic health and social care approach will require an ongoing focus on maximising flow through acute care beds and the development of new care at home models.

Residential or nursing home facilities are generally not financially viable unless they have at least 40 residents, but small rural communities do not justify facilities of this size. In addition, it is difficult to find staff in remote and rural areas who are willing to work in care homes or to provide care at home. These factors have resulted in some patients remaining inappropriately accommodated in hospital for long periods of time whilst staff and families try to find a suitable solution. Some areas have developed sustainable solutions, for example, the Howard Doris Centre in Lochcarron, which delivers support for individuals with a range of different levels of need. Interestingly, this initiative grew out of local initiative and vision rather than being driven by the public sector. It demonstrates the value of communities considering their own needs, finding out what options have been tried elsewhere in the world, and applying this to developing local solutions..

There are new sustainable models which provide care in remote and rural areas. One approach being piloted by NHS Highland in conjunction with Albyn Housing, local universities and a local housing manufacturer, is Fit Homes. These homes are an example of modular housing incorporating

high levels of technology which can be rapidly constructed and even transported to new locations to meet changing need. Modular housing is designed to monitor the activities of residents who have high levels of care needs intensively and trigger appropriate action when the technology identifies a problem. Although this is currently being undertaken as a research project, there is an urgent need to consider ways in which this strategy can be replicated across Highland.

The challenges of frailty

A major challenge in the context of Realistic Medicine or Prudent Healthcare is managing frailty. No single definition of frailty exists but it is generally accepted as 'a state of increased vulnerability in which individuals have diminished ability to respond to stressors and are at an increased risk of adverse outcomes'[21].

In theory, early detection of frailty should facilitate interventions that reduce the risk of admission to acute care, although there is a lack of robust research to that effect. There are a number of tools that attempt to facilitate such a process. The Scottish Patients at Risk of Re-admission or Admission (SPARRA) score calculates the probability that a patient will have an emergency admission within the next 12 months. A 40% chance of admission or readmission is considered a high risk state[22]. Figure 1.8 shows the SPARRA scores for NHS Highland showing how the risk of admission varies with age and is highest among women aged 80-89 years old.
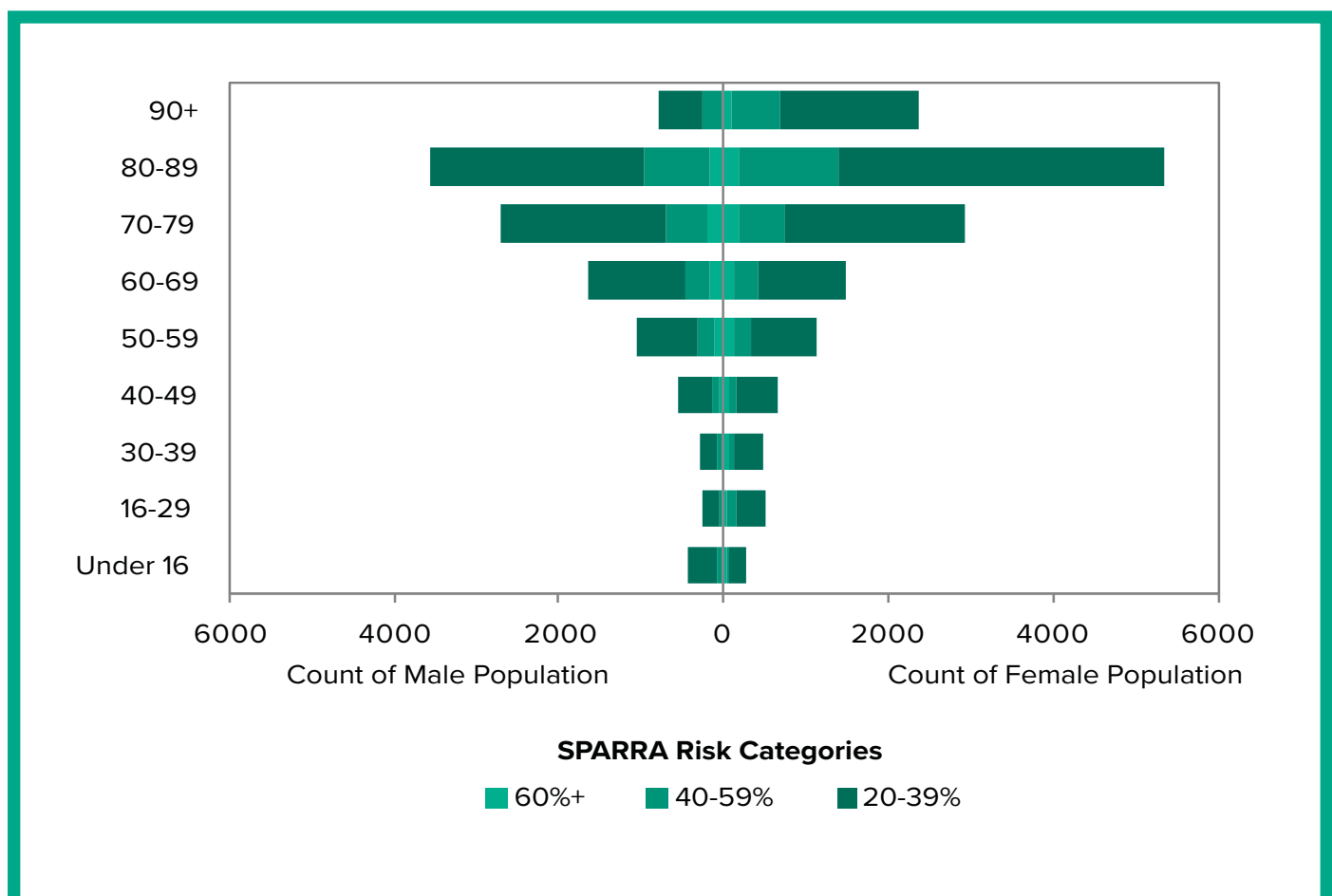
Figure 1.8 - Scottish Patients at Risk of Re-admission or Admission (SPARRA) scores in Highland by age and gender
Source: NHS National Services Scotland (NSS) Discovery Portal

However in comparison to other health board areas NHS Highland has the lowest rate of emergency admissions for those aged 75 and over, and has achieved a sustained reduction over the last five years. This important quality outcome indicator reflects the success of focussing on preventative and community based care for older adults.

Social care provision

Care homes and nursing homes are being utilised less than in the past and those in such facilities have, on average, greater levels of dependency. In some ways this trend is to be welcomed as these type of facilities do not meet the needs of a large proportion of the population. The availability of care home places, per 1,000 population, has reduced slightly across Scotland and Highland over the last ten years as shown in Figure 1.9[15]. The average weekly costs for Scotland have also increased, with those self funding with nursing care placements seeing the greatest increase in cost from £552 per week in 2007 to £814 per week in 2016[15].

Amongst longer stay adults in care homes in North NHS Highland the number requiring nursing care has reduced by 15% over the last 10 years whilst the number with dementia or another physical disability or chronic illness has increased as has the proportion aged 85 and older[15]. So whilst rates of care home use have reduced, the residents are older and have more long term conditions than was previously the case. It is not possible to determine whether this reflects changes in supply or demand. It may be that need for nursing care has reduced with a healthier older population or that the number of care home places and available nursing care has not kept pace with the increased number of older people, so that only those with the greatest need are accessing this type of care.
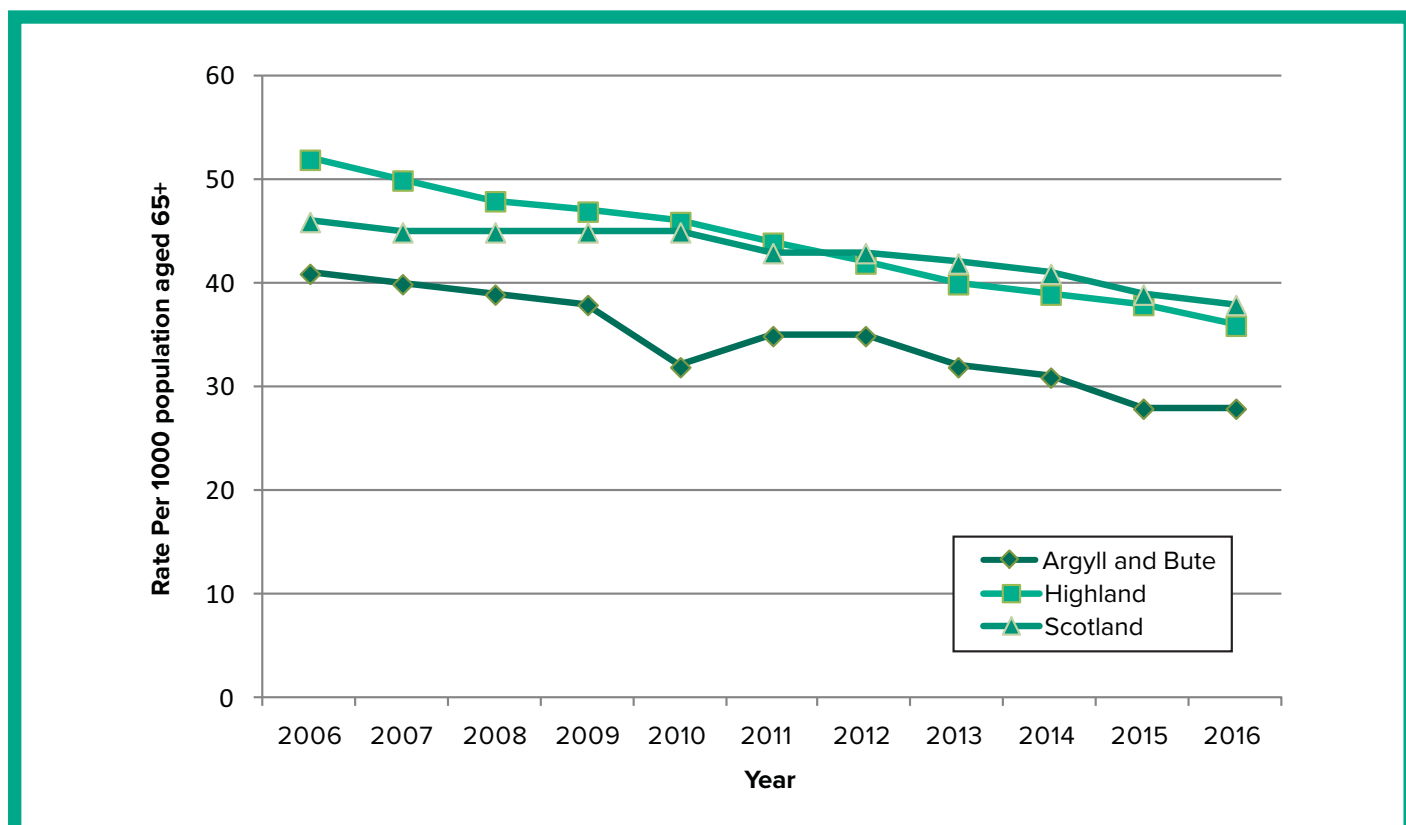
Figure 1.9 - Number of Registered Places in Care Homes for Older People per 1,000 Population Aged 65+, 2006-2016
Source: Information Services Division (ISD) Scottish Care Home Census 2006-2016[15]

The NHS Highland Public Health department has investigated what the situation could be in the next 20 years in terms of the requirement for Care Home places, if current use per population aged over 65 years remains the same in Highland. Unless we develop new ways of working, then twice the number of care home places will be required by the year 2035[23].

This prediction assumes that the current proportions by dependency state remain the same, and that two thirds of the population with high dependency are cared for in care homes (see Figure 1.10). A better way of thinking about this issue is to focus on levels of frailty or dependence that can be expected in the population and to plan to design support mechanism, in conjunction with communities, for the expected populations at each levels of frailty.

Figure 1.10 - Highland council area: projected numbers of care home places needed for older people (Scenario 1)
Source: MacPherson, F and Vaughan S 2017[23]

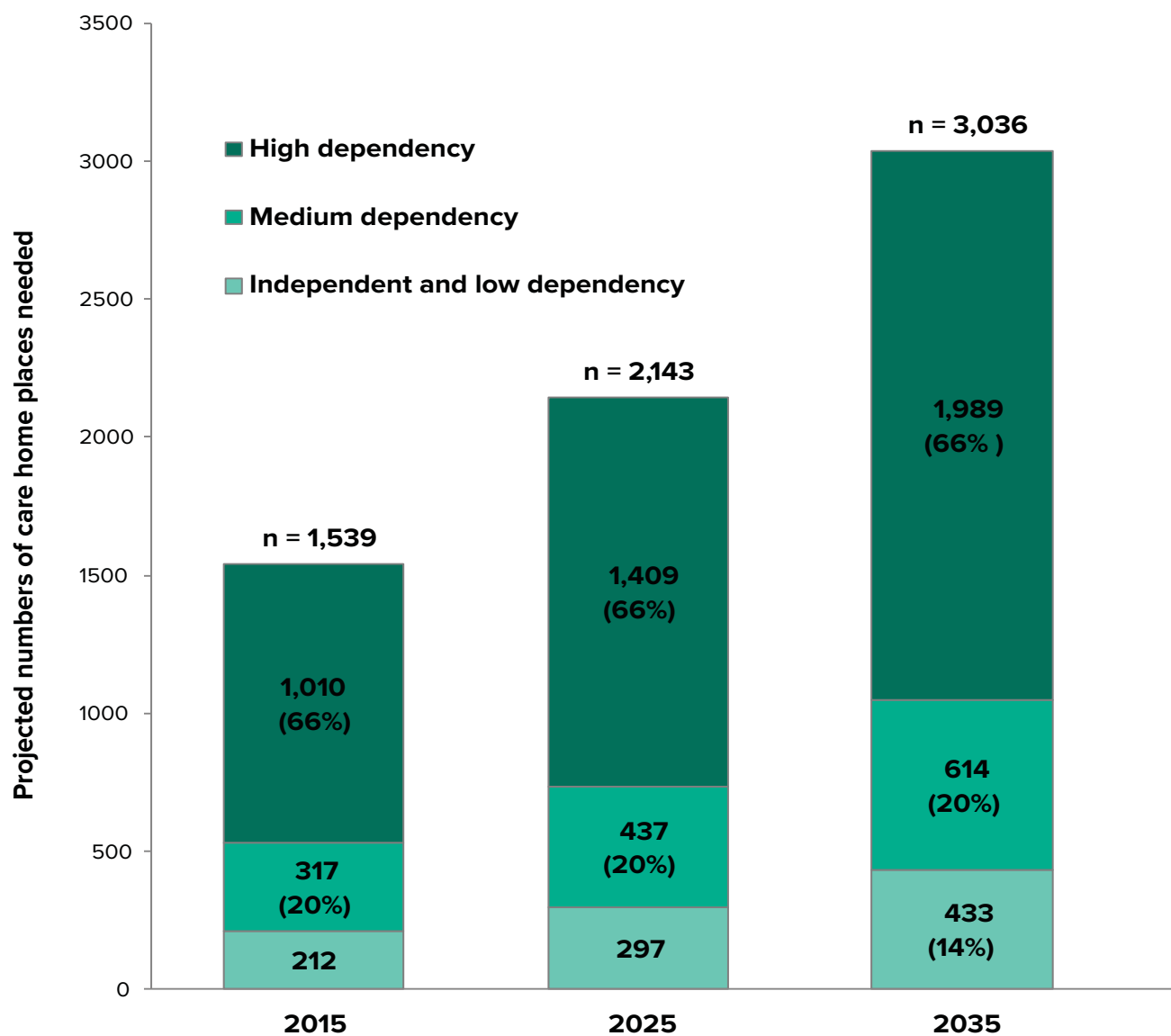A separate piece of work using different methodology also reported an almost doubling (94% increase) in the number of care home places that would be needed by the year 2037 unless we move to new and more effective models of care delivery[24].

Community nursing

A key group in the provision of community care are community nurses who provide a diverse range of services from promoting health, enabling self management of long terms and end of life support. As of September 2016, there were 286.6 whole time equivalent (WTE) community nurses in NHS Highland, comprising 9.4% of all NHS Highland nursing and midwifery staff[25]. It can be argued that there should be an aspiration, over the next 15 years, for the proportion of nurses in the community to rise to around 40% of the total nursing workforce, although further modelling should be undertaken to substantiate that estimate and to consider an appropriate skill mix.

The majority of patients seen by community nurses within NHS Highland are aged 65 years and over and the section of the population is expected to increase substantially over the next 10 years[26]. The community nursing workforce is ageing with more than half of district nurses in NHS Highland

aged 50 years or older. The per capita cost of community nursing provision in those aged 75 and older is 12 times greater than that of those aged under 75 years.

NHS Highland is experimenting with new models of neighbourhood nursing, based on a Buurtzorg model in the Netherlands, that will be key to meeting the needs of an ageing population. A recent local review of district nursing services has reflected on the importance of skill mix within district nursing and the need to increase the proportion of staff time that is utilised for face to face to interventions, as opposed to other activities. There is a case for work to improve equity of access to nursing care across NHS Highland, particularly out of hours, which could have a significant impact on hospital admissions.

The cost of social care in Highland

In 2013-2014, Highland Council and Argyll and Bute Council spent £72.5 million and £34.4 million respectively on older people's social care[6]. There is some evidence that the figure for Highland Council is lower than in other parts of Scotland. The figure for north Highland is supplemented by additional funding by NHS Highland to the tune of £34m since integration.

There is significant variation across Scotland in spend per capita on services for older people, as shown in Figure 1.11. Some of the variation may be related to the fact that in Argyll and Bute and in north Highland the cost per hour of providing care at home is high[27]. This reflects some of the challenges in providing care in remote and rural settings. However Figure 1.11 shows that both Highland and Argyll and Bute actually have lower expenditure per capita on older people's social care than the Scottish average when the full range of social care services provided is considered.
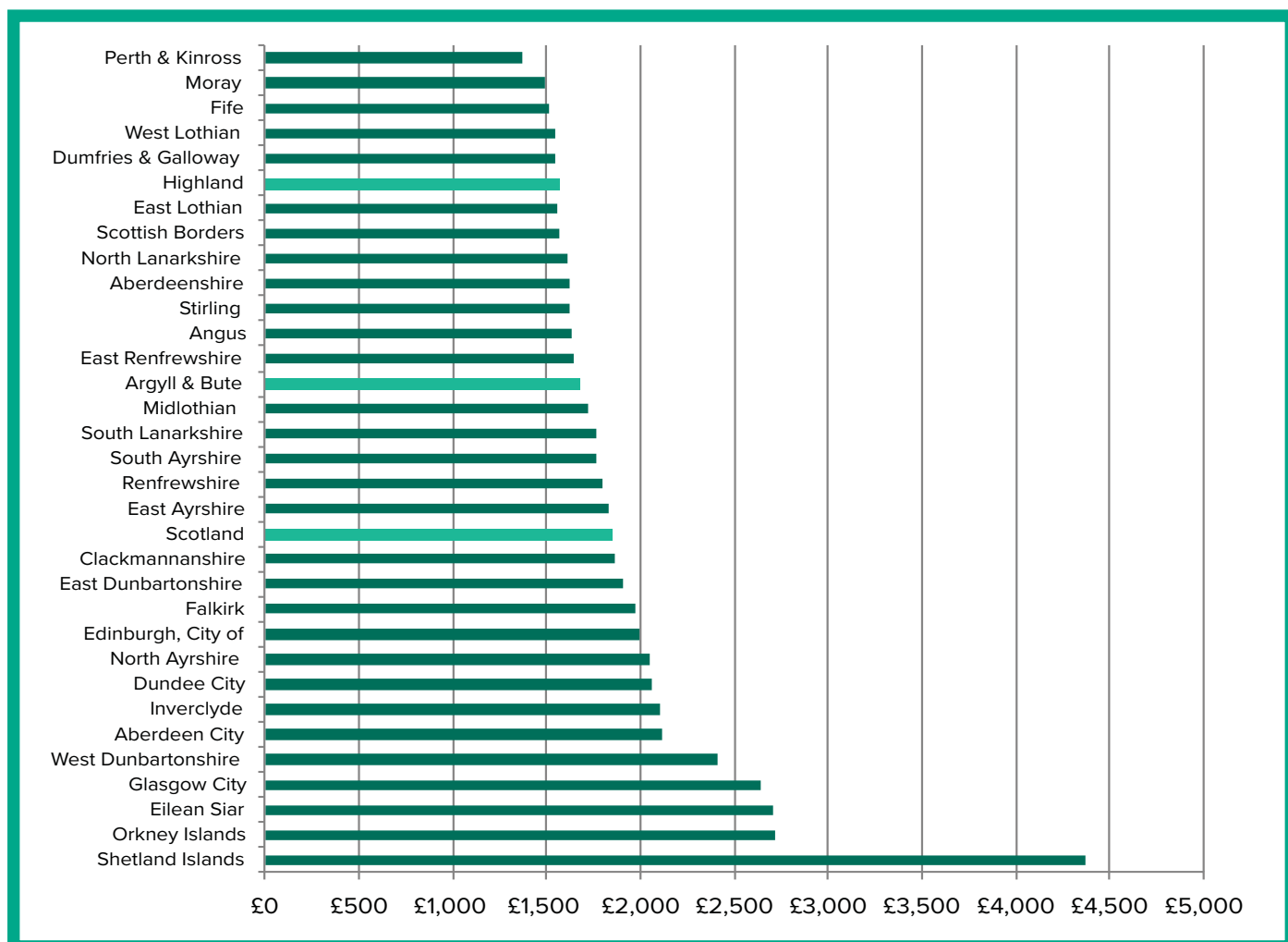

Figure 1.11 - Expenditure Per Capita on Social Services for Older People (aged 65+) 2013-14
Source: Information Services Division. Gross Expenditure in Older People in NHS Highland, Tab 7A[6]

What does it mean for our older population?

A 1962 report was the first on the conditions of residential homes. It stated that they "did not create a substitute community or a network of social relationships which could sustain a sense of individual purpose or pride"[12]. More than fifty years on this remains true and loneliness remains a significant problem for people living in nursing homes with one study finding more than half of nursing home residents reported feeling lonely, the effects of which were discussed in last year's report[28]. A Scandinavian study found loneliness to be 10% higher amongst older people living in an institution compared to those living in their own homes[29]. There is clearly a need to find alternative solutions.

NHS Highland is taking part in work on intergenerational communities and experiments to combine nursery education with care homes. Early evidence suggests that this is beneficial to both groups and this is an intervention that merits wider implementation.

There can also be physical effects from living in a care home or other low activity environment. Amongst healthy adults as little as one week of bed rest can cause muscle atrophy and this is accelerated amongst older people[30]. Muscle atrophy and weakness (sarcopenia) has been found to be present in 80% of nursing home residents. Muscle atrophy is associated with slower walking speed and greater risk of falls[31]. Imaginative programmes to increase physical activity are being pursued across NHS Highland to address this issue, but is remains a major challenge that needs to be addressed, and which is very much in line with the aims of Realistic Medicine or Prudent Healthcare.

In addition to the physical and mental effects, admission to a nursing home is in itself associated with increased mortality. A study in Nottingham found that survival at one year was 76% in residential homes compared to 66% in nursing homes. Other factors associated with decreased life expectancy were: male gender, admission to a dual registered home, placement from hospital and increased age[32]. Some of this effect may be due to selection bias, but it does suggest that there are problems with current models of residential and nursing home care.

What does it mean for our society?

Current models of care risk creating levels of dependency that are unsustainable in future generations as both costs and demand continue to rise. Family support and informal caring is still the single biggest contributor to caring for the older population but has decreased over the last few generations. In many non-western cultures there is a higher level of respect for the elderly, and a higher status for those who care for older family members.

Historic patterns of care in Scotland relied heavily on unpaid female members of the family to provide care[33]. Wider changes in society have reduced intergenerational living, altered rates of separation and divorce, increased the proportion of women in paid employment and led to family members living further apart. All of these have contributed to challenges in delivering care. There is a need for imaginative thinking to generate new ideas that can encourage support by families for older members of their extended family.

Realistic Medicine Case Study

Innovative use of Chaplain Services to prevent staff burnout

The Chaplaincy service is working with the Occupational Health service to prevent burnout in staff using an innovative group discussion tool called "values based reflective practice". There are 12 staff in NHS Highland who are trained or undergoing accredited training in the use of this approach. The model uses four key questions shown below:

Question	Quality Strategy	Values-based Practice
1. What does this encounter say about my practice?	Safe? Effective?	How was power used?
2. What does this encounter tell me about me as a person?	Person–centred? (enhance self awareness)	Do I inhabit the role with integrity?
3. How does this encounter sit with/raise questions about my beliefs, values, world view?	Person centred? (vocational motivation)	Dignity? Compassion? Whole person care?
4. Whose need was met in this encounter?	Person-centred?	What was valued, over valued, under valued?

Source: Paterson and Kelly (2013), Values-based Reflective Practice: A Method Developed in Scotland for Spiritual Care Practitioners in Practical Theology. Available at: http://bit.ly/2iV8Fak

Realistic Medicine Case Study

Integrated Services in Highland

NHS Highland has been on a journey of transformational change in health and social care for the past 5 years. An Integrated Lead agency model has provided a platform to deliver realistic care.

Redesign work in Highland has been positive, including work across hospitals and communities, delivering continuity of care and improvements in patient flow across health and social care. NHS Highland's Highland Quality Approach is working to apply a philosophy of service improvement, creating standard work to eliminate waste and minimise unnecessary variation in practice provided through integrated multidisciplinary teams delivering joined up services. This supports the philosophy of Realistic Medicine by delivering services which are person centred. Integration has included development of a single point of contact in each local area for initial management of referrals into integrated teams for triage and onward assessment and provision of care delivered by the appropriate professionals.

Work to support long term condition management has improved system flow with a more streamlined approach to care planning, supported self-management and carer support, keeping a person centred approach but with a strong focus on maximising independence. Finally, utilising available technology platforms has helped professionals work together more efficiently, helping to streamline services, improve access and reduce the waste of inefficient systems.

Key points

- Around 2.2% of the population utilise 50% of health and social care resources.

- Provision of both health and social care is expensive and costs are increasing.

- There are multiple drivers for escalating health and social care costs including an ageing population and increasing prevalence of long term conditions and multi-morbidity.

- Both care home residents and home care recipients have increasingly complex needs.

- The largest proportion of social care funds for older people are spent on care homes although most people would prefer to be cared for at home.

- The lack of appropriate housing for those with frailty, such as extra care housing, is adversely affecting discharge from hospital.

- New housing solutions for the frail elderly could reduce admission to hospital and help sustain flow though acute care facilities.

Chapter Two -
Realistic care

So how can we respond to the challenges that we face? In 2014, the Scottish Chief Medical Officer (CMO), Dr Catherine Calderwood, published her first CMO report entitled Realistic Medicine, which focused on how we deliver value to patients by providing personalised, person centred healthcare and healthcare systems which reduce harm, waste and variation[1].

The Realistic Medicine report asked six questions of the healthcare community (Figure 2.1). The questions remind us of the need to collaborate with patients[2], to make informed and shared healthcare decisions[3], to recognize when additional investigation and treatment has the potential to harm, and to think innovatively about how best to provide health and social care.

The following year's CMO report 'Realising Realistic Medicine' continued this theme. It recognised that many of the elements of Realistic Medicine and care are already in place but have previously lacked a shared language. A consistent nomenclature has allowed for more effective communication and recognition of aligned work across Scotland.

One focus within this second report was on creating the right conditions based on effective communication, collaboration and culture that allow Realistic Medicine to thrive. There was also more explicit recognition of the role of public health, social work, dental services and the third sector in providing realistic healthcare.

Realistic Medicine is being taken forward across Scotland in many ways[4] including the formation of a Realistic Medicine team in Scottish Government, who are developing a range of initiatives at national level. Aligned work is also happening in health boards, research communities and voluntary organisations across Scotland - some examples are shown in Figure 2.2[5,6,7,8,9].

Figure 2.1 - CMO Report 2014-15

Chapter 2

Managing Risk
Community geriatrician to reduce risk of avoidable hospital admissions in older people.

Innovation
Use of eHealth technologies to support older adults with chronic pain.

Personalised Care
Use of 'flare' cards and nurse led telemedicine clinics in inflammatory bowel disease.

Shared decision making
Developing prototype decision aids including values clarification exercises and other elements.

Reducing Harm
Complex intervention including prescribing rates feedback to GP practices to reduce antimicrobial prescribing.

Reduce Variation
Use of repeat PDSA cycles to reduce variation in provision of Healthy Start Vitamins.
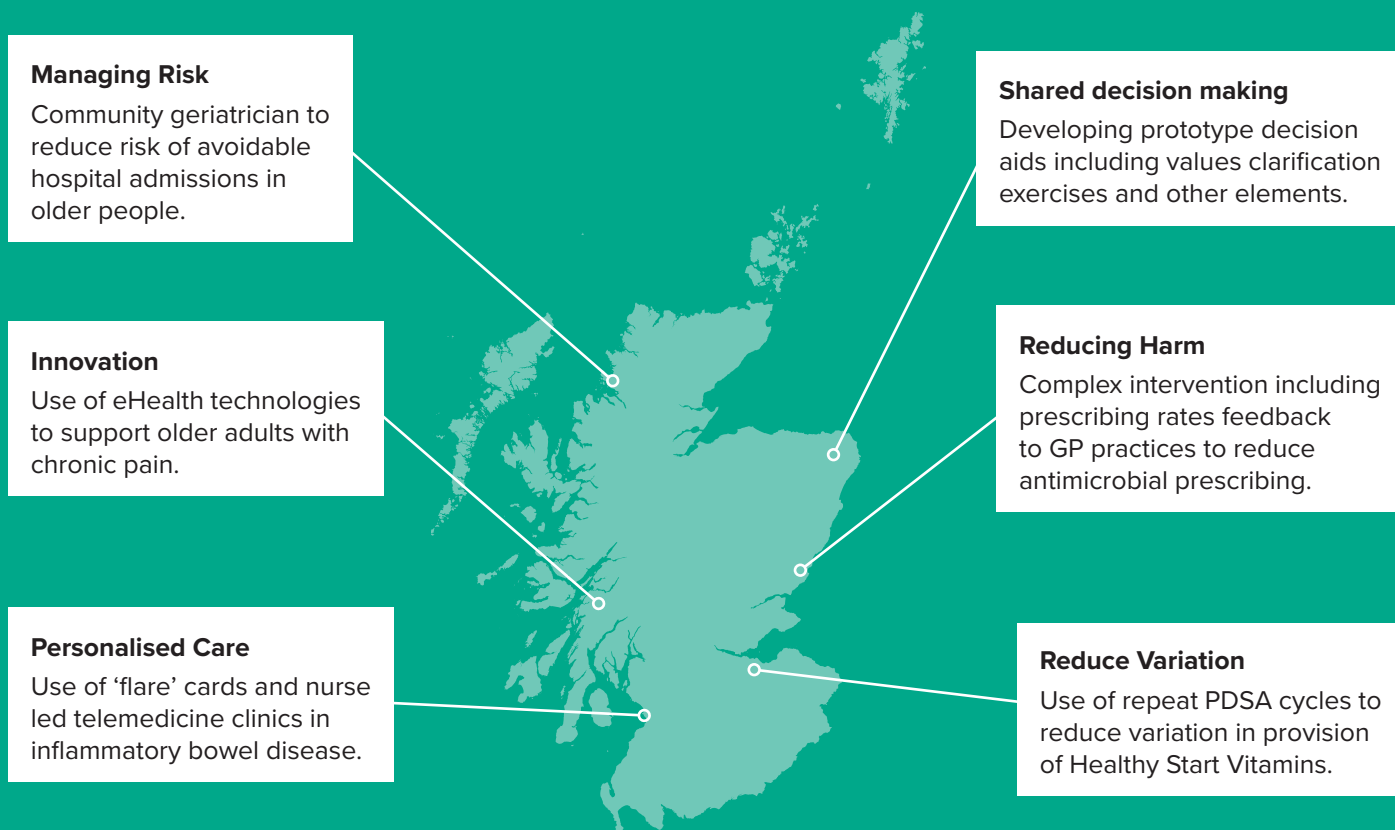
Figure 2.2 - Examples of Realistic Medicine across Scotland

When Realistic Medicine concepts are applied in combination, there is the potential to amplify their effectiveness. For example, the use of patient held 'flare' cards in Clyde Valley Hospital has helped patients with Inflammatory Bowel Disease and their GPs to respond effectively to flare ups of disease. This intervention has offered more personalised care, assisted in shared decision-making, improved risk management, and minimised harm associated with unnecessary hospital visits.

Leadership of Realistic Medicine in NHS Highland

In NHS Highland, Dr Rod Harvey, the Medical Director, has led the development of Realistic Medicine in conjunction with the Area Clinical Forum, chaired by Dr Andrew Evennett. The Area Clinical Forum is a formal sub-committee of the NHS Highland Board, bringing together a number of professional groups. Each of the professions represented at the Clinical Forum have collated examples of Realistic Medicine, which are presented as case studies throughout this report.

There is a very natural link between Realistic Medicine and the Highland Quality Approach. Figure 2.3 shows a driver diagram developed by the North and West Operational Unit, NHS Highland, which demonstrates these links.
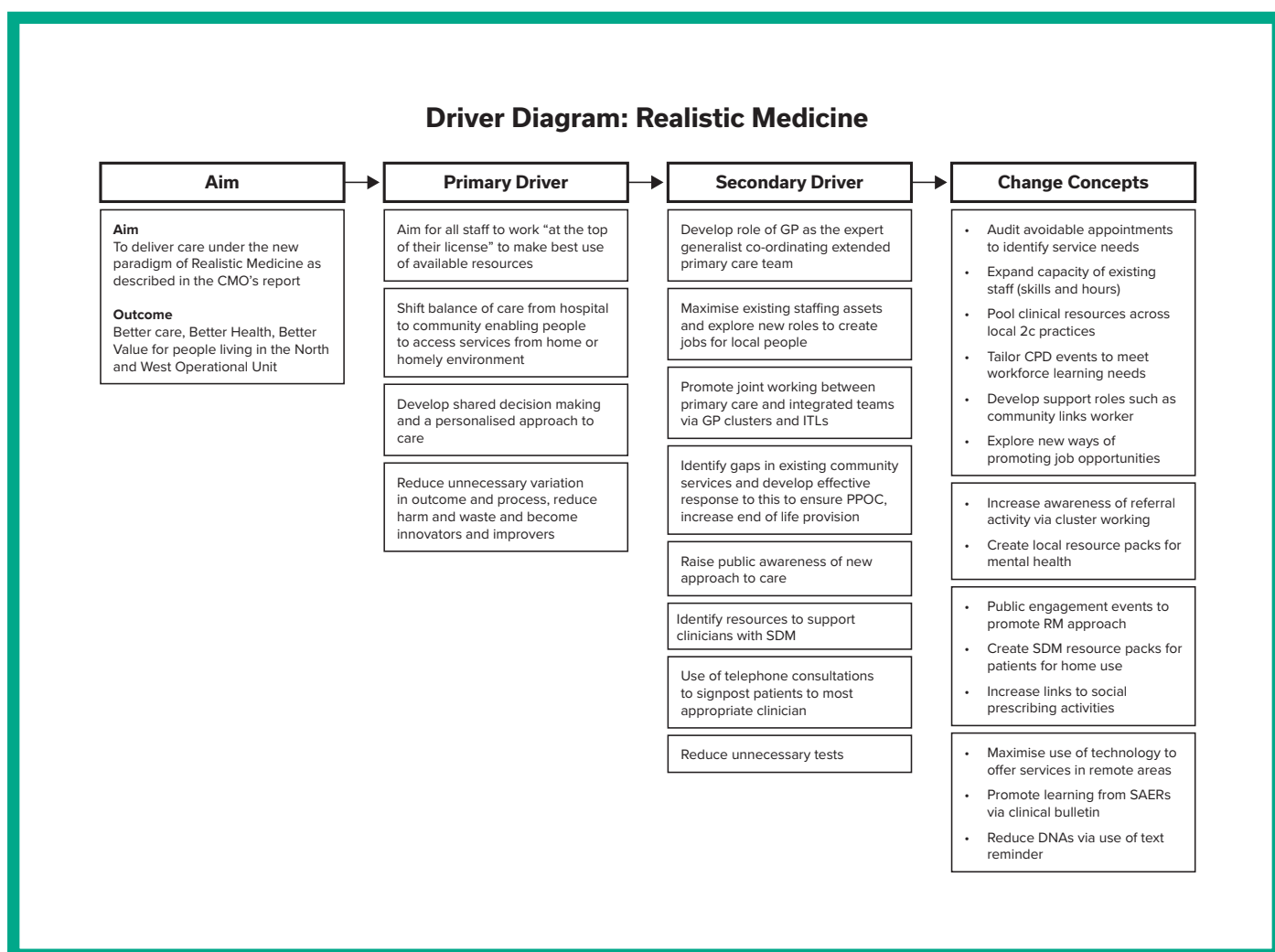
Driver Diagram: Realistic Medicine

Aim	Primary Driver	Secondary Driver	Change Concepts
Aim To deliver care under the new paradigm of Realistic Medicine as described in the CMO's report	Aim for all staff to work "at the top of their license" to make best use of available resources	Develop role of GP as the expert generalist co-ordinating extended primary care team	• Audit avoidable appointments to identify service needs • Expand capacity of existing staff (skills and hours) • Pool clinical resources across local 2c practices • Tailor CPD events to meet workforce learning needs • Develop support roles such as community links worker • Explore new ways of promoting job opportunities
Outcome Better care, Better Health, Better Value for people living in the North and West Operational Unit	Shift balance of care from hospital to community enabling people to access services from home or homely environment	Maximise existing staffing assets and explore new roles to create jobs for local people	
	Develop shared decision making and a personalised approach to care	Promote joint working between primary care and integrated teams via GP clusters and ITLs	• Increase awareness of referral activity via cluster working • Create local resource packs for mental health
	Reduce unnecessary variation in outcome and process, reduce harm and waste and become innovators and improvers	Identify gaps in existing community services and develop effective response to this to ensure PPOC, increase end of life provision	
		Raise public awareness of new approach to care	• Public engagement events to promote RM approach • Create SDM resource packs for patients for home use • Increase links to social prescribing activities
		Identify resources to support clinicians with SDM	
		Use of telephone consultations to signpost patients to most appropriate clinician	• Maximise use of technology to offer services in remote areas • Promote learning from SAERs via clinical bulletin • Reduce DNAs via use of text reminder
		Reduce unnecessary tests	

Figure 2.3 - North and West Operational Unit Drive Diagram: Realistic Medicine

The international context

The pursuit of Realistic Medicine in Scotland is part of a wider global movement recognising common problems with the delivery of healthcare in high income economies. **The International Consortium for Health Outcomes Measurement (ICHOM)**[10] is consolidating some of this thinking by developing standard measuring of the quality of care. ICHOM state that their mission is to "unlock the potential of value-based health care by defining global Standard Sets of outcome measures" and thereby reduce health care costs, support informed decision-making, and improve health care quality.

There are opportunities for us in NHS Highland to learn from best practice elsewhere. A number of international examples of national and regional initiatives that are similar to Realistic Medicine are therefore provided below.

Wales has developed a concept that is similar to Realistic Medicine called **Prudent Healthcare**[11]. The initiative was developed to respond to rapidly rising health and social care costs and increasing societal expectations, whilst maintaining high quality healthcare. The three primary objectives of Prudent Healthcare are to:

- Do no harm
- Carry out the minimum appropriate intervention
- Promote equity between professionals and patients

In New Zealand, the **Canterbury District Health Board**[12] has pursued a holistic approach (one system, one budget) to health and social care delivery. As can be seen from the pictogram below, the patient is very much at the centre of the model, with the hospital on the periphery of the health and social care system, and not, as traditionally viewed, at its heart[13].
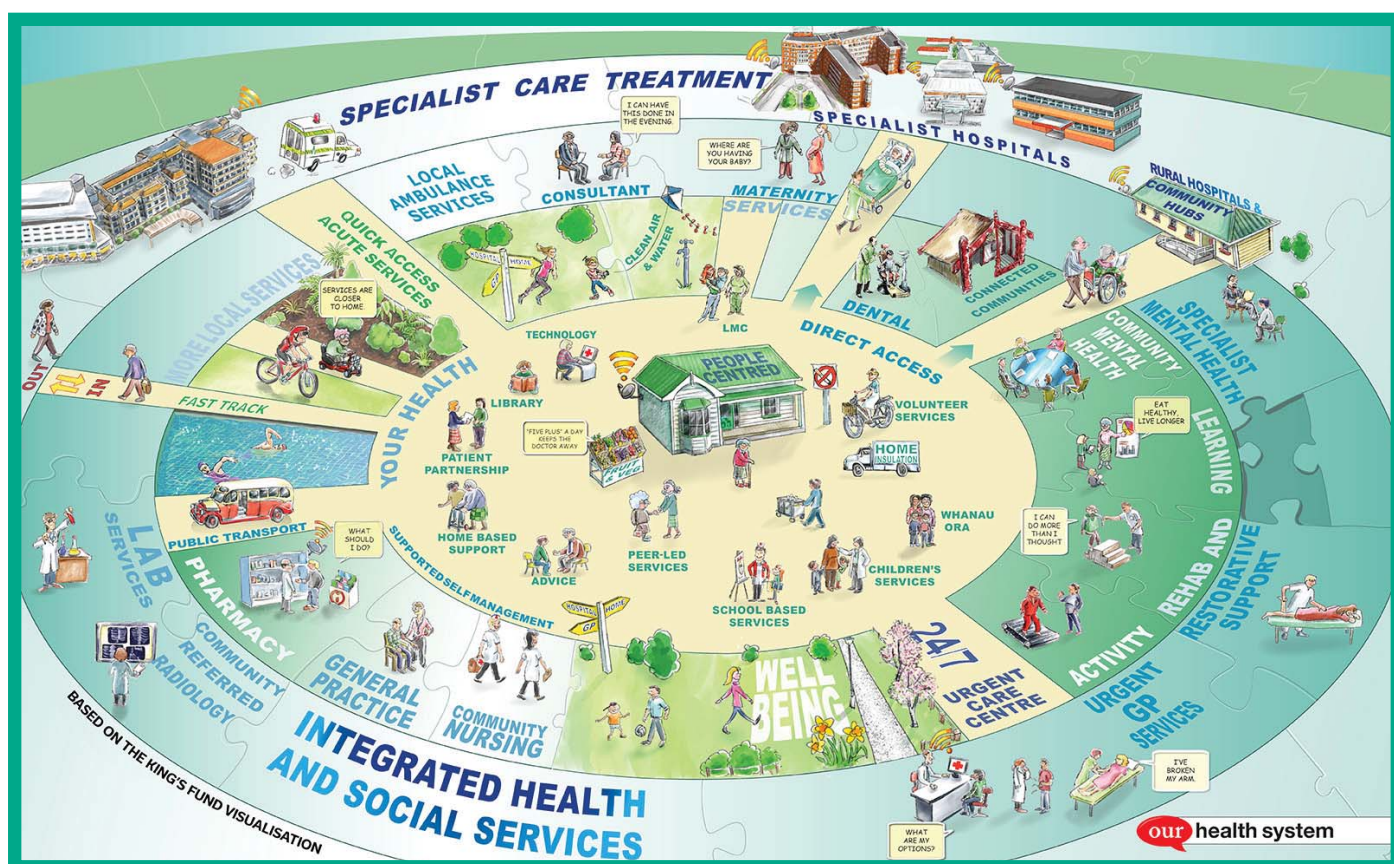

Figure 2.4 - Pictogram of Canterbury's health care system[14]

NB: Visualisation originally created by the Redbridge Primary Care Trust and developed by the Canterbury Health System, New Zealand

The **Nuka System of Care of the Southcentral Foundation in Alaska, USA** [15,16] is a system-wide, community-led model with "customer-ownership" of care services, where the customer-owner takes ownership of his or her own care. As in the Canterbury model of service delivery in New Zealand, the emphasis is very much on a trust relationship between practitioners and patients, and on engagement with the community in service planning, design and delivery.

The **Buurtzorg, district nurse model in the Netherlands**[17] is another example of a community-focused model where the district nurse provides care in the community for a defined population and where the emphasis is on providing patient-centred care based on a high trust relationship between the practitioner and the service-user.

> **"The organisation has shown that a single, unhurried visit by a highly-trained district nurse is more effective than several visits by specialised care workers, each performing their allotted tasks."**
>
> Buurtzorg model[13]

The importance of patient-centred care is further illustrated in the **Esther Network**[18] which is part of the healthcare system in Jönköping, Sweden. This network approach evaluates services from the patient's perspective, to understand what matters most to them. The result appears to be increased patient and staff satisfaction, significantly reduced waiting times, more effective treatment, and reduced costs.

In Finland, as part of the **ICARE4EU project**[19] there has also been an emphasis on the development of person-specific care plans, jointly developed between the patient and the nurse, which is then agreed by the physician in charge. The **Danish Clinic Silkeborg programme** focuses on one-day/one-stop consultations undertaken by a multidisciplinary team within a clinic, which is reported to have resulted in time saved by the patient and improved collaboration between GPs and hospital specialists.

Through a public/private sector finance initiative, the **Alzira model of care in Spain**[20] has created incentives that are reported as having increased patient satisfaction, reduced readmission rates and saved the Valencia Health Agency 14 million Euros.
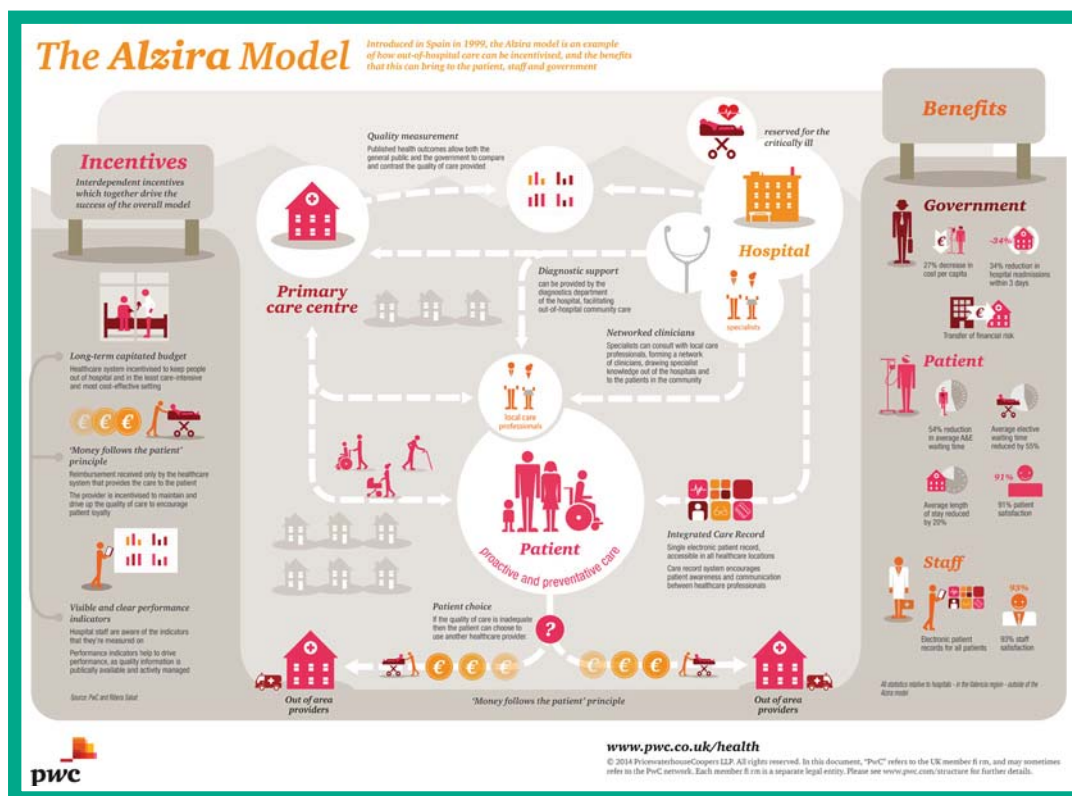

Figure 2.5 - The Alzira Model[21]

Choosing Wisely[22] is an initiative led by the American Bureau of Internal Medicine Foundation, which encourages clinicians and patients to take part in conversations about the overuse of unnecessary tests and procedures.

The Choosing Wisely Initiative has been influential in several countries including the United Kingdom. Related initiatives established in different part of Europe include Smarter Medicine in Switzerland and Slow Medicine in Italy[3].

> **"It is estimated that as much as 30 per cent of US health care delivered was unnecessary duplication of earlier treatment or unnecessary itself"**
>
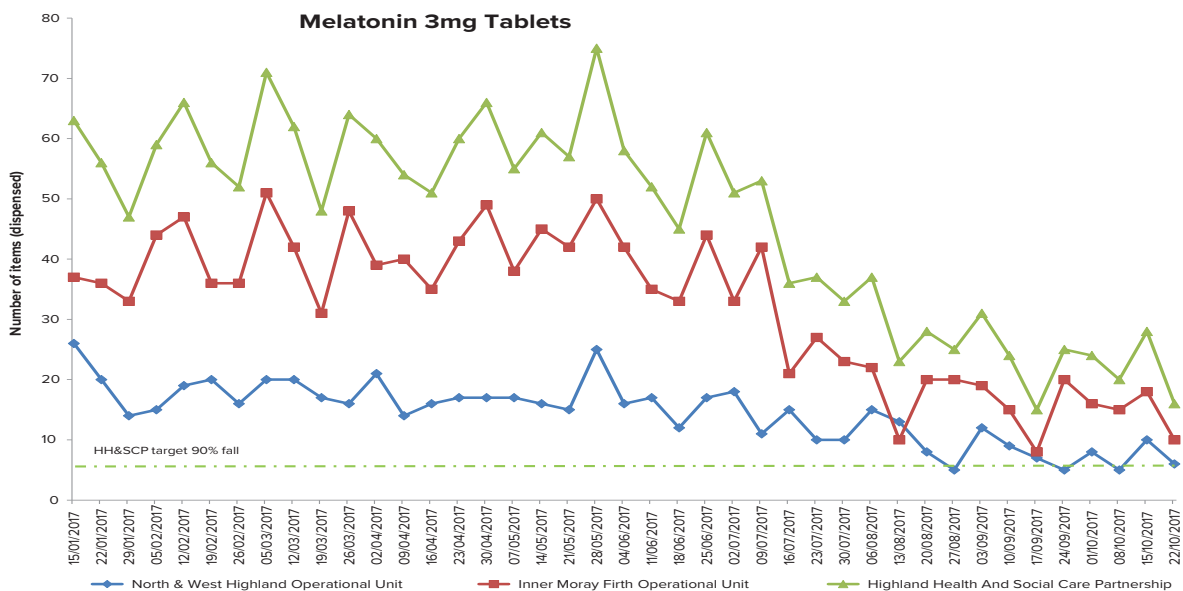> Choosing Wisely Campaign[17]

Chapter 2

Realistic Medicine Case Study

Reducing variation in melatonin prescription and harm through unnecessary medication provision

A recent review of prescribing in NHS Highland noted that the rate of melatonin prescribing to treat delayed sleep onset in children and adolescents was rising sharply. Further investigation showed that the same pattern was seen in other health boards and across the UK. NHS Highland approached the issue in two ways:

1. Improving efficiency by changing prescribing policy from tablets to capsules which releases resource for other care

2. Asking specialists recommending melatonin to review patients and consider using non-pharmacological methods to manage delayed sleep onset. For example eg minimising TV or computer use in the hours before bedtime.

Melatonin 3mg Tablets

Legend: North & West Highland Operational Unit; Inner Moray Firth Operational Unit; Highland Health And Social Care Partnership

Source: Ian Rudd, Director of Pharmacy, NHS Highland

Realistic Medicine Case Study

Reducing Polypharmacy and resultant harm and medication variation

Polypharmacy relates to patients who are taking many medications. Addressing polypharmacy is a key role for Specialist Clinical Pharmacists linked to primary care and Care of the Elderly clinics.

A patient had a fall and a pharmacist was asked to visit him at home to provide a medication review. The pharmacist discovered that the patient had been started on heart failure medication pending further investigation. These investigations turned out to be negative but his medication had not been stopped 11 years later, increasing his risk of falls. The unnecessary heart failure medicines were reduced and then stopped. Pharmacists have a role is such contexts in reducing waste and variation in relation to medication.

Key points

- Realistic Medicine is about providing value to patients through personalised healthcare, reducing harm, waste, and variation and improving risk management.

- Significant progress has been made in implementing Realistic Medicine in NHS Highland, but there is more that we can do.

- Internationally, there are many examples of models, which are similar to Realistic Medicine, which could provide ideas that we can adopt or adapt.

- Common elements of international care models that have similarity to Realistic Medicine include:

  - An emphasis on one whole system (adopting a holistic approach)

  - High quality relationships between patient and professional (shared decision-making)

  - Putting patient experience at the centre of the health and social care system (patient-centred care)

  - A recognition of the importance of patient and community engagement in service planning, design and delivery

- However, there remains a lack of rigorous research and a lack of robust programme evaluations for overarching paradigms such as Realistic Medicine.

- A major challenge in undertaking research into paradigms such as Realistic Medicine is that the specific culture, context and the clinical circumstances within which a particular health care model is delivered, often determine its success or failure.

- Given the importance of contextual factors, transferring models of care from one country to another requires accompanying local evaluation using principles such as Plan, Do, Study, Act.

Chapter Three -
End of life care: what it means in NHS Highland

In this chapter we describe the population within NHS Highland that is likely to have palliative or end of life care needs and the epidemiology around place of death.

Healthy and disabled years of life

The majority of us will experience some degree of frailty in old age and will require some hands on care. Unless as a society we take action to live healthier lives, as life expectancy increases we can expect a greater proportion of our lives to be affected by some degree of disability. In a global health study, life expectancy rose by 6.2 years between 1990 and 2013, but only 5.4 of those extra years were in good health[1]. The concept of healthy and disabled life has been used extensively by the World Health Organisation in their epidemiological reports. Although the concept can be criticised as being overly simplistic, it is a useful model for comparative purposes. The components of the model are shown in Figure 3.1.
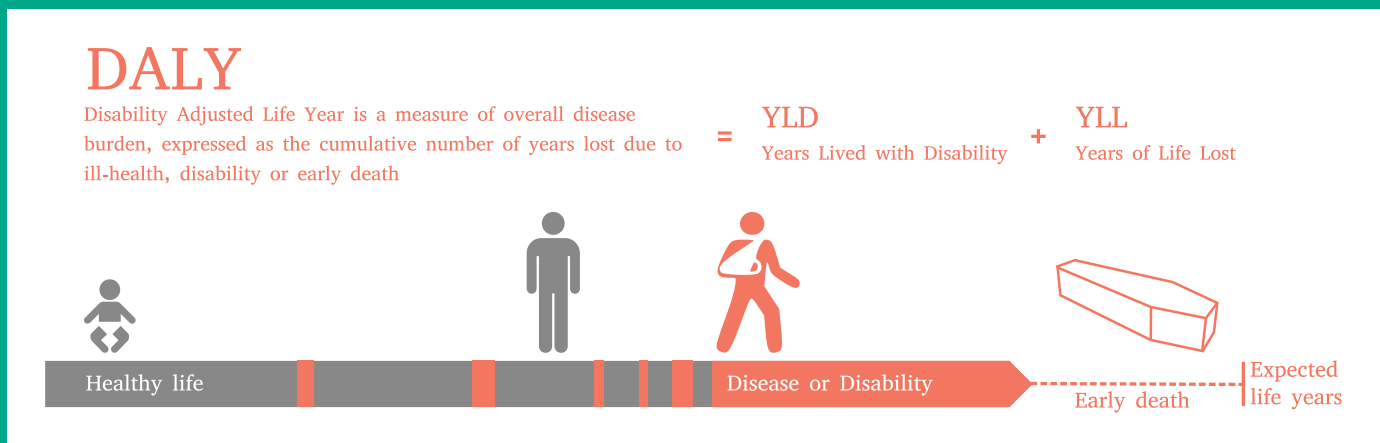

DALY
Disability Adjusted Life Year is a measure of overall disease burden, expressed as the cumulative number of years lost due to ill-health, disability or early death

= YLD Years Lived with Disability + YLL Years of Life Lost

Healthy life — Disease or Disability — Early death — Expected life years

Figure 3.1 - Healthy and disabled life years and potential years of life lost
Source: Wikipedia[2]

Health system planning from a prudent or realistic approach requires an understanding of the changing patterns of both morbidity and mortality and DALYS are one method of capturing this. Figure 3.2 provides a useful graphical summary of the leading causes of death in Scotland, although not all of these deaths would require end of life care.
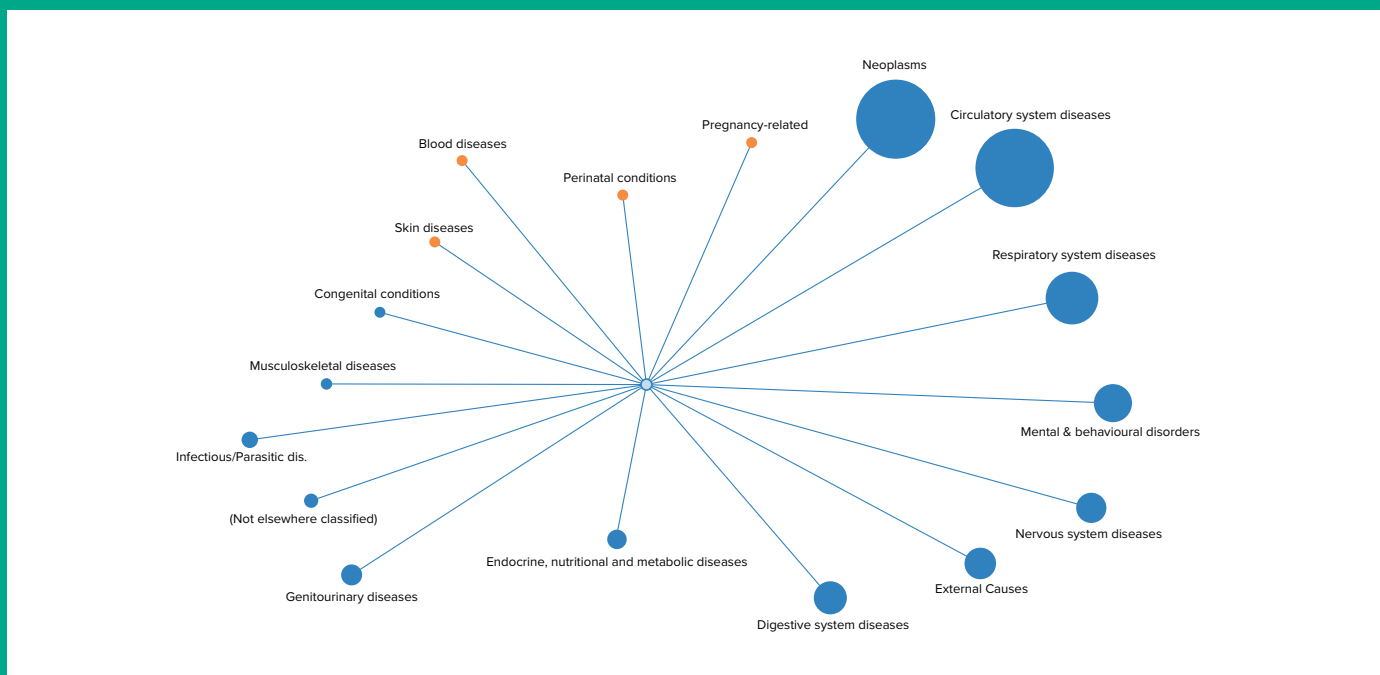

Figure 3.2 - Deaths by Cause in Scotland in 2016
Source: National Records of Scotland[3]

<div style="text-align:right">Chapter 3</div>

Place of death

Information on different aspects of mortality is provided below. The data that is initially presented relates to 'all causes of death', whereas data provided later in this report relates specifically to those causes of death where it can be anticipated that they will require end of life care.

There is significant variation in the rates of death at home and in hospital across both Scotland and NHS Highland. Areas with high rates of death at home and areas with high rates of death in hospital in NHS Highland are presented in Figure 3.3. Those areas highlighted in green have significantly higher rates of people dying at their usual place of residence (UPOR) and those areas in pink have significantly higher rates of people dying in hospital. The pattern is probably the result of a complex interplay between social and societal factors, GP practice catchments, district nursing services, care services, proximity to care home, nursing home, community hospitals and acute hospitals.
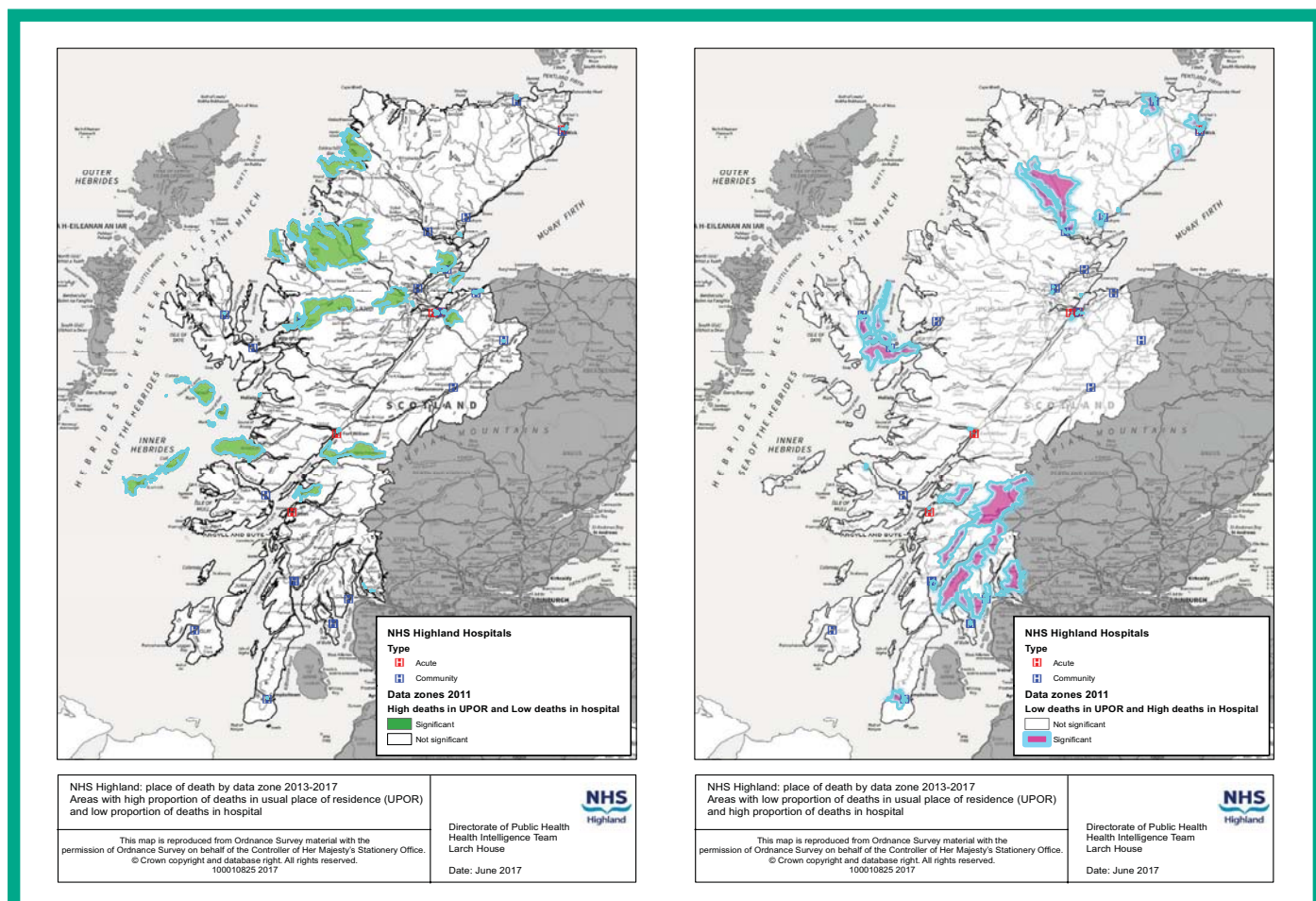

Figure 3.3 - Areas with high rates (>2 or >3 standard deviations from the mean) of all cause of death (i) at home, (ii) in hospital

The percentage of a person's last six months of life spent at home or in a community setting has been adopted in Scotland as a national quality outcome measure. This is to be monitored annually as part of the strategic framework for action on palliative and end of life care in Scotland. An increase in this measure is considered to reflect more people being offered their preferred place of death.
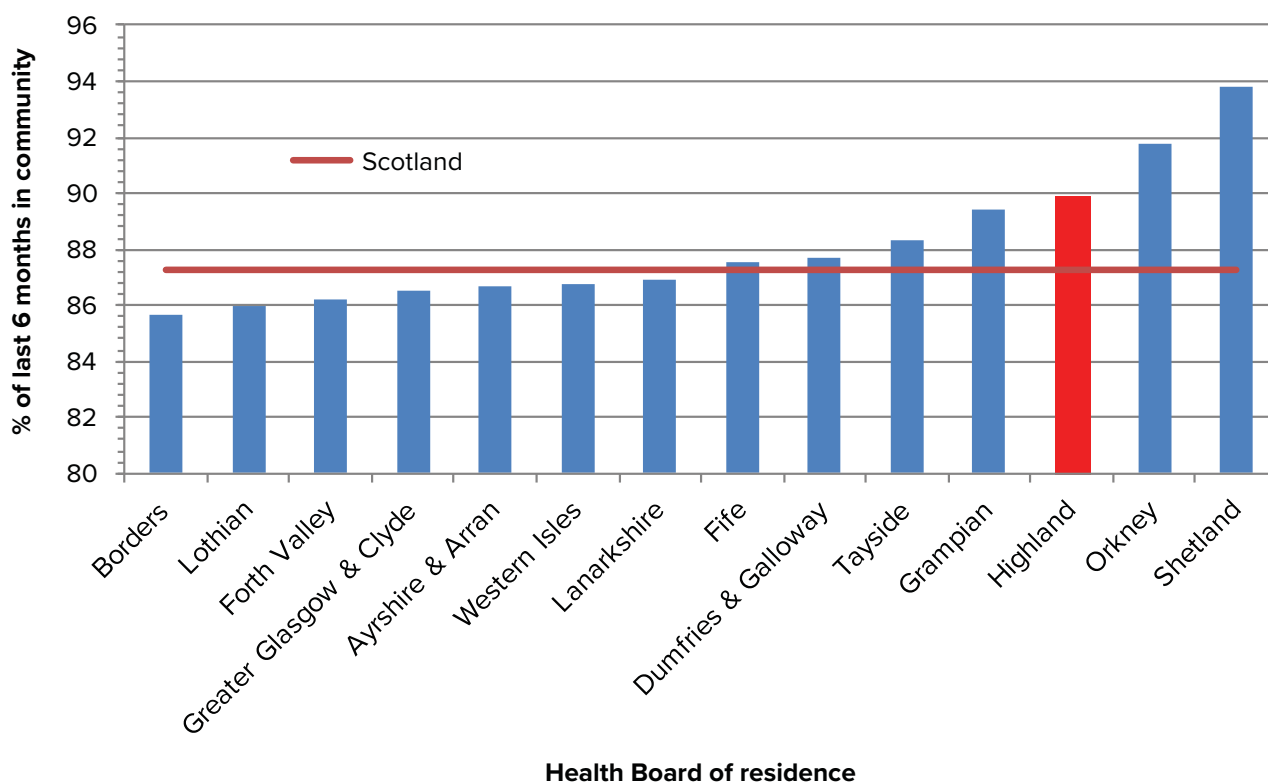
Figure 3.4 - Percentage of the last six months of life spent at home or in the community setting by Health Board of residence during 2016/17[1]
Source: SMR01, SMR04 and NRS Death Records: Health and Social Care Team, ISD: published 10/10/2017. Calculated as 100-% time in hospital in last six months of life

[1]2016/17 deaths are provisional and exclude those from external causes, such as accidents

During 2016/17, the chart represented in Figure 3.4 demonstrates that, for those who died in 2016/17, Highland has the 3rd highest percentage of time spent in the community rather than in a hospital during the last six months of a person's life.

Who needs end of life care?

The National Institute for Clinical Excellence (NICE)[4] has described end of life care as the care of those who are likely to die within the next 12 months. This includes people whose death is imminent (expected within a few hours or days) and those with:

- Advanced, progressive, incurable conditions

- general frailty and coexisting conditions that mean they are expected to die within 12 months

- existing conditions if they are at risk of dying from a sudden acute crisis in their condition

- life threatening acute conditions caused by sudden catastrophic events.

The problem with defining a timeframe is that accurately estimating prognosis is innately difficult. In a review of 42 studies the accuracy of prognosis varied from 23% to 78% (see Figure 3.5)[5]. This means that when a doctor thinks that a person has a specified time to live, they are probably wrong at least half the time. There is evidence that nurses who have dealt with many terminal cases are more accurate in their prognosis when death is only a few hours away. The general inaccuracy of prognosis is a major challenge in the context of Realistic Medicine or Prudent Healthcare.

It is easy for a health professional to mistakenly think that further treatment for an individual is futile, beause the health professional thinks that the patient does not have many months or years to live. Many experienced health professional can recall incidents of patients where the general consensus was that the person only had days or weeks to live, but where the patient went on to live for another 10 or 20 years.
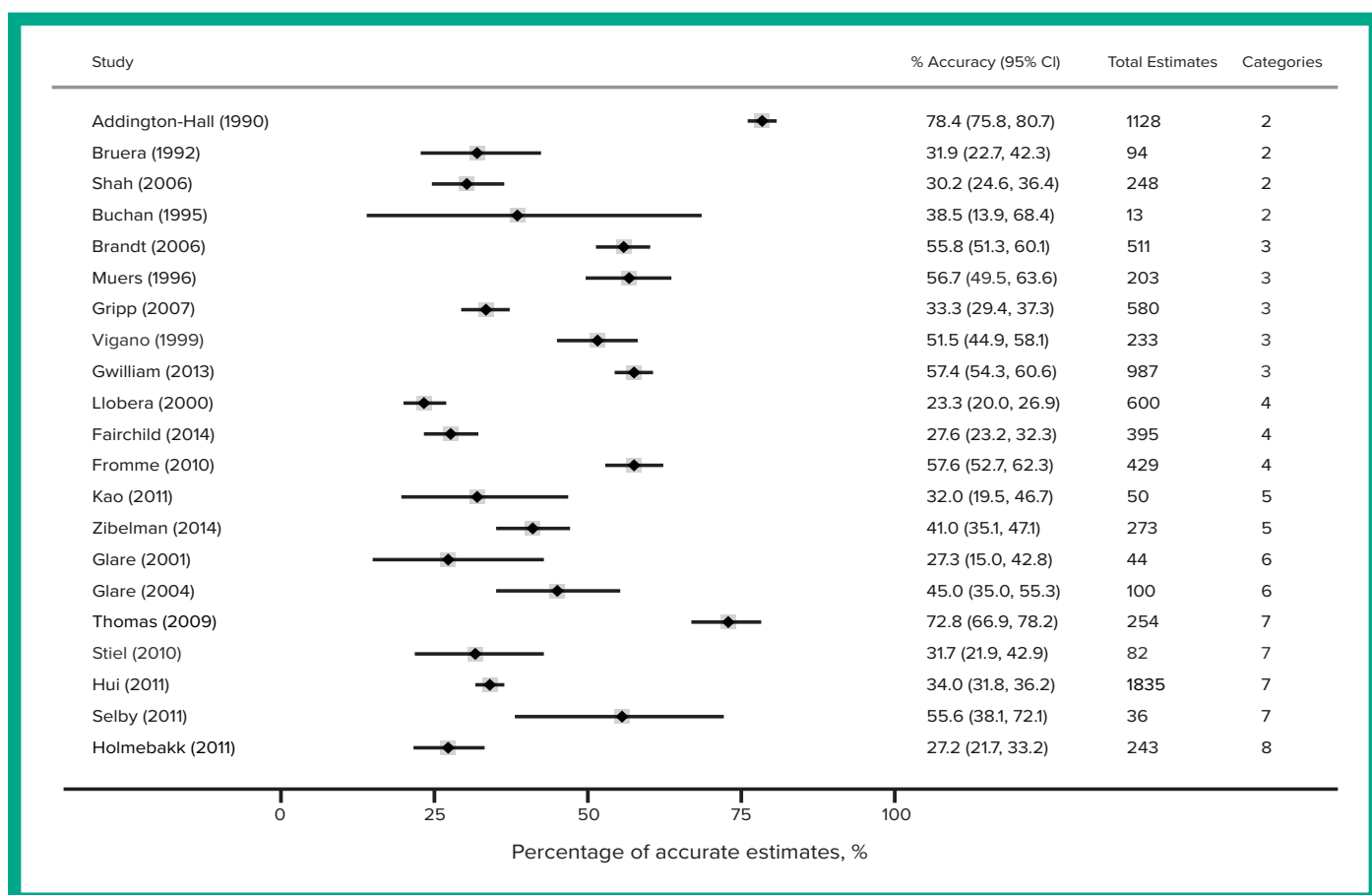
Study	% Accuracy (95% CI)	Total Estimates	Categories
Addington-Hall (1990)	78.4 (75.8, 80.7)	1128	2
Bruera (1992)	31.9 (22.7, 42.3)	94	2
Shah (2006)	30.2 (24.6, 36.4)	248	2
Buchan (1995)	38.5 (13.9, 68.4)	13	2
Brandt (2006)	55.8 (51.3, 60.1)	511	3
Muers (1996)	56.7 (49.5, 63.6)	203	3
Gripp (2007)	33.3 (29.4, 37.3)	580	3
Vigano (1999)	51.5 (44.9, 58.1)	233	3
Gwilliam (2013)	57.4 (54.3, 60.6)	987	3
Llobera (2000)	23.3 (20.0, 26.9)	600	4
Fairchild (2014)	27.6 (23.2, 32.3)	395	4
Fromme (2010)	57.6 (52.7, 62.3)	429	4
Kao (2011)	32.0 (19.5, 46.7)	50	5
Zibelman (2014)	41.0 (35.1, 47.1)	273	5
Glare (2001)	27.3 (15.0, 42.8)	44	6
Glare (2004)	45.0 (35.0, 55.3)	100	6
Thomas (2009)	72.8 (66.9, 78.2)	254	7
Stiel (2010)	31.7 (21.9, 42.9)	82	7
Hui (2011)	34.0 (31.8, 36.2)	1835	7
Selby (2011)	55.6 (38.1, 72.1)	36	7
Holmebakk (2011)	27.2 (21.7, 33.2)	243	8

Percentage of accurate estimates, %

Figure 3.5 - Summary of studies demonstrating large variation in the accuracy of prognosis by clinical staff
Source: White N et al.[5]

Any palliative care provided within the last 12 months of life can be regarded as end of life care, although that is very much a retrospective definition, which is useful for epidemiological proposes but less useful when considering the needs of an individual. In addition to managing physical symptoms such as pain, breathlessness, nausea and increasing fatigue, it includes emotional, social and spiritual care.

It has been reported that the majority of people (56-74%) in their last year of life express home as their preferred place of death[6]. However, during the course of their illness, this preference may change. For example, it has been found that for those with terminal cancer, the percentage preferring home as their place of death decreased from 90% to 50% and the percentage preferring hospice, increased from 10% to 40%[6,7]. Changes in preference may be influenced by many factors including a desire not to be a burden to family members. The quality of the provision of care in the community, therefore, impacts on preference for place of death.

Population in NHS Highland likely to need palliative care

There is published research defining a set of diagnoses which are likely to require palliative care[8]. Analysis is presented in Figure 3.6, which applies these criteria to the population of NHS Highland. A report on this topic has been produced by the Public Health team[9]. Over the last three decades, an increasing number of deaths are observed from cancer and pre-senile/senile conditions and decreasing rates for circulatory conditions.
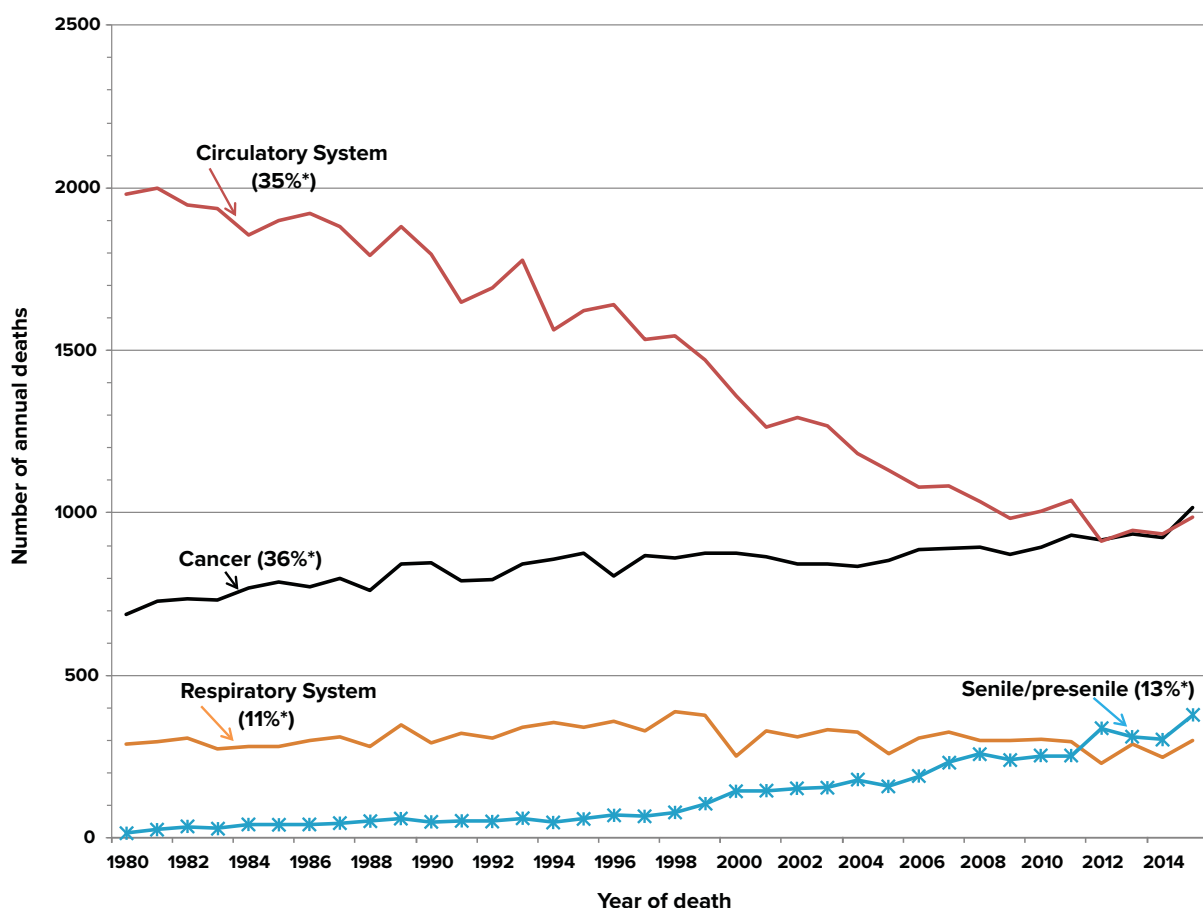

Figure 3.6 - Percent of death in NHS Highland residents from causes where end of life care would be expected, 1980 to 2015
Source: Analysis of Mortality data, (NRS) according to specific causes relevant to Palliative/End of Life care

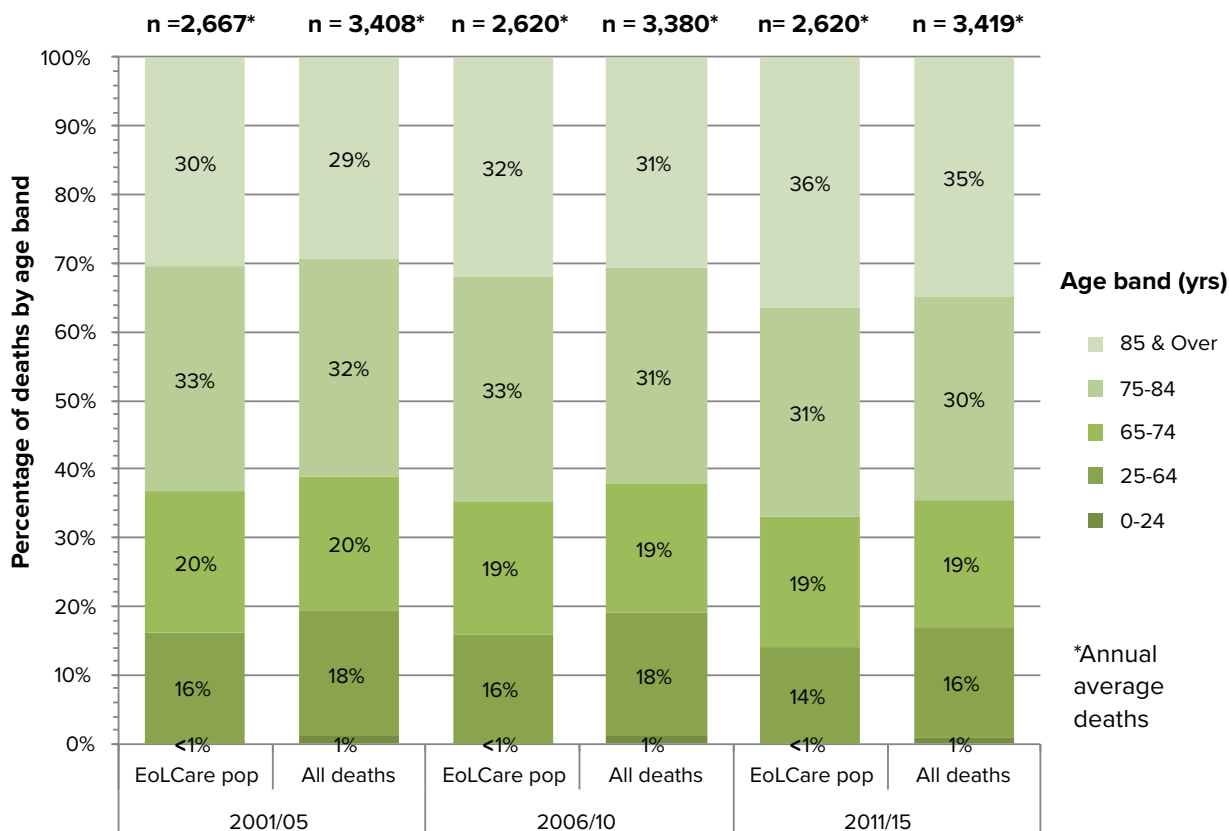[1] Proportions for other deaths were: Nervous system, 2%; Liver; 2%; Renal, <1%

Figure 3.7 - Comparison of deaths by age group in five-year bands, 2001 to 2015, NHS Highland
Source: Analysis of mortality data (NRS)

The end of life care population, who had conditions that were likely to require palliative care, remained fairly constant over the last fifteen years making up around three quarters of all cause deaths in any given year (77%; 2,620/3,420). This percentage is within but at the higher end of the range previously estimated for 'high income' countries of 69% - 82%[8]. The proportion of patients requiring end of life care who are aged 85 years and older has increased over the last 15 years (Figure 3.7). Health and social care services will need to adjust the way that care is provided to take these changes into account over the next decade.

This trend is likely to continue and an ageing population will place increasing demands on palliative care services, suggesting that there needs to be closer collaboration between care of the elderly services and palliative care services.

Place of death for those with end of life care needs

The place of death also varied with time (Figure 3.8) where the percentage dying at home had decreased from 39% in 1980 to 29% in 2015. In contrast, the percentage dying in an acute hospital increased from 20% to 31% over the same period.
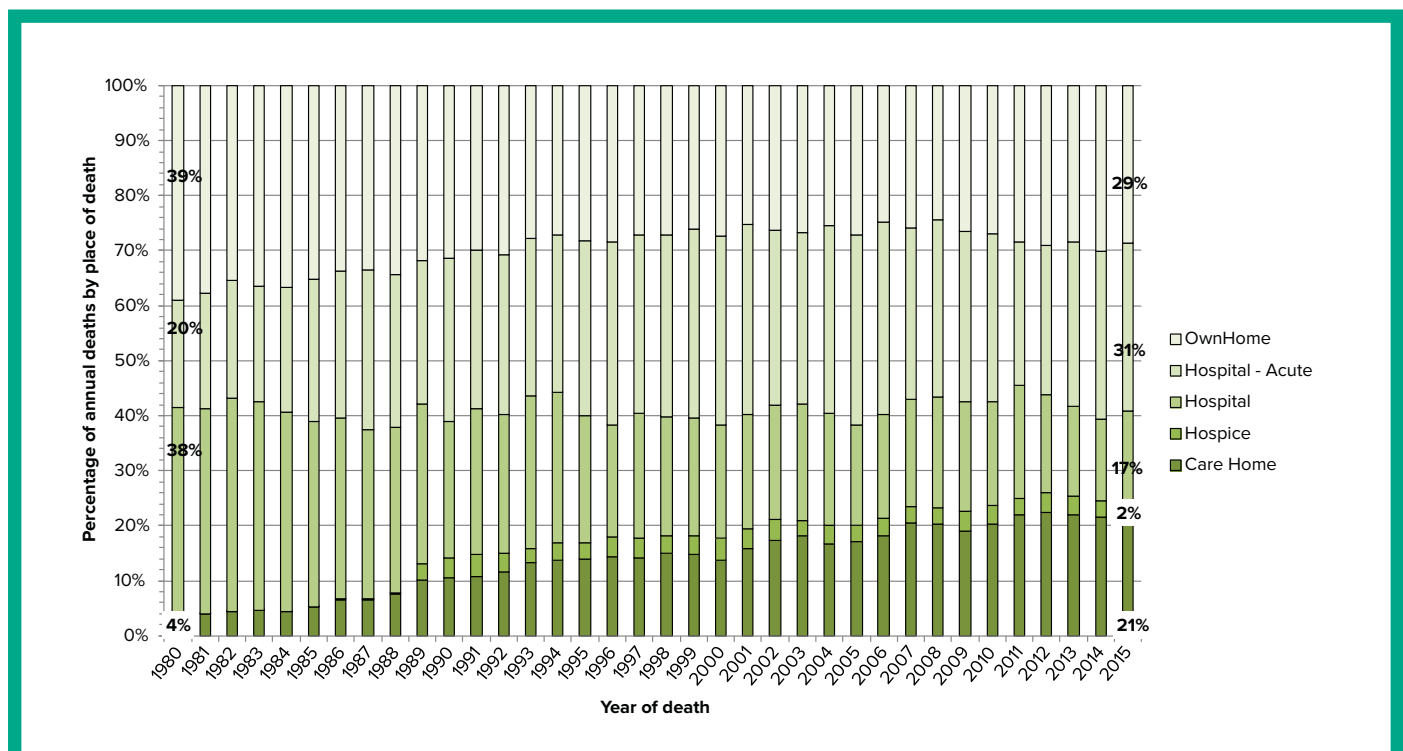

Figure 3.8 - Percent of annual deaths with potential end of life care needs by place of death, 1980 to 2015, NHS Highland
Source: Analysis of mortality data (NRS)

The place of death also varied with age group summed over the most recent five year period (Figure 3.9). The younger age group (0-24 years) was more likely to die in acute hospital, the 25 to 64 year age group was the most likely to die at home (45%).

The oldest age group was more likely to die in a homely setting rather than in a hospital. For the oldest group (85 years and over), 60% died at home or in a care home compared to 43-47% for those aged 65 -74 and 75-84 years. Highland Hospice has supported care homes and home care to provide end of life care and some examples of this work are considered in the following chapter. Approximately one third (31-35%) of the end of life care population aged 25 to 84 years died in an acute hospital. The proportion was lower (one quarter) in those aged 85 years and over.

The place of death also varied between men and women with men overall more likely to die in their own home[9]. This pertained to all conditions other than to renal or 'nervous & sensory' conditions, where women were more likely to die at home. The gender difference may reflect the longer life expectancy of women with the greater likelihood of them caring for husbands and partners. In turn these women are likely to be left living alone with no one to care for them to the same extent.

The place of death also varied according to the underlying causes of death (Figure 3.10). The highest percentage dying at home was with cancer (35%) and the lowest was with senile/pre-senile conditions (11%). Those dying from liver, renal or respiratory conditions were more likely to die in an acute hospital (43-59%). Less than 10% of those with cancer died in a hospice but among those dying from other causes, only those dying from kidney or nervous/sensory related conditions recorded deaths in a hospice.
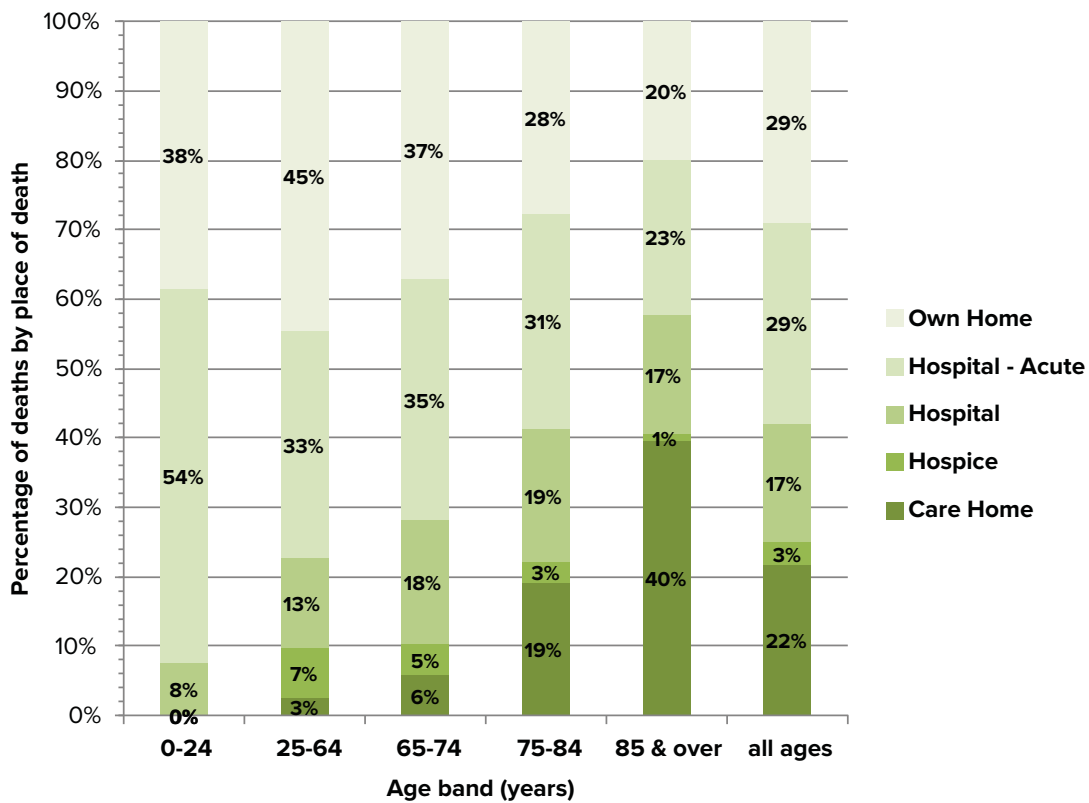
Figure 3.9 - Deaths from causes relevant to End of Life care by age group and place of death: NHS Highland[1]
Source: Analysis of mortality data (NRS)
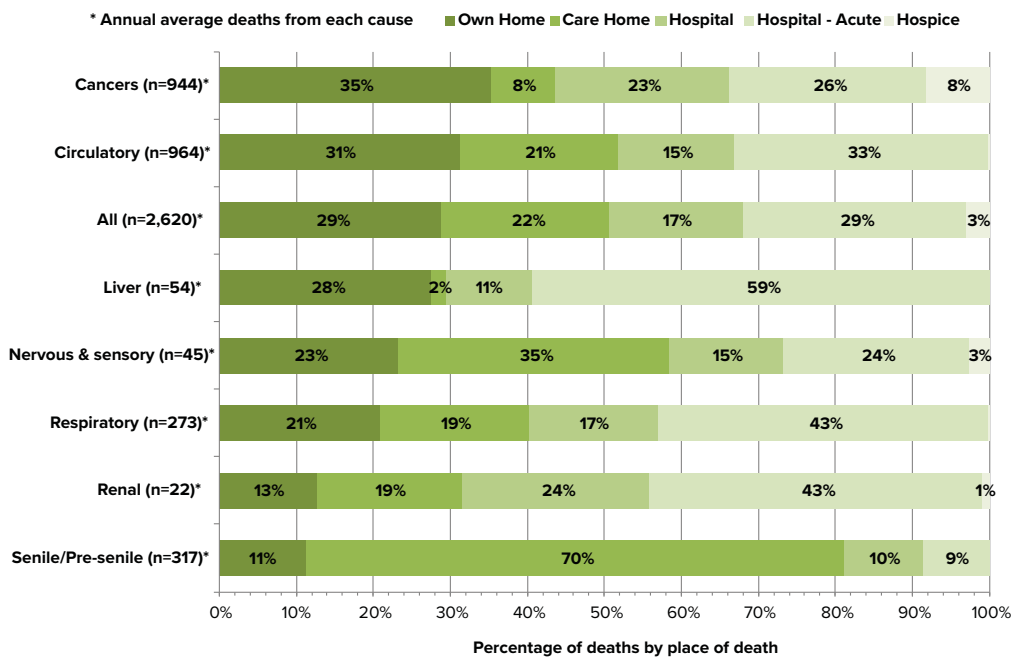
[1]Summary data over the five years 2011 to 2015

Figure 3.10 - Potential end of life care population by condition and place of death[1]
Source: Analysis of mortality data (NRS)

[1]Summary for five year period 2011 to 2015

Future need for end of life care in NHS Highland

Assuming that current rates of need for end of life care by gender and by age group apply over the next 10 to 20 years, future numbers can be predicted in NHS Highland. An almost two-fold increase in the number of deaths is expected. This is shown for the total end of life population and also by the different categories of conditions for which end of life care is needed, (Figure 3.11).
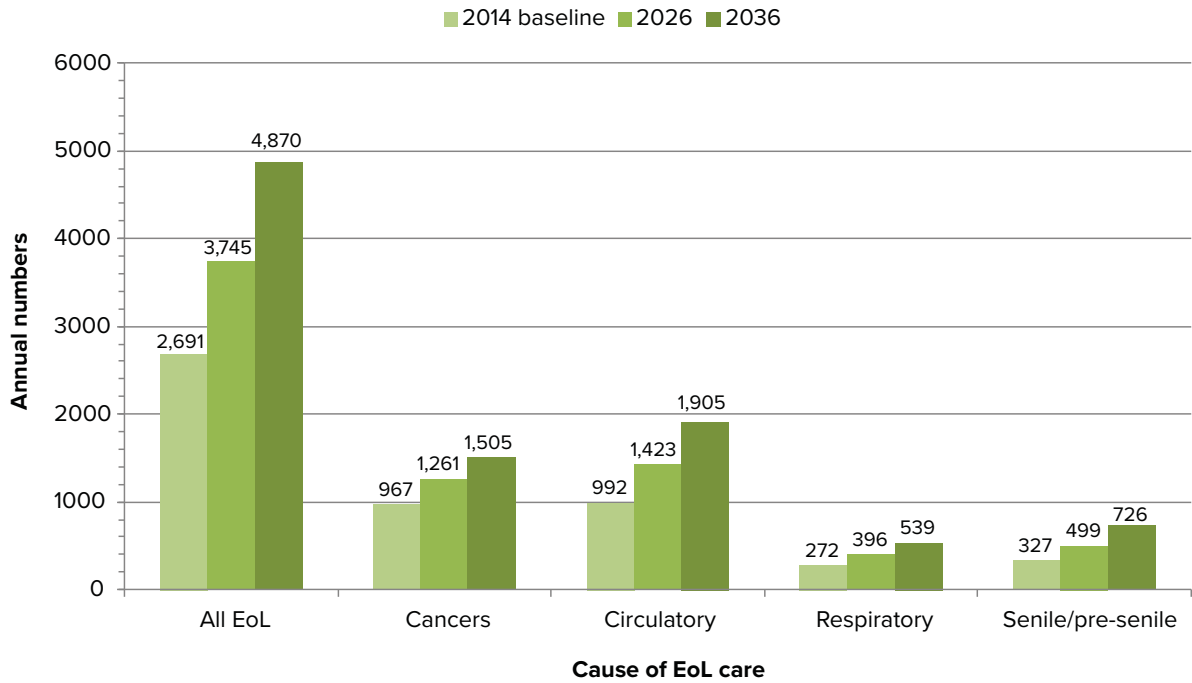

Figure 3.11 - Baseline and projected numbers[1] of the NHS Highland population with End of Life care need

[1]Actual age/sex End of Life annual death rates averaged for 2011-2015 applied to 2014-based mid year population projections for NHS Health Boards (National Records of Scotland)

Key points

- It is possible to estimate the number of people requiring palliative care or end of life care in a given population and the numbers used to plan services accordingly.

- The estimated number in NHS Highland who would potentially benefit from end of life care during a year is equivalent to around three quarters of all deaths.

- Decreasing numbers of patients are needing end of life care for circulatory system disorders, but increasing numbers are needing such care who have cancer, cognitive decline or dementia.

- Over the last 35 years there has been a fall in the proportion of patients dying at home and an increase in the proportion dying in acute hospitals and in care homes.

- On average during the last five years, over one half of those needing end of life care died in their own home or in a care home, and just under a third died in an acute hospitals.

- Those dying from dementia and related conditions or from conditions of the nervous/sensory system were the most likely to die in community settings and those dying from renal or liver or respiratory related conditions, more likely to die in an acute setting.

- Additional data[9] also indicates that men overall were more likely to die in their own home than women and this was the case for all conditions other than for renal or 'nervous & sensory' conditions where women were more likely to die at home. The gender difference may reflect the longer life expectancy of women with the greater likelihood of them caring for husbands and partners. In turn these women are likely to be left living alone with no one to care for them to the same extent.

- Projections based on current estimates predicts almost a doubling of the number requiring end of life care by 2036.

Chapter Four -
Supporting high quality end of life care

Realistic Medicine or Prudent Healthcare includes effective palliative and end of life care from a clinical and a community perspective, both of which are considered in this chapter which considers the role of anticipatory care planning, compassionate communities and a range of related interventions.

Transitioning to palliative care

In 2014, the World Health Assembly passed a resolution requiring all governments to recognise and provide for palliative care in their national health policies. Against this backdrop, in 2015, the Scottish Government published its Strategic Framework for Action on Palliative and End of Life Care 2016-2021. Its vision is to ensure everyone in Scotland, irrespective of age or condition, will have access to palliative care if it will benefit them[1].

The Scottish Government define palliative care as more than care in the last days and hours of life, but include ensuring quality of life for both the person and their family at every stage of a life-limiting disease[1]. Similarly, the Scottish Partnership for Palliative Care describe end of life care as 'that which follows when it is clear a patient is entering the dying phase, whether or not they are in receipt of palliative care'[2].

The principles of palliative care and prudent or Realistic Medicine are well aligned. Both focus on a holistic approach and appropriate person centred treatment[3]. These principles are supported by a number of policies, tools and innovations in Scotland aimed at aiding the delivery of palliative and end of life care and improving patient outcomes.

Anticipatory care

A systematic review suggested that between 30% and 38% of patients near the end of life may received non–beneficial treatments[4] or end up dying in hospital rather than at home, which may have been their preference[5]. Anticipatory care plans (ACPs) recommended for those with palliative care needs, offer a means through which patient's can record their treatment preferences and enable health care professionals to plan appropriate clinical responses, as they evolve, over the course of an illness[6]. They encourage exploration of end of life preferences and clarification of a patients understanding of their prognosis, including preferred place of care and views about interventions, treatments and cardiopulmonary resuscitation (CPR)[7]. Key Information Summaries and shared electronic patient records, have also been pursued in Scotland[8], enabling anticipatory care plans to be written by GPs and shared electronically with secondary providers.

There is some evidence that anticipatory care planning may reduce futile invasive treatments and hospital admissions[9], Intensive Care Unit admissions and reduce length of stay[10,11,12]. Identifying an individual who may benefit from palliative care can be challenging[13]. A recent review of Anticipatory Care Planning implementation identified prognostic uncertainty as a key factor influencing the decision to initiate this discussion[6,12,14].

ReSPECT

ReSPECT stands for Recommended Summary Plan for Emergency Care and Treatment. It is an alternative to Advance Care Planning, which is perhaps more flexible.

As shown in Figure 4.1, it creates a summary of personalised recommendations for a person's clinical care in a future emergency in which they do not have capacity to make or express choices.
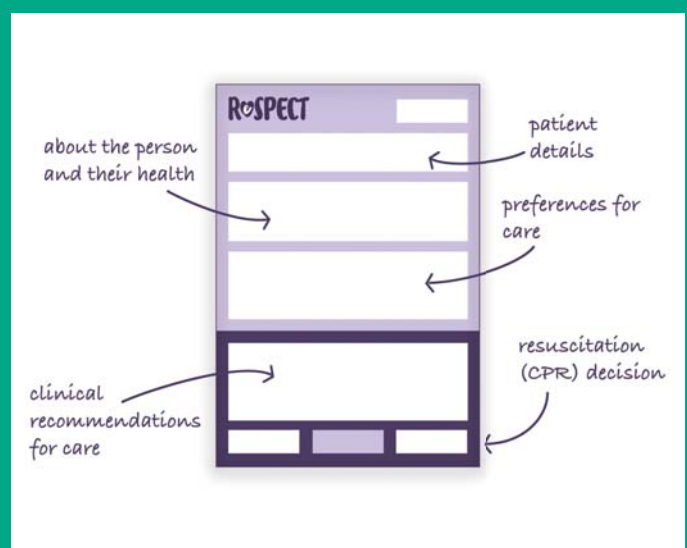

Figure 4.1 - ReSPECT template

Compassionate communities

Compassionate communities are a holistic, population health approach to palliative care beyond health and social care services. They were first described in 1999[15]. A 'compassionate community' is one which formally agrees to offer support, comfort and care to people who may be dying or suffering from a chronic condition such as dementia. A compassionate community recognises that we all experience loss and death. Given that these experiences are universal, there is a need for communities to help all of their members to care for each other.

The basis of compassionate communities is their reciprocal relationships with services. The community is therefore supported by professionals such as palliative care staff, dementia nurses, and other health and social care staff. There is a growing body of literature on their use.

Strong social relationships are one key to a healthier life. A meta-analysis showed that there was a 50% increased likelihood of survival for participants with stronger social relationships for both men and women[16]. Another study of people living with diabetes and heart disease[17] found that social involvement with a wider variety of people and groups supported personal self-management and physical and mental well-being, and significantly reduced the need for people to make use of hospital services. It is clear that increased levels of community engagement and the development of positive social relationships help to sustain the health of all[18].

There is some work underway in Highland to develop local Compassionate Community initiatives and it is included in the Highland Hospice three year strategy. Some supporting work in this direction includes:

Helping Hands – a service which trains and matches volunteers to support clients at home. Volunteers essentially do what a 'good neighbour' might do providing befriending, offer a 'sitting' service to allow carers to get out of the house for short periods of time, help with simple household tasks.

Last Aid – modelled on the format of First Aid training, this half day training session is designed for workplaces and community organisations. It covers practical support as well as supporting people to have a discussion about end of life and supporting people to talk about what they want from end of life care. Helping the public to understand the realities and choices around palliative and end of life care and bereavement will help our communities to build resilience and support each other at this difficult time in their lives.

Project Echo – a telementoring system that connects care workers across the Highlands with each other and with the Hospice to provide mutual support as well as training and development in palliative and end of life care. This project is currently working with 35 care homes, community pharmacists, out of hours services and specialist nurses across the Highlands in support of compassionate communities.

The **Dementia Friendly Community project** that has been developed in Helmsdale is supporting development of 'compassionate communities' across Highland. With some additional funding from the Life Changes Trust, there are plans to roll out the model established in Helmsdale and learn from experiences there over the next five years.

Realistic Medicine Case Study

## Eco-mapping to support personalised approach to discharge planning

The need for social and practical support in relation to maintaining health, disease management and supporting someone to stay in their own home is well known, but little is known about how to investigate support networks, particularly in a clinical setting[19]. Patients are not isolated beings; rather they will have a network of support which if understood by practitioners, may help to plan and co-ordinate efforts to ensure that patients have the right support to improve their health, manage their condition and maintain independence[20,21].

Eco-mapping is a tool that could help practitioners to plan what support patients might need by giving them the whole picture in relation to an individuals' network of support and therefore enhancing practitioners understanding of the care giving context[22]. Eco-mapping was developed in 1975 by Dr Ann Hartmann and has mainly been used by social workers in relation to understanding family networks in order to provide the most appropriate support to children and families[23].

An ecomap is a visual diagram that shows the social, personal, professional and organisational relationships that an individual or family has in their life. It is often depicted with the person or the family in a circle at the centre and the network of connections and support depicted with circles around the centre, like planets around the sun. It therefore quite literally puts the patient at the centre and builds a picture of their networks of support.

Ecomaps can provide useful information for practitioners and patients/clients and may be helpful in supporting development of care plans and discharge planning by identifying comprehensive networks of support for patients. They:

- provide a useful tool for assessment of relationships and networks and the quality and role of those relationships in supporting individuals in their day to day lives and supporting them to live independently and stay at home

- identify the network of support that an individual has, and can also be useful in identifying areas of need, disconnection or duplication

- identify connections to social support systems such as housing, fuel poverty or income maximisation

- describe connections to communities such as significant friends, neighbours, clubs, church etc.

- help to identify whether and how an individual's needs are being met and their reliance on professional agencies, friends and neighbours

- highlight where there may need to be enhanced communication and co-ordination between services

- help to analyse the level and type of support provided to an individual, and whether it is adequate and appropriate to meet their needs
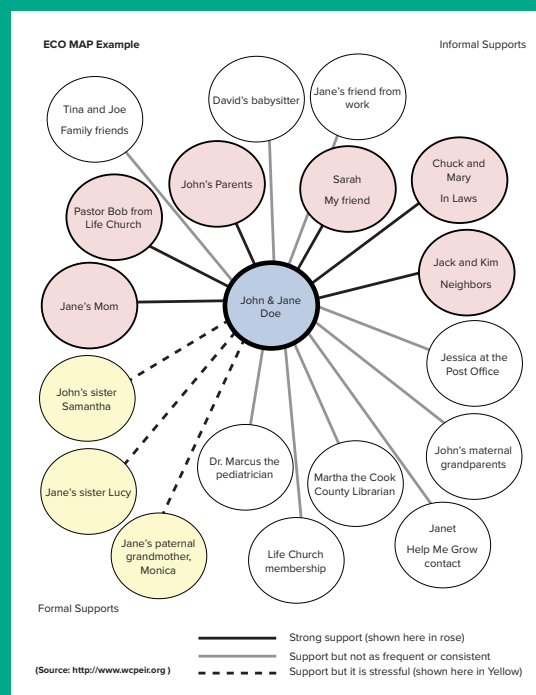
A pilot of the use of ecomaps to support discharge planning is underway in NHS Highland. Initial feedback has been that the tool is easy to use and engages patients on identifying and thinking about the network of formal and informal support that they have around them. For some patients, it was useful in reaffirming the level of support that they have at home and the discussion with patients also revealed patient's wishes in relation to what kind of support they would like when discharged home, with patients often citing informal support as being the most important. Feedback to nursing staff after developing an ecomap with a patient has resulted in staff starting to identify local community based groups that could have a role in supporting patients when they go home, which they had previously been unaware of.

Realistic Medicine Case Study

Renal team's approach to building a personalised approach to care and managing risk better

Renal services have developed an approach that ensures that patients are at the centre of their care by having realistic conversations about treatment options which includes discussions about the disadvantages as well as the advantages of treatments so that patients and their families are supported with clear information to make decisions.

After discussion with the patient, family and the renal team, a treatment escalation plan is developed to guide future choices and treatment, always keeping the patient in charge of decisions. Whether patients are on a conservative care programme or on dialysis, patients and their families are supported with regular advice and information about what to expect.

Key points

- For healthcare practitioners identifying an individual who may benefit from palliative care can be challenging with prognostic uncertainty and/or communication difficulties identified as key factors influencing the decision to initiate a discussion around end of life care.

- Anticipatory care plans (ACPs) may be helpful in avoiding unnecessary and non beneficial treatment.

- Key Information Summaries (KIS) and shared electronic patient records, which were implemented in 2013 and widely used throughout Scotland[6], enable shared care plans written by GPs to be shared electronically and updated by providers of secondary and unscheduled care.

- A compassionate community is one which offers support, comfort and care to people who may be dying or suffering from a chronic condition such as dementia. The form compassionate communities take should be shaped through a participatory approach with communities.

- Compassionate communities are already forming in NHS Highland. Helmsdale has led the way with their Dementia Friendly Community project and Highland Hospice is developing a range of services to support a compassionate community approach to end of life care across volunteers and services.

Chapter 4

Chapter Five -
Frailty and its priority in Realistic Medicine

In this chapter, we consider frailty and examine its importance in relation to Realistic Medicine or Prudent Healthcare. One definition of frailty is "a distinctive health state related to the ageing process in which multiple body systems gradually lose their inbuilt reserves"[1]. Adverse outcomes include falls, hospitalisation, disability, or death and frailty is therefore an important condition. Being able to identify and assess frailty allows us to intervene to increase independence, slow progression and reduce risk of these adverse outcomes.

What is frailty?

Although age is the strongest risk factor for frailty, not all old or even very old people are frail. Pre-disposing factors can lead to a cycle of deterioration arising from relatively small adverse factors such as minor illnesses, the so-called 'domino effect'[2]. There is increasing evidence that impairment in the immune, endocrine, stress and energy response systems is involved in the development of frailty.

There are many tools for assessing frailty or dependence. Frailty can be defined as a cluster of symptoms (Table 5.1), by a frailty index, or as the outcome of a comprehensive geriatric assessment by a multi-disciplinary team. A frailty index is a broader measure than that derived from physical symptoms as it includes assessment of social and psychological aspects.

Table 5.1 - Characteristics of frailty

Characteristic	Measure criteria	
Shrinking	Unintentional weight loss of >10lbs (>4.5Kg) in prior year	
Weakness	Grip strength: lowest 20% distribution by gender & body weight	
Exhaustion	Self-report according to a depression scale (CES-D)	
Slowness	Walking time over 15ft within the slowest 20% of population by gender & height	
Low activity	Energy used per week, lowest 20% of population by gender	
Definitions	**Frail**	three out of the 5 criteria
	Intermediate (pre-frail)	one or two out of the 5 criteria

Source: Based on Fried LP et al.[3]

The current recommendation is that any interaction between an older person and health and social services should include an assessment of frailty. The British Geriatric Society suggests the use of gait speed, for example timing how long it takes to walk six meters, as criteria key assessment, and where this is not possible, the use of a seven item questionnaire with a cut off of three or over positive responses (Table 5.2).

Table 5.2 - PRISMA 7 frailty tool

1.	Are you more than 85 years old?	Yes = 1
2.	Are you male?	Yes = 1
3.	In general, do you have any health problems that require you to limit your activities?	Yes = 1
4.	Do you need someone to help you on a regular basis?	Yes = 1
5.	In general, do you have any health problems that require you to stay at home?	Yes = 1
6.	In case of need, can you count on someone close to you?	Yes = 1
7.	Do you regularly use a stick, walker or wheelchair to get about?	Yes = 1

Source: Based on British Geriatrics Society, 2014[1]

Chapter 5

There is a sizable overlap between frailty, co-morbidity and disability. The overlaps between these three states are depicted in the Venn diagram below (Figure 5.1)[3]. Although nearly 70% of those with frailty have two or more long-term conditions (co-morbidity) less than 10% (249/2,576) who are co-morbid are frail.
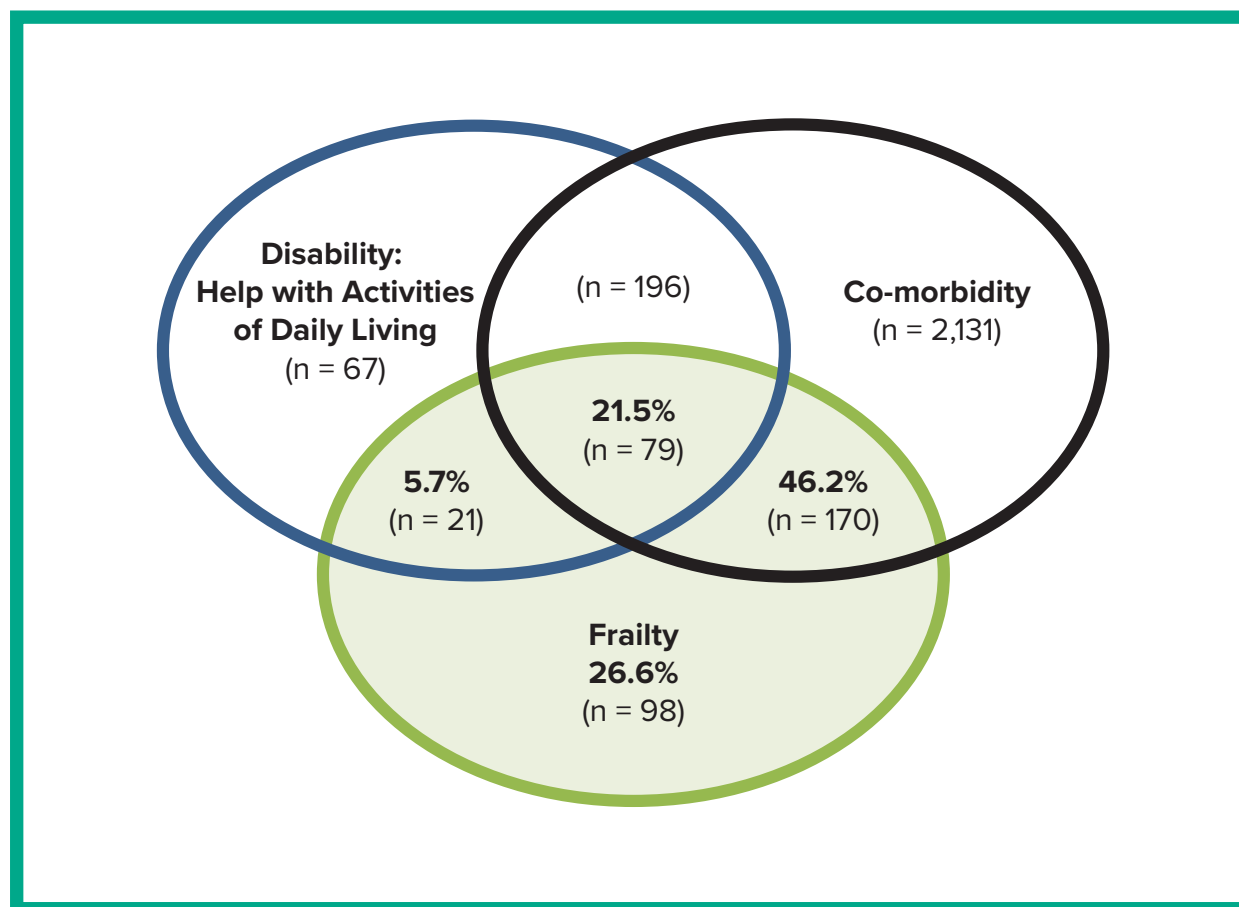

Disability:
Help with Activities
of Daily Living
(n = 67)

(n = 196)

Co-morbidity
(n = 2,131)

21.5%
(n = 79)

5.7%
(n = 21)

46.2%
(n = 170)

Frailty
26.6%
(n = 98)

Figure 5.1 - The overlap of frailty with disability and co-morbidity
Source: Fried LP et al.[3]

Another approach to identifying frailty is based on five syndromes that raise the suspicion that a person may have frailty (Table 5.3). This is a relatively quick 'rule of thumb' method for use in a clinical practice.

Table 5.3 - Frailty syndromes

1.	Falls (e.g. collapse, legs give way, found lying on the floor)
2.	Immobility (e.g. sudden change in mobility, "gone off legs", "stuck in the toilet")
3.	Delirium (e.g. acute confusion, "muddleness", sudden worsening of confusion in someone with known dementia or known memory loss)
4.	Incontinence (e.g. change in continence-new onset or worsening of urine or faecal incontinence)
5.	Susceptibility to side effects of medication (e.g. confusion with codeine, hypotension with antidepressants).

Source: Based on British Geriatrics Society, 2014[1]

For primary care, use of a recently available electronic Frailty Index, (eFI) may result in more individuals identified as frail and thus provides the opportunity to optimise care and slow decline[4]. The eFI is based on 36 different deficit variables that can be identified in GP computer systems. It provides a categorisation of mild, moderate or severe frailty. The eFI is available on primary care systems in England and is being tested in Scotland[5].

One review[6] has suggested frailty prevalence of 9.9% (and 44.2% for pre-frailty) amongst those over 65 years, 15.7% in those aged 80-84 years, and 26.1% in those aged 85 years and over, with a slightly higher prevalence in women.

Another systematic review of prevalence studies of frailty in nursing homes[7] indicates higher rates than the equivalent estimates amongst those in the community. Across nine studies, the rate for frailty was 52.3% and across seven studies for pre-frailty, 40.2%. It is interesting to note that approximately 48% of care home residents aged 60 years and over were found not to be frail. It is not known to what degree institutionalisation in itself affects frailty.

A study assessing frailty amongst those aged 75 years and over admitted as an acute medical admission to a district hospital in England, reported that 56% were frail[8]. Out of these, the majority (81%) presented with lack of mobility for over 24 hours, 70% were admitted with falls and nearly 50% were admitted with known dementia or delirium. Overall, 45% were admitted from a nursing home. Although this was a small study (n = 232) and did not include out of hours admissions, it does indicate that a substantial proportion of admissions of older individuals are related to frailty and raises the question as to whether earlier intervention could have been put in place which would have prevented admission in at least some cases.

The three year outcomes of frailty are shown in Table 5.4.

Table 5.4 - Three-year outcomes in those with or without frailty, aged 65 years & over[1]

Outcome	Incidence over 3 years		Hazard Ratio*		Relative Risk#	
	Not frail	Frail	HR	95% CI	RR	95% CI
Worsening ADLs	8%	39%	1.98	1.54-2.55	5.61	4.50-7.00
Worsening mobility	23%	51%	1.50	1.23-1.82	2.68	2.26-3.18
First fall	15%	28%	1.29	1.00-1.68	2.06	1.64-2.59
First hospitalisation	33%	59%	1.29	1.09-1.54	2.25	1.94-2.62
Death	3%	18%	2.24	1.51-3.33	6.47	4.63-9.03

[1] From the results of Fried LP et al[3]
* correcting for factors also know to predict frailty e.g. age & gender
# based on the incidence measure at 3 years

Electronic Frailty Index, (eFI)[4] which is based on Primary Care electronic records (see Table 5.5), predicts adverse outcomes . Identification using the eFI affords the opportunity to put in place evidence-based interventions to improve outcomes in a community setting.

Table 5.5 - Adverse outcomes in older patients identified as frail using the eFI in primary care

Frailty	Hazard Ratio over one year		
	Mortality	Hospital admission	N. Home admission
Mild	1.92 (1.81-2.04)	1.93 (1.86-2.01)	1.89 (1.63-2.15)
Moderate	3.10 (2.91-3.31)	3.04 (2.90-3.19)	3.19 (2.73-3.73)
Severe	4.52 (4.16-4.91)	4.73 (4.43-5.06)	4.76 (3.92-5.77)

Source: Clegg A et al.[4]

Chapter 5

Prevalence of frailty across NHS Highland

On the basis of the published work considered in the previous sections, this section presents what can be inferred for the population of NHS Highland in terms of the likely numbers with frailty in different situations and settings.

Table 5.6 - Expected numbers of older frail persons living in the community by area in NHS Highland

	Prevalence of frailty		Expected numbers of persons with or without frailty					
			Argyll & Bute Council		Highland Council		NHS Highland	
Age group	Men	Women	Non-frail	Frail	Non-frail	Frail	Non-frail	Frail
60-69	6.0%	7.0%	12,341	860	30,416	2,117	42,757	2,977
70-79	10.5%	14.5%	8,235	1,189	18,692	2,700	26,927	3,889
80-89	24.0%	37.0%	2,989	1,394	7,163	3,324	10,152	4,718
90 & over	65.0%	57.5%	351	515	789	1,174	1,139	1,690
All	**12.0%**	**16.0%**	**23,916**	**3,958**	**57,059**	**9,316**	**80,975**	**13,274**

Source: Gale CR et al.[9] applied to 2016 mid-year population estimates

Overall, across NHS Highland there are an estimated 13,000 frail older people living in the community and around 1,100 in residential care homes.

Table 5.7 - Expected numbers of older frail, long stay residents of care homes in NHS Highland

Age (years)	Prevalence rate[1] (95% CI)	Estimated prevalent numbers (95% CI)		
		Highland Council	Argyll & Bute Council	NHS Highland
60-69	49.0% (23.1%-75.2%)	116 (55-178)	17 (8-26)	133 (63-204)
70-79	45.5% (32.0%-59.4%)	208 (146-271)	85 (60-112)	293 (206-383)
80 & over	61.8% (48.0%-74.6%)	545 (424-658)	165 (128-199)	710 (552-857)
All ages	52.3% (37.9%-66.5%)	824 (597-1048)	256 (185-325)	1,080 (783-1373)

[1]From Kojima G[7] prevalent rates applied to numbers of long-stay residents (defined as intended to be a permanent resident at time of admission plus any short-term resident who is a still a resident after 6 week) in older peoples (majority aged 65 years & over) Care Homes from the Scottish Care Homes Census, 2016.

During 2015/16, there were over 15,000 discharges of NHS Highland residents aged 65 years and over from Scottish hospitals after an emergency admission. The majority (82%) were in hospitals within NHS Highland. In turn, most of these admissions (82%) were to the four acute and rural general hospitals (Table 5.8).

Application of the prevalence rate of frailty, as per a reported Scottish study[10] to hospital emergency stays in Raigmore District General Hospital and the Rural General Hospitals across NHS Highland during 2015, provides an estimate of the number of emergency admissions involving older people with frailty during a year.

There were over 1,700 admissions to the main four hospitals (Table 5.8). However, there were a further 2,200 emergency admissions to our community hospitals and the prevalence of frailty amongst those are likely to have been much higher in comparison to our four main hospitals (Table 5.8). It should be noted that emergency admissions are approximately fifty percent of the total admissions.

Table 5.8 - Estimated emergency admissions, NHS Highland residents aged 65 years, 2015/16

Hospitals	Hospital admissions[1]	Estimated number with frailty[2]
	Number	
Acute and Rural General Hospitals		
Belford Hospital	700	119
Lorn & Islands Hospital	991	168
Caithness General Hospital	1,420	241
Raigmore Hospital	9,944	1,180
Total	**10,055**	**1,709**

[1]Continuous Inpatient Stays (admissions coded as 30-36 inclusive and 38 & 39)
[2] Average prevalence (17%) from Poots et al[10] applied to SMR01 extract of NHS Highland residents

Frail older people with an 'end of life condition' in their last year of life in NHS Highland have been estimated at around 2,500 (800 in Argyll & Bute and 1,700 in north Highland), 750 dying in an acute hospital, the same number in their own homes, and under 600 in care homes.

The following chapter will consider how we can respond to frailty through considering effective interventions and alternative models of care.

Realistic Medicine Case Study

Attend Anywhere service which reduces waste and variation in practice

Pilots are underway using Attend Anywhere, which is a web-based platform that helps healthcare providers offer video call access to their services as part of their 'business as usual', day-to-day operations. It is designed to make the system more efficient for clinicians, patients, carers and families by reducing travel time and the stress associated with attending a medical facility.

"It is much more convenient to be able to have a private 1:1 conversation with a professional from the privacy of my own home."

The Pharmacy Anywhere project started because of difficulties recruiting pharmacists in remote and rural areas, but initial experience suggests some patients prefer the service because it is more convenient than attending an appointment in person. The pilot involves connecting the pharmacist with the GP practice, where the pharmacist uses Vision Anywhere to remotely access the patient's medical records and connecting the pharmacist and the patient. The patient is given a choice of having an Attend Anywhere video consultation via their own computer/smartphone or a traditional telephone call.

Chapter 5

Realistic Medicine Case Study

Allied Health Professionals (AHPs) support innovative interventions to reduce harm, manage risk and reduce variation

Occupational therapists across Highland are working to support people to live with, and manage their own conditions; often by delivering rehabilitation programmes alongside self management information that maximises independence in day to day activity. This includes provision of specific advice and support into workplace and leisure activity to promote health and wellbeing.

- Physiotherapists and public health specialists are working with Hi-Life Highland to further develop a range of targeted exercise programmes and making these available in local communities for people with a range of health conditions, including cardiac rehabilitation. This work builds on the Otago classes that are delivered to people at risk of falls and aim to reduce harm and manage risk more effectively in the community.

- Speech and Language Therapists are continuing to develop the use of video-conferencing technology to support the remote delivery of one to one therapy and reduce variation in access.

- Speech and language therapists and occupational therapists have worked alongside teachers in Highland to develop a programme to better support the development of literacy skills in primary one children, providing a firm foundation for children's education and reducing variation in literacy.

- AHPs in Argyll and Bute are working in partnership with 3rd sector organisations and community groups like Lorn Healthy Options and the Strachur Hub to refer people with long term health conditions or frailty to exercise classes in their community. These programmes have enabled participants to regain physical ability and have improved wellbeing. People taking part in the classes also benefit from peer support in group activities.

- Occupational therapists in Argyll and Bute work in partnership with community team support workers and homecare providers to help people regain independence in activities of daily living. This is called re-ablement and ensures people can regain as much ability as possible therefore minimising the need for ongoing care at home.

Realistic Medicine Case Study

ENT transformed service delivery model to improve their service, reduce waste and manage risk better

The ENT department has made improvements to their outpatients service making more effective use of time and reducing waiting lists. Nurse led clinics have increased capacity and utilised expertise within the service. Implementation of balance clinics lead by Allied Health Professional Service has also resulted in more efficient use of staff skills and expertise.
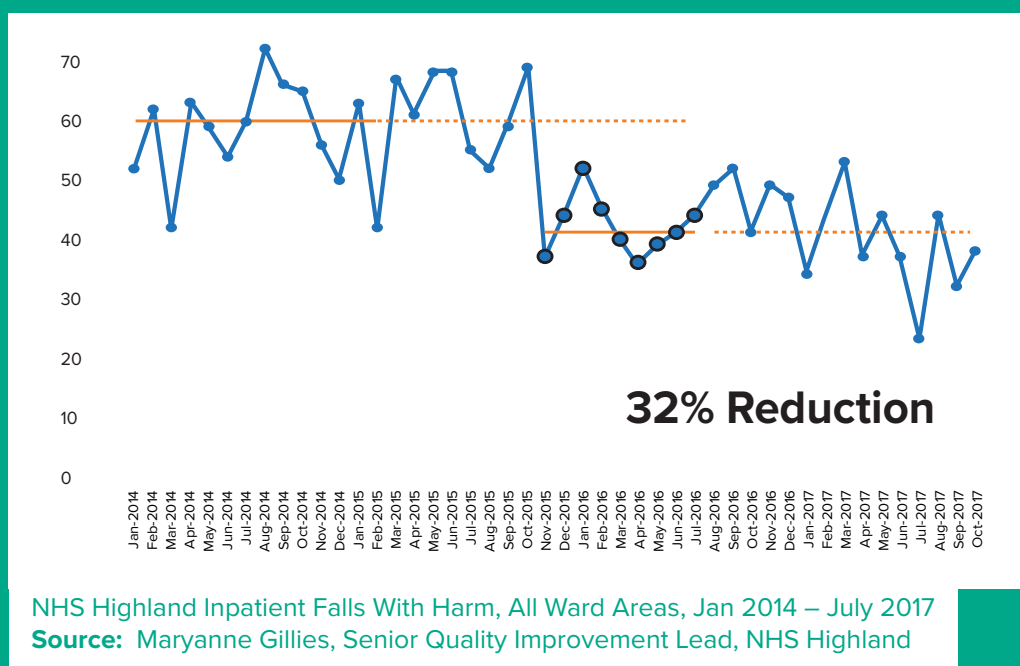
Provision of joint audiology and ENT clinics has reduced appointment times for patients and improved flow. This has reduced waste through unnecessary hospital visits. Referrals are now vetted electronically, which helps to streamline the service improves risk management and frees up capacity to deal directly with patient care. This transformation work was started in October 2016 and by August 2017 the number of patients waiting more than 12 weeks for their first clinic appointment had reduced from 965 to 84.

Realistic Medicine Case Study

Reducing falls and improving orthopaedic pathways

The Scottish Patient Safety Programme, with leadership by the Nurse Director and Senior Quality Improvement Lead (Patient Safety) have used a falls bundle, linked to quality improvement methods to substantially reduce the number of inpatient falls in NHS Highland.

New orthopaedic pathways have been developed for patients with foot and ankle problems, spinal, trauma conditions and post-operative arthroplasty care. This has reoriented the care provided to ensure that it is more patient-centred, uses the skills and abilities of the whole team and reduces variation in practice.

32% Reduction

NHS Highland Inpatient Falls With Harm, All Ward Areas, Jan 2014 – July 2017
Source: Maryanne Gillies, Senior Quality Improvement Lead, NHS Highland

Chapter 5

Key points

- The strongest risk factor for frailty is age but not all old or very old adults are frail, nor is it always associated with co-morbidity or disability.

- Frail individuals have up to ten times the rate of adverse outcomes such as falls, hospitalisation, care home admission, procedure complications, and are less able to adapt to stressors such as illness and trauma.

- Identification of frailty in older adults is important, as is a more structured approach to interventions in this group, and depends on agreement on assessment tools and methods.

- Estimated frail populations in NHS Highland are:

  – >13,000 living in the community

  – >1,000 living in older peoples care homes

  – ~2,000 admitted to NHS Highland hospitals per year

  – ~2,500 in their last year of life with a defined end of life care condition.

Chapter Six -
Responding to frailty

This section explores how we can respond to and manage frailty through specific interventions and models of care. Such interventions can reduce the likelihood of frailty leading to adverse outcomes such as loss of independence, falls and preventable hospital admissions.

Tackling muscle loss

Perhaps the biggest contributor to frailty is sarcopenia, that is loss of muscle mass and function. Most muscle loss does not seem to be an inevitable part of the ageing process but seems to be associated with a Western lifestyle, where retirement is seen as a time when one would expect to deteriorate physically and to undertake less activity. Hospitals have traditionally exacerbated muscle loss by restricting the extent to which patients (in the recovery phase) move around and are encouraged to act independently.

Perhaps one of the biggest challenges in terms of inpatient care in our current models is reducing muscle loss during admission. The recent Nottingham University Hospital social media #endPJParalysis campaign, endorsed in NHS Highland, has sought to increase the number of hospital inpatients who are encouraged to get out of bed and dress in day clothes, to support their rehabilitation and recovery[1]. Muscle mass and strength does peak in early adult life, but the rate at which it declines thereafter has a significant effect on the risk of frailty in old age (Figure 6.1).
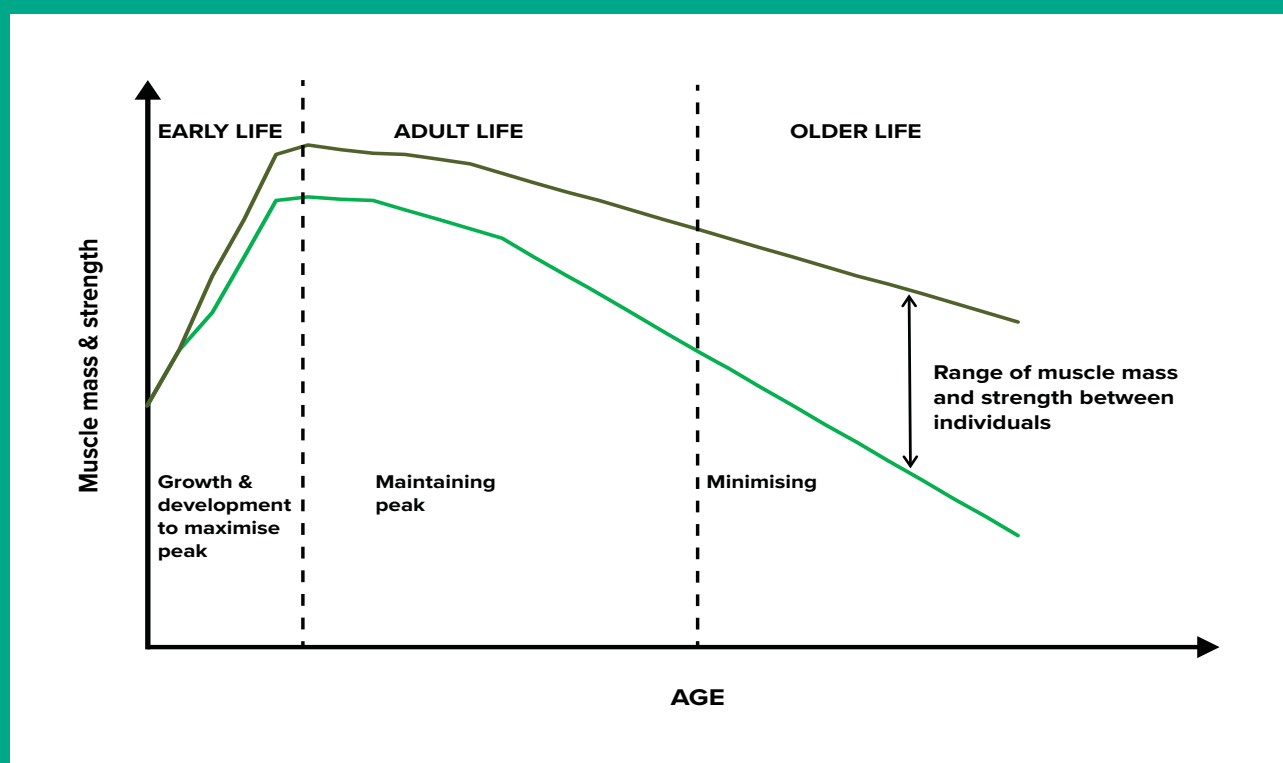

Figure 6.1 - Life course changes in muscle mass and strength
Source: Based on Sayer AA et al.[2]

A Cochrane Systematic Review[3] indicates that progressive resistance strength training (PRT) improves physical functioning in older people. This involves participants exercising against increasing external loads several times per week. Other types of exercise involving gait, balance, co-ordination and functional exercise have also been associated with decreased risk and rate of falls and with improvement of balance in older people[1].

Amongst the exercises associated with better clinical balance outcomes are those with three dimensional range including tai chi, qi gong, and dance[4]. Nutrition is also important, although the evidence for supplements is poor[1,5].

Chapter 6

Models of specialist geriatric care

One method of responding to increasing levels of frailty is to consider alternative models of delivering specialist geriatric care, within hospitals, across the hospital-community interface, and in the community. A literature review of published evidence for different models by setting[6] found that in-hospital geriatric-specific rehabilitation is effective in increasing functionality and in reducing discharge to nursing home. This is particularly so for orthopaedic patients.

Hospitalised patients have better outcomes with care delivered by geriatric-specific and multi-disciplinary teams, particularly when these are delivered in designated units or wards. A local example of this approach has been the integration of geriatric and surgical care for patients with hip fractures. In 2017, the Ward 3A team in Raigmore Hospital, who have led on this work, won the Golden Hip award for meeting the most audit targets in fractured hip management.

Across the hospital-community interface, most of the evidence has come from the care in the post-acute phase. Models such as Geri-FITT include follow-up after discharge by telephone and by communication with primary care providers within 48 hours of discharge. Overall, there appears to be some evidence that patient outcomes may be improved across the hospital-community interface by such models, but it is not clear which specific health inputs produce the improvements.

In the community, Medical Day Hospitals, when compared to no treatment, are associated with better patient outcomes such as Activities of Daily Living and decreased use of hospital beds. There is a paucity of research evaluating the effectiveness of direct input of specialist Geriatric services to Care Homes, but assessment of people at risk of admission to nursing homes by a Geriatrician may reduce deterioration of functions, lower stress for carers, and reduce service contacts and costs.

Medication reviews may also have some benefit for patients in nursing homes as demonstrated in Hawaii, when undertaken by a geriatrician. This intervention resulted in reductions in poly-pharmacy, ineffective medications and potential drug-interactions. The evidence for the role of Geriatricians in Primary care is weak, although one study has demonstrated lower hospitalisations and costs for patients assessed by a Geriatrician.

There is evidence for the effectiveness of multi-dimensional preventative home services (out with discharge planning/rehabilitation/case management specific services) in improving functional status when a clinical examination was included. There may also be benefit in screening for frailty in the community. Further review of all of the above has been provided in a separate review by the NHS Highland Public Health team[6].

Examples of models of care in NHS Highland

The acute hospital setting is in many cases, not the most appropriate setting for older people who are frail or who have an end of life condition. Therefore a decrease in the rate of emergency admissions and the associated length of stay is desirable in this population. Assistance with self-management, urgent day care or ambulatory assessment, and a move towards more proactive, anticipatory care and support in the community are expected to facilitate this. Supporting people to be more confident in managing their long-term conditions and providing coordinated care and support at home when it is safe and appropriate are key aspects of the Scottish Government's healthcare 2020 vision and of a Realistic Medicine approach.

The extension of secondary care into the community by using hospital based Geriatricians to work directly with nine General Practices is being piloted in North Highland. The expectation is that in addition to enhanced patient care, this arrangement will result in a reduction in the rates of emergency admission to hospital for older people.

An initial evaluation of Geriatricians working with nine GP Practices in North Highland indicates improvements in some GP practices but not in others (Figure 6.2).
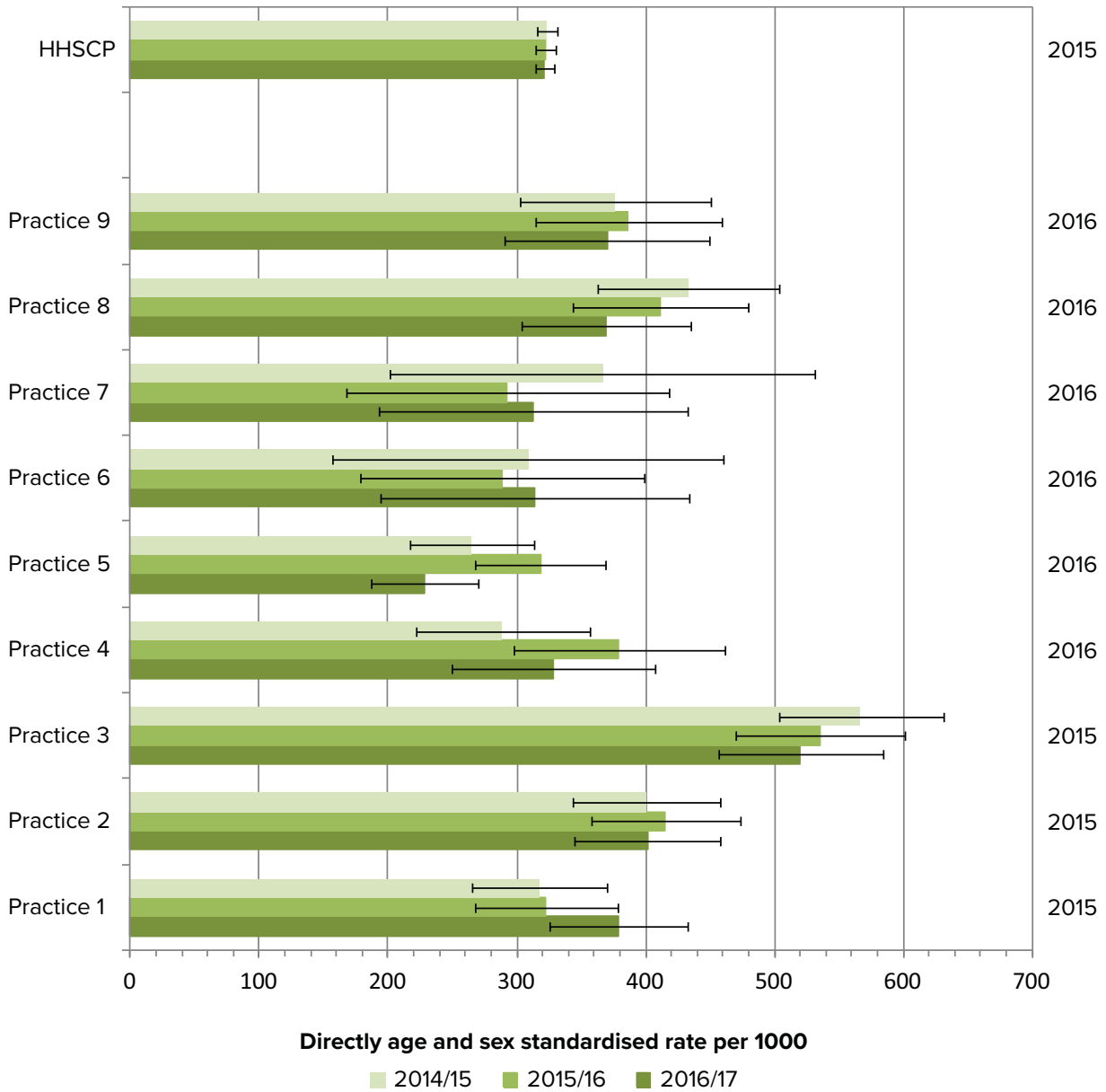
Figure 6.2 - Annual emergency admission rates, standardised for age and sex, in those aged 75 years and over by GP practices with Geriatrician involvement[1], 2014 - 17
Source: Hospital activity from PMS and CHI populations: directly standardised to European standard population 2013, provided by Public Health Intelligence, 2013

[1]The year of first involvement with the Geriatrician service in the GP Practices is shown in the right hand vertical axis

There is a wide variation in the rates of emergency hospitalisations of older people between GP Practices with or without Geriatrician input (Figure 6.3) and an understanding of the reasons for this may reveal what factors are involved in the lower and higher rates and lead to future areas of improvement.
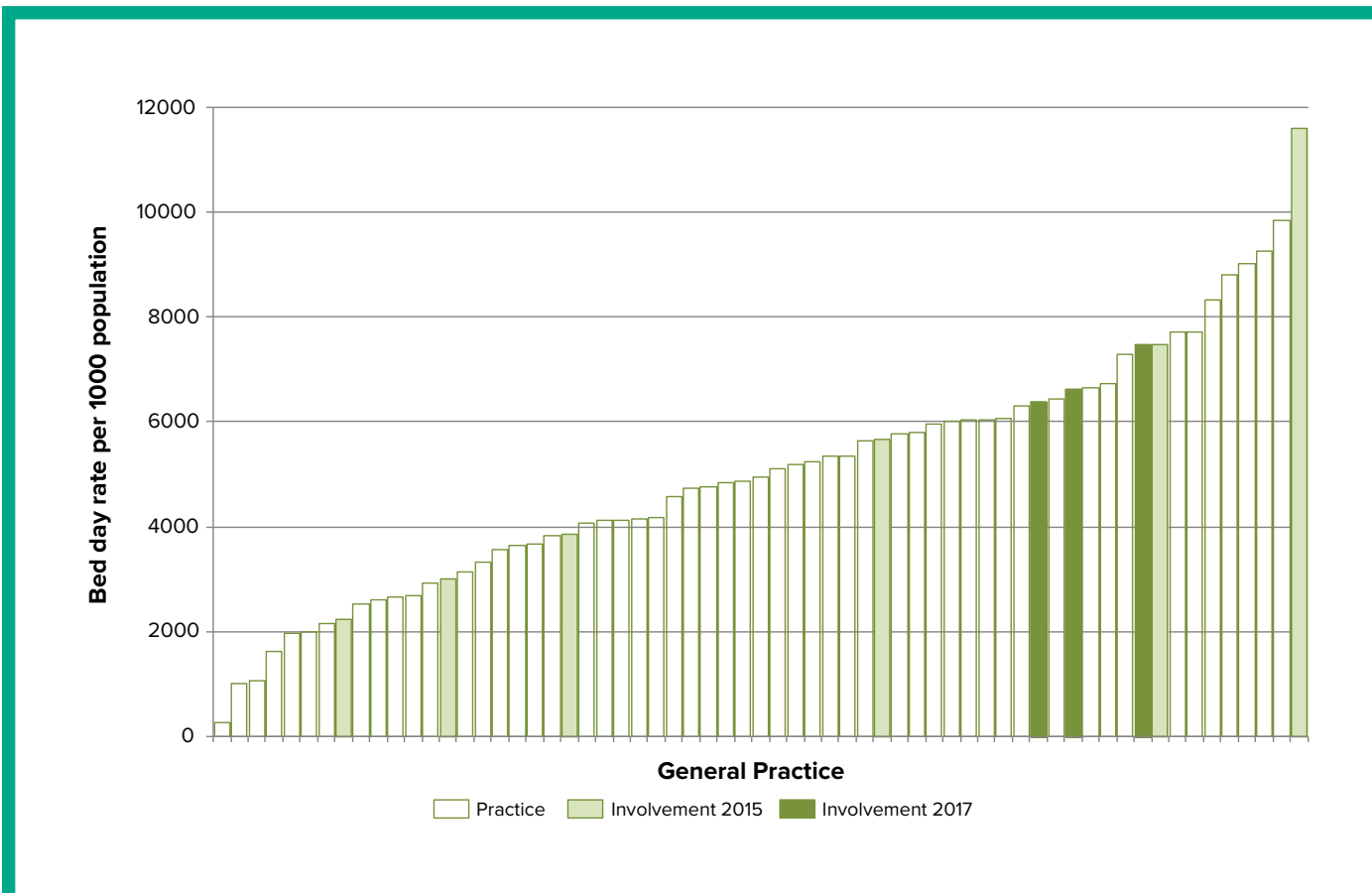

Figure 6.3 - Directly standardised rates of emergency bed days of those aged 75 years & over for General Practices in the Highland Health & Social Care Partnership: 1st April 2016 to 31st March 2017
Source: Hospital activity from PMS and CHI populations: directly standardised to European standard population 2013, provided by Public Health Intelligence, NHS Highland

Realistic Medicine Case Study

Joint working with GPs in Community hospitals

Geriatricians are now aligned to Community Hospitals in North Highland. General Practitioners provide the majority of medical care in community hospitals, particularly for older adults. Consultants now link in on a regular basis to our community hospitals to work alongside GP's, developing a hub and spoke approach to delivery of care, particularly in remote and rural areas.

This brings in specialist expertise when needed, and makes more efficient use of time as decisions about care can be made quicker and more efficiently. It also prevents patients having to travel long distances to attend acute hospital appointments. This approach has been developed in Invergordon Hospital, the Royal Northern Infirmary, Nairn and Ross Memorial hospitals.

Realistic Medicine Case Study

Multidisciplinary team reviews in care homes

The care home sector is vital to the overall health and well being of a large number of frail adults. On any given day, across Scotland, more adults are looked after by Care Homes than Hospitals.

To try and support adults and those caring for them in what is effectively their own home a programme of regular Multidisciplinary Reviews of adults in care homes is rolling out steadily across Highland. The teams involve Consultants, GP's, Care home staff and Allied Health Professionals who discuss and clarify medical and medication management on a planned basis.

Reducing unscheduled care admissions

Unplanned hospital admissions account for nearly 50% of all admissions to acute hospitals in NHS Highland and of these, 47% involve patients aged 65 years and over. A review of interventions to address this unscheduled care admissions has been undertaken by the NHS Highland Public Health team[7]. Some of the findings are summarised in Table 6.1.

Table 6.1 - Interventions involving older adults for which there is evidence of effectiveness in preventing admission to hospital

Intervention	
Community Health & Social Care Integration with generic case management[1]	
Telehealth Care in Long Term Conditions	
Discharge Planning: hospital to home	
Nurse-led units[2]	
Prevention of falls in community dwellers	Tai-Chi group exercise
	Multi-factorial
	Individualised, multi-component exercise at home
	Gradual withdrawal of psychotropic medication
	First eye cataract surgery
Vitamin D supplementation in care facilities	
Prevention of falls in hospital	Multi-factorial
	Supervised exercise
Case management of Heart Failure	
Ambulance call out to fallers/minor injuries (Emergency Care Practitioners/Paramedics)[3]	

[1]Involves assessment, planning and facilitation, usually by a case manager to obtain services to meet an individual's health needs.
[2]Based in community, acute or satellite hospitals, the care is managed by nurses and the lead therapy was nursing.
[3]Interventions included (i) specially trained paramedic attending older people with minor injury or illness for whom a 999 call had been made. (ii) Attendance by an Emergency Care Practitioner to older people who had fallen and received an ambulance call-out. This resulted in 50% fewer being transported to hospital and over 50% avoiding subsequent hospital admission within 72 hours.

Source: Based on the report of the Review of the evidence for the effectiveness of interventions to reduce hospital admissions of older people (on NHS Highland internet site (http://bit.ly/2uKnL37))

The table indicates that some nurse-led units, tele-health care use in long-term conditions, discharge planning from hospital to home, case management in heart failure and integration with generic case management can reduce hospital admissions in those who are frail and elderly.

Chapter 6

Realistic Medicine Case Study

Florence Tele-health Technology to reduce variation in access, reduce resource waste and support a personalised approach to care

Florence is an automated, interactive text messaging service, used to deliver a programmed series of text messages to patients, supporting people with a wide range of health conditions – including asthma, COPD, diabetes and heart failure.

Florence's messages provide tips, advice, reinforcement and reminders to patients, as well as prompting them to take readings such as peak flow, SATS, BP, blood glucose and weight, and smking cessation advice. In this way Florence promotes self-management, enabling patients to understand, monitor and manage their own health condition, while also giving healthcare staff the opportunity to monitor their progress remotely.
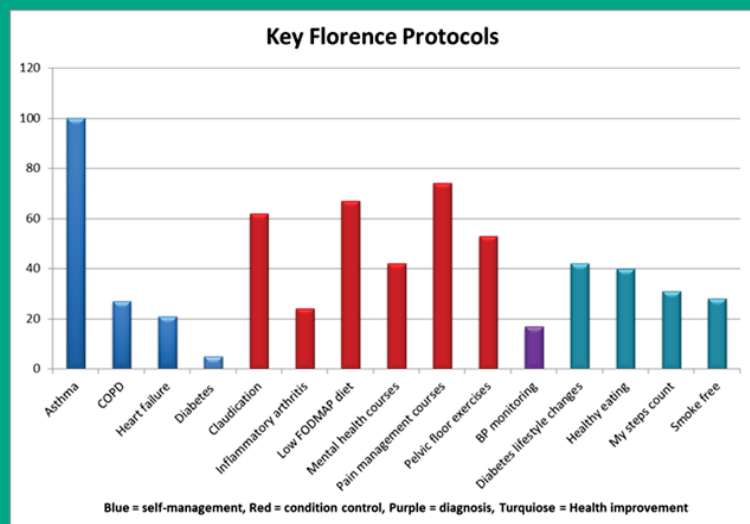
Since 2015, 1368 patients across NHS Highland have used Florence to manage chronic conditions or engage with health improvement techniques. The range of protocols Florence supports is shown in the graph.

Trials have also begun using the Florence automated texting service in the Invergordon Community Midwifery Team. Antenatal texts commence from 16 weeks, and include, reminders around appointments, foetal movements, maternity records, smoking and alcohol, and scans. Later prompts include information on baby's development, healthy start vitamins, diet, appointments, foetal movements, and what to do if concerned.

The text service concludes with five evaluation questions being sent to women in order to monitor satisfaction and includes; whether they would recommend Florence, whether it helped them to remember appointments, whether it helped increase their awareness around foetal movements, and whether they have any ideas for improving the service. Finally they are asked whether they are happy to be contacted further.

While no women have yet reached the end of the trial, initial feedback is very positive, with only a tiny minority who are offered the service choosing not to engage. Staff report that women appear to be more proactive in making and keeping appointments and that there are fewer appointments missed. Staff also report increased awareness and understanding of foetal movement, and reporting of issues. Overall feedback is positive with a view that Florence is another valuable tool in the overall aim of improving ante-natal care.

Florence combines the expertise of health care teams with the convenience of using the patient's own mobile phone. Using this service enables healthcare staff to offer a person-centred approach to healthcare while at the same time making best use of innovative healthcare resources.

Realistic Medicine Case Study

Video Conferenced Multidisciplinary Meetings to reduce variation in practice and minimise waste

Innovative approaches to care are being implemented in Ballachulish, Lochinver and Armadale where video-conferencing technology is being used for multidisciplinary patient reviews. This has allowed more efficient use of resources, particularly for some of the most remote practices where regular video conferencing meetings are held between primary care and other teams and professionals to discuss complex cases.

Realistic Medicine Case Study

Myth Busting Back Pain supports shared decision-making through information provision

Back pain is currently the largest reported reason for sickness absence in the UK and has the largest referral rate to physiotherapy service. The campaign explores and challenges beliefs about back pain and has created opportunities for conversations regarding back pain, reassuring people that short term back pain can be common and normal. This campaign also advises on self management of short term back pain.

Realistic Medicine Case Study

Supporting People Living with Chronic Pain

Long term conditions and ageing are often associated with chronic pain and this can be extremely debilitating for people. There is clear evidence that supporting people to self manage their health can reduce chronic pain and this approach is adopted in Argyll and Bute's partnership response to pain management. The Public Health Department has engaged Arthritis Scotland to deliver a contract with two aspects:

- Recruiting and training volunteers to deliver Tai Ch'i for Health in their communities.

- Training and supporting front line health professional in delivering the Pain Toolkit with the people they provide health and social care for. The toolkit has 12 sections including goal setting, prioritisation, getting involved, physical activity and relaxation.

Chapter 6

Key points

- To reduce frailty we need to promote interventions that improve physical functioning by increasing muscle mass and strength, particularly progressive resistance strength training, exercise involving gait, balance, co-ordination, and encourage walking on a daily basis.

- The effectiveness of dietary interventions are subject to more uncertainty but a healthy diet is important in preventing and addressing frailty.

- A life-course approach to optimising peak muscle mass and strength in early life, maintaining this in adulthood, and reducing their rate of loss in older adulthood presents a strategy for reducing the rate of frailty in our population.

- For hospitalised patients, better outcomes for patients are associated with care delivered by geriatric-specific and multi-disciplinary teams, particularly when these are delivered in designated units or wards.

- Interventions that reduce hospitalisation include certain types of nurse-led unit, tele-health care for long-term conditions, discharge planning from hospital to home, case management in heart failure and integration with generic case management.

- We need to maximise the network of support around every patient using tools such as eco-mapping, so that they have the right support to improve their health, manage their condition and maintain independence.

Chapter 6

Chapter Seven -
Sustainable solutions

We have seen that there are a range of related healthcare movements in the UK including Realistic Medicine, Prudent Healthcare and Choosing Wisely and that these movements can help create a more sustainable approach to health and social care over the next few decades. We have reflected on the six key elements in Realistic Medicine: shared decision-making; a personalised approach to care; managing risk well; reducing harm and waste; reducing unnecessary variation and improving and innovating.

Realistic Medicine primarily uses a lens that focuses on individual care and the public health challenge is to extend the principles of Realistic Medicine to decision making at the population level, particularly in relation to harm and variation. From a public health perspective variation often indicates inequality in access or health due to the wider socio-economic determinants of health.

Figure 7.1 shows a hierarchy of Realistic Medicine components which applies Realistic Medicine at a population level. Shared decision-making, a personalised approach to care and good management of risk can be considered as underlying principles in service design. Managing unnecessary variation, and reducing waste and harm are actions that contribute to good, safe, care delivery. Achieving all these actions also requires a focus on quality, improvement and innovation.
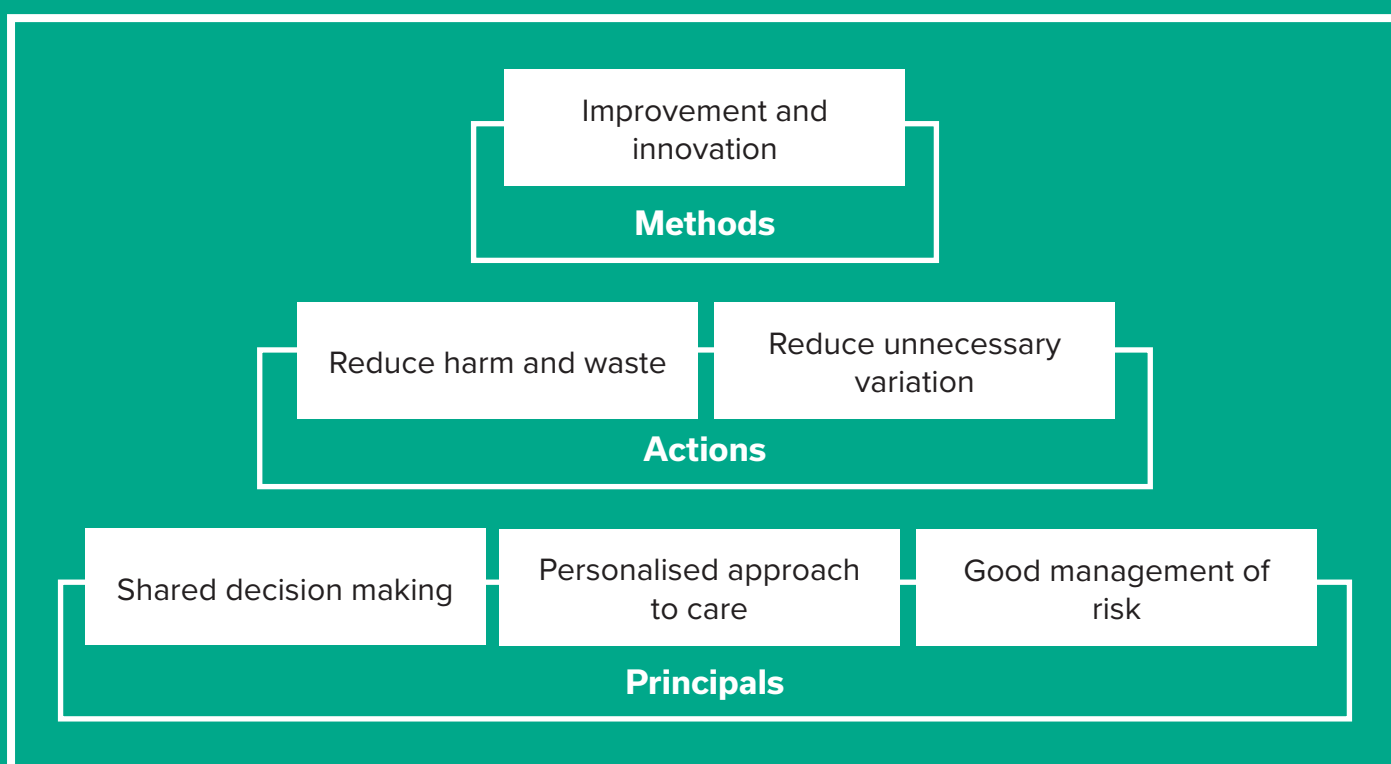

Figure 7.1 - Potential layers of Realistic Medicine from a population perspective
Source: Dr Cameron Stark, NHS Highland

Sustainable quality

NHS Highland has developed a Highland Quality Approach (HQA), see Figure 7.2 on page 66, as its basis for quality improvement. The HQA approach is based on methods used in business over the last 70 years and which have been adopted by healthcare organisations such as Virginia Mason, Bellin Health and ThedaCare.
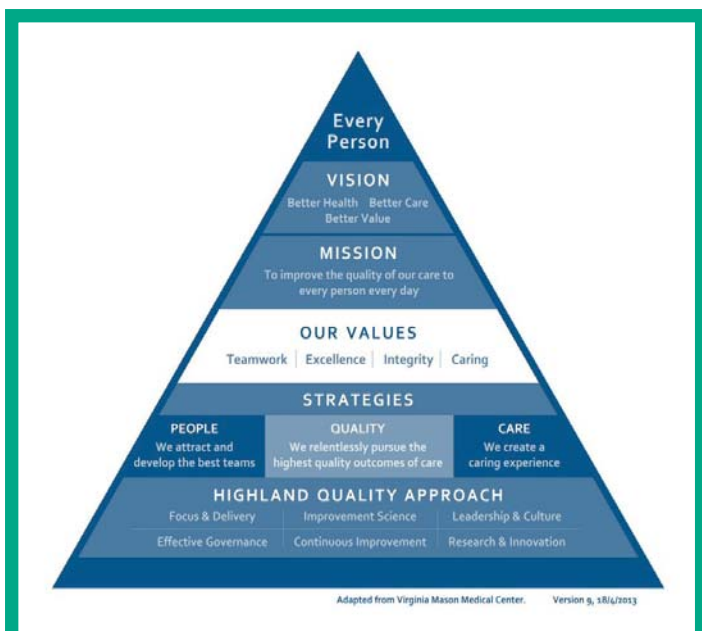
Chapter 7

Figure 7.2 - The Highland Quality Approach

The HQA triangle (Figure 7.2) puts care of the individuals at the top of its aims but also has a vision which is very population focused: "Better Health, Better Care and Better Value". It is important to acknowledge that there can be tensions between the principles of personalised care and shared decision making at an individual level and population level actions taken to plan services which minimise waste and harm and provides a sustainable service for a population as a whole. A holistic model, such as the HQA provides a basis for bringing these together.

NHS Highland has invested in strong quality improvement leadership, with a Director of Transformation and Quality Improvement, specialist improvement support staff, ownership of the approach at executive level and a training programme that has touched thousands of members of staff with key messages around a sustainable approach to quality: removing waste, harm and excess variation to both improve quality and reduce cost.

The organisation uses a large number of quality improvement tools including: Rapid Process Improvement Workshops, process mapping, visual controls, huddles to inform daily management, 5S (Figure 7.3) and a range of related techniques to improve and sustain quality. All of these have a key role in delivering the goals of Realistic Medicine or Prudent Healthcare.

Innovation is also a key component of sustainable quality. The Research and Development Department within NHS Highland is undertaking a large number of innovative projects that provide sustainable solutions based on the concepts within Realistic Medicine, for example, a capsule incorporating a camera that can be swallowed and which photographs the intestine, removing the need for an endoscopy, which is much more invasive and utilises greater NHS resources.

NHS Highland has strong academic links with a wide range of partner organisations. Joint working with local government colleagues in Highland, Argyll and Bute and increasingly at regional level, provide an opportunity to learn from each other. There is also the opportunity to benchmark performance using tools developed by National Services Scotland such as Source and Discovery databases.

Figure 7.3 - The 5S approach to Quality Improvement
Source: http://bit.ly/2hSNTo7

The delivery of a quality service involves considering a number of factors including the 'opportunity cost'. This is, the principle that any use of a resource forgoes alternative uses of that same resource. For example, NHS Highland could prioritise one aspect of quality, the provision of specialist treatment close to home, but at significant cost. However, as the volume of such a treatment would be low, the technical quality would generally be less than that of a larger specialised centre and
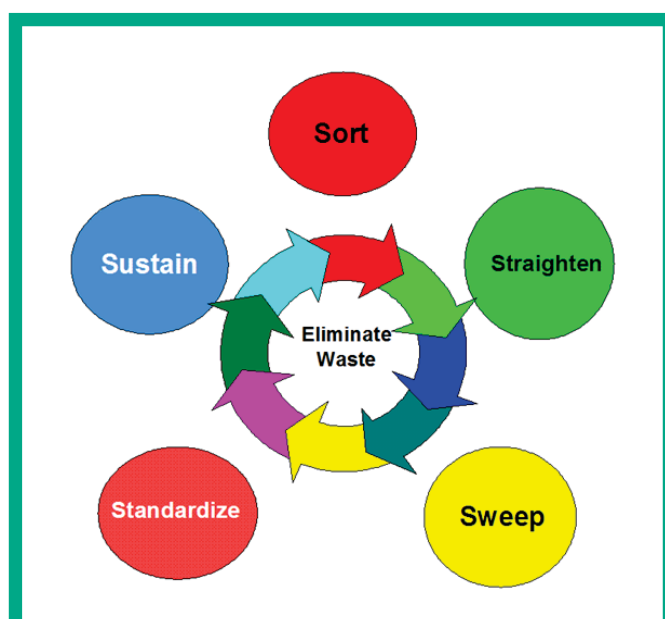
the costs would generally be much higher. Funding such a service may not be in the best interests of the patients who receive it and may divert considerable resource from other patients, where it would yield better value. In such circumstances most people prefer to have better care further from home, even although this involves additional travel[1]. The language of 'opportunity cost' can be useful in assessing such tradeoffs.

A commonly used model which similarly expresses the balance of different factors required to deliver sustainable health service planning is the triangle of cost, quality and time (Figure 7.4). Additional emphasis on one corner of the triangle can only be uncertaken at the expense of the other two. Some of the trade-offs that need to be considered in delivering sustainable, prudent and realistic services across NHS are provided below. It should be emphasised that these are illustrative and that others could also have been chosen.

Sustainable Care

Care homes have traditionally been used to provide care for the frail and the elderly. However, there are major challenges in sustaining this model[2]. The reimbursement of places in care homes is based on a National Care Home Costing Model. This model appears to make the financial assumption that care homes have at least 48 beds, as care homes of this size have significantly reduced costs per person.

In rural areas such as NHS Highland, care homes can rarely be as large as this, as local demand is not sufficiently high to fill large care homes, and it is extremely difficult to get enough staff to support them. It is almost impossible for a commercial provider to deliver care in such an area, resulting in the public sector having to step in to provide this care at a far higher cost per person.

The consequence of spending money on high cost care in remote and rural areas is that there is an 'opportunity cost' involved and less money is consequently available to provide other services for other individuals. This trade off is widely recognised and it is

Figure 7.4 - Balancing Time, Quality and Cost to deliver sustainability

generally accepted that rural areas have to be subsidised. However, what is particularly difficult is to differentiate a reasonable additional cost to ensure access in a remote or rural area from an unreasonable additional cost to make services available locally in such a context.

At its most extreme, few of us would build a care home for one person on an island which had only had five people. Doing so might cost 100 times as much as the average cost of a place in a care home. But should we provide a care home in a small community that costs four times as much per person as the average for a care home? What constitutes a reasonable additional subsidy for each incremental step in remoteness?
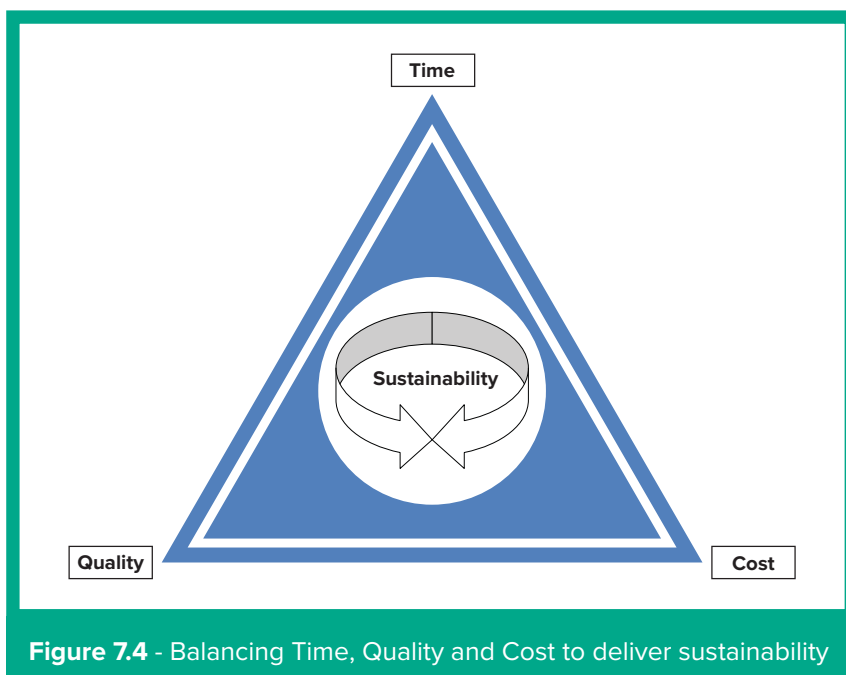
Chapter 7

Sustainable Staffing

The ratio of people of working age to people of retirement age is changing, with fewer working age people relative to those above retirement age. In rural areas with low unemployment, other sectors compete with the care sector for staffing. This is particularly the case during the summer when tourism is at its height and there is a shortage of staff in the hospitality sector. This challenge is likely to worsen as the age structure of the population continues to move towards a reduced younger:older ratio (Figure 7.5).
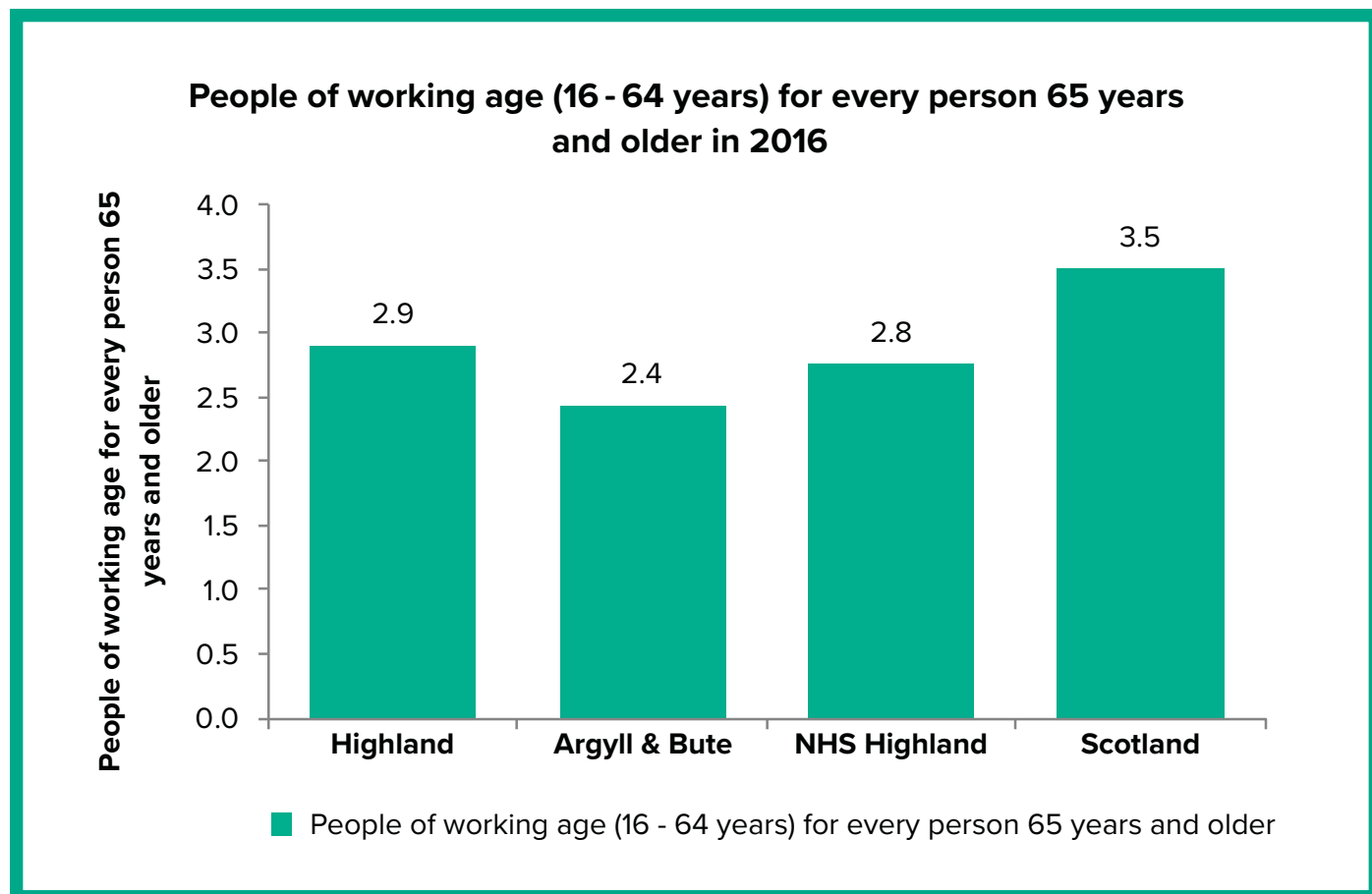
People of working age (16 - 64 years) for every person 65 years and older in 2016

Highland	2.9
Argyll & Bute	2.4
NHS Highland	2.8
Scotland	3.5

People of working age (16 - 64 years) for every person 65 years and older

Figure 7.5 - People of working age (16-64 years) for every person 65 years and older in 2016
Source: National Records of Scotland, 2016 mid-year population estimates. Available at: http://bit.ly/2yZWfSd

Across Scotland there are 3.5 people of working age for every person aged 65 and over, this reduces to 2.4 people of working age for Argyll and Bute.

Long term solutions need to be found to the care needs of an ageing western population. New technological developments; examples of which include the use of robot companions in care homes or semi-automated living environments, may revolutionise the way in which we live, in sufficiently affluent societies. These are being piloted, particularly in Japan, but are still a number of years away[3]. We also need to empower communities to find local solutions to caring for those in their own communities and recognise that an approach which relies on the state to solve problems by funding more and more services is unsustainable. The Community Empowerment Act, 2015, has the potential to support such a societal change but will require significant support to ensure that it does not increase social inequity[4].

We need to recruit students locally and provide education locally, so that we train individuals who then stay to live and work in the community they know. There is a need to use workforce planning tools and work with local training providers, particularly the University of the Highlands and Islands (UHI), which uniquely provides both further and higher education, to recruit, train and continually professionally develop staff to undertake a range of health and social care roles. Remarkable

progress has been made in this regard with recent developments around a UHI School of Nursing, training of medical students via ScotGEM, work towards a Care Academy, and the possibility of training a range of Allied Health Professionals within the Highlands and Islands and Argyll and Bute.

Sustainable Financing

There are a range of challenges in delivering sustainable financial models in a health board with the geography of NHS Highland. Some of the challenges in creating a sustainable financial framework that expresses the principles of Realistic Medicine or Prudent Healthcare are addressed below.

Existing health and social care infrastructure across Highland and Argyll and Bute reflect historic rather than current or future need and creates distortions to expenditure contributing to large geographical variations in cost per case. The historic location and configuration of primary and secondary care buildings and facilities needs reviewed, particularly given the demographic changes anticipated in this report.

The increasing availability of expensive technological benefit, presents a significant challenge in the context of Realistic Medicine or Prudent Healthcare.

Most individuals requiring expensive technological solutions are not treated locally, but are reviewed and agreed by a local 'out of area referrals' process. Requests for treatment are considered by a multidisciplinary panel, chaired by the Director of Public Health, called the Clinical Advisory Group. There can be a mismatch between personal hope in an emerging treatment, and the evidence base. This is particularly the case when significant sums are required for a course of treatment that is highly experimental, with only a slim chance of success. Wherein such cases, the wishes of an individual, however understandable, need to be carefully assessed and balanced with the clinical evidence, endeavouring to provide the best possible care for each and every individual.

An excessive focus on cost can be harmful and result in a loss of compassion and a failure to do the best that can be done for each patient. On the other hand, there is an opportunity cost in providing very resource intensive care for one individual, or for a small group of individuals, which is associated with a more hidden but very real loss of an opportunity to treat other patients. Figure 7.6 provides an example of an initiative which encourages patients to question clinical staff from a Realistic Medicine perspective.

When you're offered tests, treatments or tablets

IT'S OKAY TO ASK

Why is it important for me to do this?

What are the pros and cons if I don't do anything?

What other things can I do to help my own health?

© NHS Highland Public Health 2017

NHS Highland

Figure 7.6 - Poster for 'Okay to ask' initiative

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Health economic approaches have been developed to address the challenge of assessing new treatments against current options, using the concept of an incremental cost per Quality Adjusted Life Year (QALY). This approach is open to a range of major criticisms around the measurement techniques that are used by health economists, but the Incremental Cost Effectiveness Ratio (ICER) is widely used as one of a number of factors guiding resource allocation decisions[5].

It is not clear what ICER threshold should be used when considering new treatments. The National Institute for Health and Care Excellence has traditionally used a threshold of £20-30,000 per QALY. However, some research has suggested that an affordable threshold is probably around £13,000[6,7].

There are some odd anomalies in the way funding decisions are currently made, which do not sit well with either a Realistic Medicine or Prudent Healthcare approach. Some extremely expensive treatments are handled by the Specialised Services team in National Services Scotland, or at a UK level[8]. The ICERs in some of these contexts are very high. It may be helpful to illustrate the challenges by reference to a specific example:

> An Enzyme Replacement Therapy for a Lysosomal Storage Disorder called Idursulfase which was presented by a drug manufacturer for approval had an incremental cost per QALY of between £564,692 and £1,174,342, as it produced very little benefit to patients[9,10].

Current mechanisms for determining what the drug manufacturer can charge for such medicines are not fit for purpose[11]. There is little relationship between production cost and retail price, and some evidence to suggest exploitation by the pharmaceutical industry[12]. A shorter duration of patent or price caps could be used as part of a Realistic Medicine approach to addressing this issue.

Sustainable planning tools

Sustainable planning requires high quality data. There is a need for greater drivers to improve data quality. Although not without its problems, the National Tariff and Payment by Results scheme that operates in NHS England has driven up data quality and made it possible to benchmark services at the level of individual patients, and has created a driver to measure costs at a granular level. There is a case for considering an alternative approach in Scotland that might have a similar effect.

NHS Highland has had success with a tool called 'the box score', which has reduced costs at ward level in local hospital pilot work, while maintaining quality[13]. The tool provides a method for pulling together and visually managing quality, cost, and workforce capacity on a weekly basis. This example delivers on a number of the aspirations of Realistic Medicine and Prudent Healthcare and is now being shared widely.

Sustainable priorities

Health service planning always involves prioritisation. There are many tools for doing this, none of which are ideal and some approaches have indeed gone badly wrong[14]. Different frameworks take into account different factors when considering system level priorities; one model is shown in Figure 7.7. The model focuses on four helpful high level questions, but still involves judgements that have to be made by service planners.

Another method of prioritisation is to consider thresholds for treatment. This approach has been used more in England than in Scotland. and Figure 7.8 illustrates the effect of changing thresholds over time. The data comes from a study in Australia. The figure demonstrates a rise in the number of patients eligible for surgery from 660 patients in 1950. The rise in numbers in this example is due to changes in
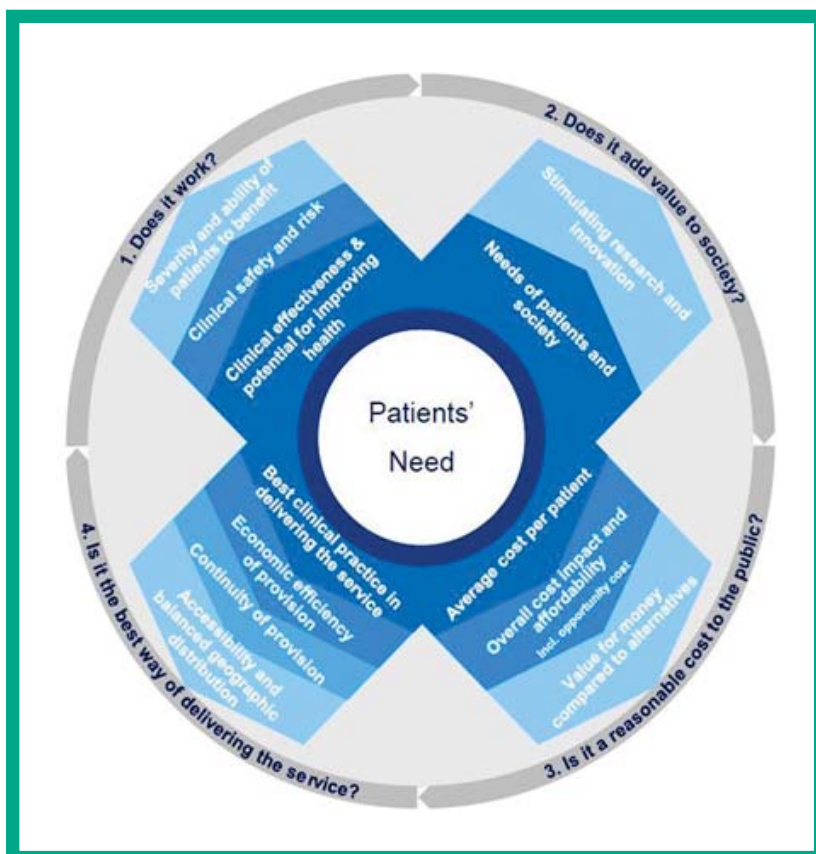

Figure 7.7 - Prioritisation model
Source: Specialised Services Workshop, Wales, 2011

visual acuity threshold and to demographic changes to an estimated 9,070 patients in 2020. The figure also indicates that if the 1950 threshold was maintained until 2020 the number eligible for surgery would only rise to 2,980 patients, as opposed to 9,070 patients. No one would suggest using the visual acuity threshold used in 1950 today, but the example illustrates the way in which technological changes and demographic changes combine to place increasing pressure on healthcare services.
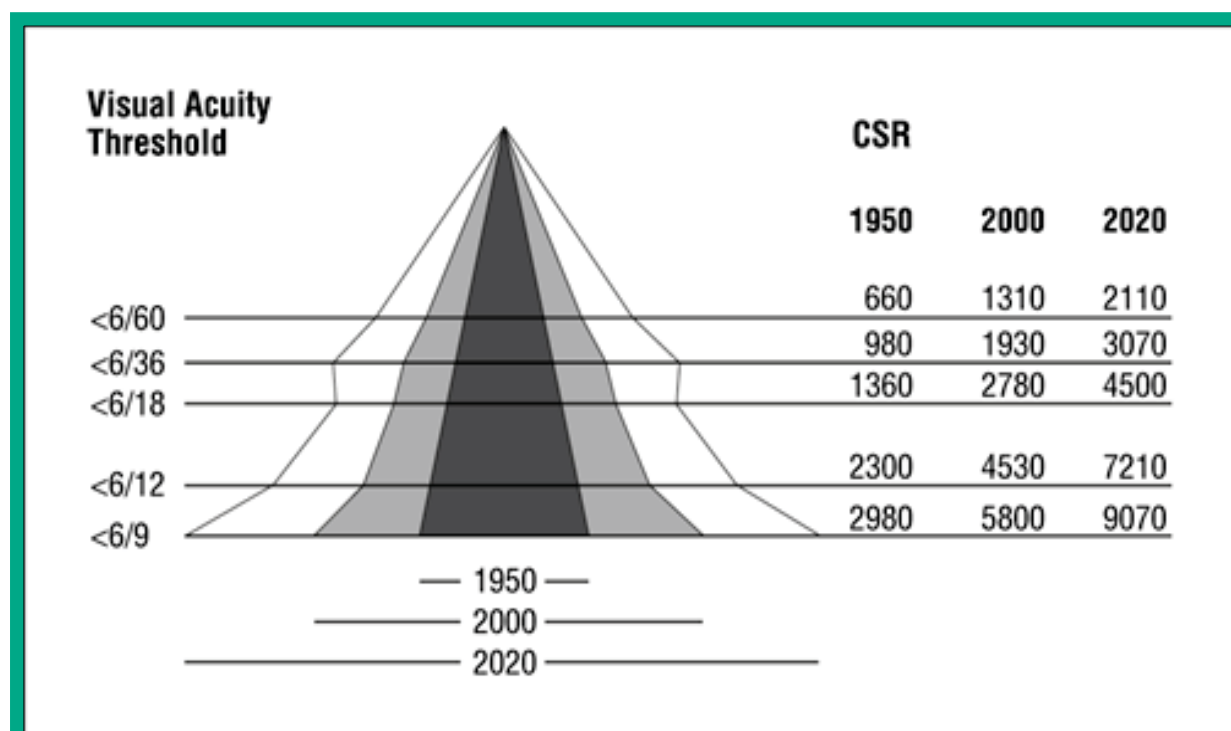

Figure 7.8 - Effect of changing thresholds and an ageing population on eligibility for cataract surgery
Source: Arch Ophthalmol. 2006;124(12):1750-1753. doi:10.1001/archopht.124.12.1750[15]

Decisions on treatment threshold can have significant effects on resource utilisation. It can be argued that in some cases thresholds have fallen too far, for example, as many as one in five patients who have a knee replacement regret having done so[16]. There is a question as to whether such patients represent excessive treatment.

Some of the care we provide can do more harm than good, exposing patients to unnecessary risks. This fact is compounded by the fact that the NHS has historically been poor at monitoring long term outcomes, except as part of formal research. Better long term measurement of patient related outcomes, combined with benchmarking would significantly aid a realistic or prudent approach to healthcare.

Pendulum swings

An emphasis on Realistic Medicine or Prudent Healthcare is welcome but there is a risk that, as the concept takes hold, the pendulum will swing too far in the direction of 'realism', and that some aspects of compassion and generosity may be lost[17]. The social contract underpinning a service free at the point of delivery, where some pay and others benefit to improve equity overall, can easily start to erode.

Totalitarian regimes in the past have argued that the best thing to do is to get rid of the weak and the vulnerable. Thankfully, we are far removed from that position as a society but it would not be too big a step for some in society to start to say that it is not 'realistic' to treat those individuals who do not contribute to economic generation and that we would all be better off if such people were not around.

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Some of the harsh restrictions that have been introduced in parts of England, for example, around weight loss requirements before surgery for example, are an area for concern. We must ensure continue to value every member of our population and advocate for access to healthcare for all, regardless of the extent to which an individual may, or may not, have contributed to their condition.

This report has primarily focused on healthcare services however a truly holistic and realistic approach requires recognising the need for complementary upstream as well as downstream actions to reduce variation and inequality across the domains of health, social care, education and income.

Conclusion

Realistic Medicine, Prudent Healthcare and Choosing Wisely have important lessons for clinical service delivery. The underlying principles are also relevant to decision making at population level. Constructs such as social justice and inequality are not explicit in the Realistic Medicine model but have been adopted by the Scottish Government and are central to public health work.

Income equality is particularly a challenge to health at a global level, see Figure 7.9. The richest 85 people on the planet own as much as the poorest half of humanity; a degree of skew in the distribution of wealth that few of us would wish to condone and which must surely form part of any approach to Realistic Medicine.[18]
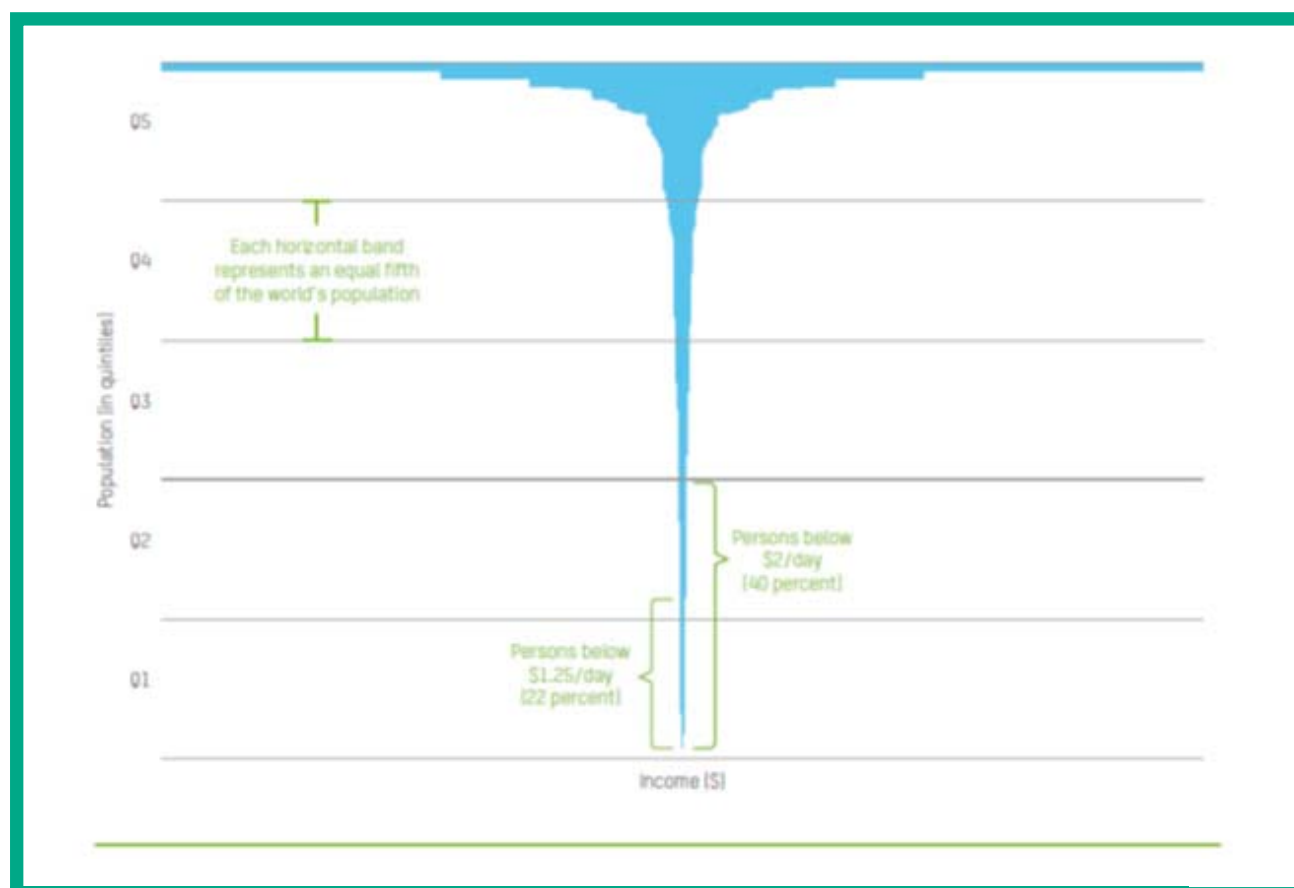

Figure 7.9 - Global income by percentile of population (population in quintiles)**Source:** Seery E, Caistor Arendar A. Even It Up: Time to end extreme inequality. London: Oxfam International; 2014

The value of Realistic Medicine could be enhanced by incorporating these wider dimensions of care and considering its application to population health as well as that to the individual. The approaches outlined in this report are not a panacea, but clearly have the potential to contribute to a more sustainability approach to health and social care in NHS Highland.

The challenges of Realistic Medicine are not new. There has always been a tightrope to walk and judgements to be made in providing healthcare free at the point of access. The concepts

encapsulated in the story of the Good Samaritan are perhaps an ancient example of Realistic Medicine. The story includes the idea of compassionate care, as someone risks their life to rescue a social outcast, provides free first aid, free transport and pays up front for treatment. However, the story also includes the concept of prudence as the payment is only for a fairly tight 'estimated length of stay' supplemented by a post hoc payment adjustment mechanism.

A tight length of stay gave the care provider an incentive to support rapid recovery, whilst recognising that the outcome at the point of admission was associated with a degree of uncertainty. In summary, the story exemplifies generosity and financial prudence. It balances altruism, compassion and courage. In many ways, the challenges we face in the health service today are just the same.

Realistic Medicine Case Study

Rapid Process Improvement Workshops

NHS Highland uses Rapid Process Improvement Workshops (RPIWs) as a quality improvement methodology. RPIWs are a way of bringing staff together to work on a number of related improvements. Wherever possible, service users take part in the event. The workshops use a range of methods including root cause analysis, problem solving, visual controls, focus on service flow, error proofing and Plan, Do, Study, Act cycles.

Examples of recent improvement work using these methods include:

- Delivery of meals at Campbeltown Hospital

- Assessment and allocation of mental health service referrals in Inverness

- Flow through the Emergency Department at Caithness General Hospital, Wick

- Management of people with respiratory problems at Raigmore Hospital, Inverness

- Patient flow at Lorn and the Isles Hospital, Oban

- Management of Long-Term staff absence, with work initially conducted in Invergordon

Chapter 7

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Notes

Notes

MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held in the COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD on THURSDAY, 28 SEPTEMBER 2017

Present: Councillor Len Scoullar (Chair)

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

Attending: Cleland Sneddon, Chief Executive
Douglas Hendry, Executive Director of Customer Services
Ann Marie Knowles, Acting Executive Director of Community Services
Pippa Milne, Executive Director of Development and Infrastructure Services
Charles Reppke, Head of Governance and Law
Kirsty Flanagan, Head of Strategic Finance
Christina West, Chief Officer, Health and Social Care
Malcolm MacFadyen, Head of Facility Services
Alex Taylor, Chief Social Work Officer

The Provost ruled, and the Council agreed, that the business dealt with at item 23 of this Minute be dealt with as a matter of urgency by reason of the need to finalise the sale timeously.

The Provost extended congratulations to Councillor Donnie MacMillan on his forthcoming 90th birthday on 10th October and on behalf of the Council thanked him for all his hard work and years' service to the people of Argyll and Bute.

The Council received an informative presentation on the Argyll and Bute Policing Plan 2017-2020 by Hazel Hendren, Chief Superintendent, Police Scotland. The Provost extended sincere thanks to Hazel for her time in presenting to the Council today.

1.   **APOLOGIES FOR ABSENCE**

Apologies for absence were intimated from Councillors Colville, Horn, Redman and Robertson.

2.   DECLARATIONS OF INTERESTS

Councillor McCuish declared a non-financial interest in relation to the report on Bid4Oban – Approval of Business Plan which is dealt with at item 10 of this Minute due to his membership of the Board.

3.   MINUTES

The Minutes of the Meeting of Argyll and Bute Council held on 29 June 2017 were approved as a correct record.

4.   MINUTES OF COMMITTEES

(a)   **Special Policy and Resources Committee held on 29 June 2017**

The Minutes of the Special Policy and Resources Committee held on 29 June 2017 were noted.

(b)   **Special Community Services Committee held on 15 August 2017**

The Minutes of the Special Community Services Committee held on 15 August 2017 were noted.

(c)   **Policy and Resources Committee held on 17 August 2017**

The Minutes of the Policy and Resources Committee held on 17 August 2017 were noted.

Arising under item 7 **Pay Settlement 2017-18**, the Council approved the supplementary estimate of £0.123M from allocated reserves and noted that the increase had been added to the projected budget gap for 2018-19.

Arising under item 18 **Potential Purchase of Land – Helensburgh Town Centre**, this item will be taken in private at item 21 of this Minute.

(d)   **Environment, Development and Infrastructure Committee held on 7 September 2017**

The Minute of the Environment, Development and Infrastructure Committee held on 7 September 2017 were noted.

(e)   **Community Services Committee held on 14 September 2017**

The Minutes of the Community Services Committee held on 14 September 2017 were noted.

Arising under item 9 **Children and Young Peoples Services Plan**, the Council agreed:-

1.   to note that both NHS Highland and Argyll and Bute Council are jointly and equally responsible for Children's Services planning;

2.   subject to the inclusion of the number of Gaelic Medium Units at Appendix 3 (page 41) of the Plan and also to some minor revisions to the document, to

approve Argyll and Bute's Children and Young People's Services Plan which covers the period 2017 – 2020;

3. and approved by the Argyll and Bute Integration Joint Board, to approve the publishing of the Children and Young People's Services Plan;

4. and approved by the Argyll and Bute Integration Joint Board, to approve the submission of the Children and Young People's Services Plan to the Scottish Government; and

5. to note that Argyll and Bute's Children and Young People's Strategic Group will oversee the delivery of the outcomes and actions identified in the Plan, with annual performance and progress reports to be presented to future meetings of the Community Services Committee and the Integration Joint Board.

Arising under item 14 **Strategic Housing Investment Plan (SHIP) 2018/19 – 2022/23**, the Council:-

1. approved the SHIP proposals summarised in this report for submission to the Scottish Government in October 2017; and

2. agreed to commit to maximising the use of the Strategic Housing Fund to support the SHIP programme.

Arising under item 23 **Compulsory Purchase Order**, this item will be taken in private at item 22 of this Minute.

5.   LEADER'S REPORT

A report providing the Council with an update on the activities undertaken by the Leader of the Council from 24 June to 15 September 2017.

Decision

1. Noted the content of the report.

2. Noted that the full Leaders report pack was available in the Leader's Office which included COSLA papers and briefings as referenced in the report.

3. Noted that any COSLA items heard in public session could be provided to Members electronically and any items taken in private session could be reviewed in the Leader's Office.

(Ref: Report by Leader of the Council dated 11 September 2017, submitted)

6.   POLICY LEADS REPORT

A report providing the Council with an update to key areas of activity for each Policy Lead Councillor. Updates from all Policy Leads will be submitted to each Council meeting so that members are informed, up-to-date and able to engage with current issues.

Decision

The Council noted the terms of the report.

(Ref: Report by Policy Leads dated 14 September 2017, submitted)

7   (a)   HEALTH AND SOCIAL CARE PARTNERSHIP ANNUAL PERFORMANCE 2016/2017 REPORT

The Council received an informative presentation on the Health and Social Care Partnership Annual Performance Report 2017 by Christina West. The first Annual Report focused on the statutory requirements set out in Scottish Government guidelines, whilst also using performance assessment and local examples to add information and highlight successes and challenges. Members were given the opportunity to ask questions and then the Provost formally thanked Christina for her presentation to the Council.

The Provost adjourned the meeting at 12.20pm and re-convened at 12.25pm.

Motion

The Council:

1. Notes that the annual report has been approved by Argyll and Bute Integration Joint Board and was published on 4th August 2017 and can be found at https://www.argyll-bute.gov.uk/sites/default/files/ab_hscp_annual_performance_report_21072017_5.pdf;
2. Welcomes the commitment of the Health and Social Care Partnership to ensure that people across Argyll and Bute lead longer, healthier and more independent lives;
3. Notes with gratitude the dedication of all health and social care staff to delivering vital and much-needed services within our communities;
4. Highlights the following points raised in the report that:
    a) There has been an increase in the number of outpatient ongoing waits of greater than 12 weeks from 38 to 138 (page 33).
    b) Further guidance is awaited from the Scottish Government in response to the Carers' Act 2015 (page 42).
    c) There have been difficulties recruiting consultants, GPs, nurses, pharmacists, and other allied health professionals (pages 35 and 98).
    d) Difficulties in consultant recruitment have put services at risk and incurred excessive locum costs (page 98);
5. Links these points to issues being raised across Scotland that:
    a) The Scottish Government has already recognised the need for additional resources to help meet the Treatment Time Guarantee of 12 weeks by announcing the distribution of £50 million to Health Boards in May 2017.
    b) The Carers' Act 2015 introduced additional duties to support carers, with initial support for this coming as part of the Local Government Funding settlement for 2017/18.
    c) Audit Scotland's NHS Workforce Planning report published in July 2017 stated "The Scottish Government and NHS boards have not planned their NHS workforce effectively for the long term."
    d) Services across Scotland have faced similar pressures including in NHS Greater Glasgow and Clyde and the services provided to

Argyll and Bute residents from the Vale of Leven Hospital;

6. Asks the Chief Executive to write to the Cabinet Secretary for Health and Sport seeking reassurance that:

   a) Funding to Health Boards by the Scottish Government for the Treatment Time Guarantee is sufficient to fully implement this and reduce waiting times to under 12 weeks.

   b) Requirements introduced by the Carers' Act have been costed, with guidance given, and that further resources will be provided by the Scottish Government to ensure that all necessary support can be made available locally.

   c) The Scottish Government and NHS Boards have identified as to how recruitment issues at all levels in health and social care can be addressed and how any need for expansion in training required can be achieved.

   d) Local delivery of a wide range of health and care services will be supported particularly in remote, rural and island communities in the context of regional planning.

Moved by Councillor Green, seconded by Councillor Devon.

Amendment

The Council notes that the annual report has been approved by Argyll and Bute Integration Joint Board and was published on 4 August 2017.

Moved by Councillor Trail, seconded by Councillor Freeman.

Decision

On a show of hands vote the Amendment received 11 votes and the Motion received 21 votes, and the Council resolved accordingly.

(Ref: Report by Christina West, Chief Officer Health and Social Care dated August 2017, submitted)

7   (b)   **CHIEF SOCIAL WORK OFFICER ANNUAL REPORT 2016/17**

The Council received a presentation on the Chief Social Work Officer Annual Report by Alex Taylor. The Annual Report focused on an overview of Social Work activity undertaken across Argyll and Bute during the year together with spend across all social work services, the priorities and the challenges. Members were given the opportunity to ask questions and then the Provost formally thanked Mr Taylor for his presentation to the Council.

Decision

The Council noted the contents of the report before submission to the Scottish Government.

(Ref: Report by Alex Taylor, Chief Social Work Officer dated 4 September 2017, submitted)

8.   **COUNCIL PRIORITIES**

The Council considered a report which invited Members to put in place arrangements to identify the Council priorities for the new 5 year term, articulated in a manner that will allow Officers to deliver them on an operational basis.

Motion

THE ARGYLL, LOMOND & THE ISLANDS GROUP

We are focused on creating and making the most of opportunities while continuing to deliver quality services. Like the communities we represent we are ambitious and we will always be accessible to our constituents and accountable to the people of Argyll and Bute.

We are committed to making Argyll and Bute a great place to live, work and do business and we will work hard to deliver better core services and improved support for communities.

Local residents know that all Councils are facing difficult decisions. Where we can't always provide, we'll enable, support and work in partnership to achieve delivery.

OUR VISION FOR ARGYLL AND BUTE COUNCIL

A Council that grasps opportunities to transform how it delivers services, working in partnership with communities and other public and private sector organisations, with a "can do, will do" attitude, and a strong commitment to community power and to the delivery of first class local services:

- An education service which enables all young people to achieve their potential;
- Support for the local economy in partnership with local businesses
- Homes for all, tackling poverty and building opportunity
- Greener and cleaner communities
- A determination to ensure that our diverse geographic location with remote, rural and island communities is fully taken into account and supported in the distribution of any new funding

OUR PRIORITIES FOR THE LIFE OF THE COUNCIL, 2017-2022

Education meets the needs of all our young people and their families:

- Delivering improved results at all levels: aiming to build on existing achievements and to be in the top 25% in Scotland for SQA examination results and positive destinations; and improving overall levels of literacy and numeracy for all Argyll and Bute pupils
- Make sure pupil equity funding reaches schools to increase attainment for all pupils and to close the gap that exists between children from poorer backgrounds and their classmates
- Work to deliver access to flexible full-time childcare and early years' education that meets the needs of parents and children
- Support looked-after children get the most out of education, by developing best practice as the corporate parent
- Use informal education, through community action, to raise attainment, especially for those young people from disadvantaged backgrounds
- Evidence has shown that schools play only a part in educational attainment so we will work to ensure integrated children's services are protected
- Strengthen community links by promoting the use of school buildings and facilities outwith the school day

Making the most of our assets to build the local economy:

- Champion economic development across the area, working in partnership with businesses and supporting targeted economic development within local areas as part of a strategic approach
- Campaign for greater levels of infrastructure investment across Argyll and Bute:
  - Work to create a rural growth deal that benefits Argyll and Bute, Scotland and the UK by taking full advantage of the outstanding potential our area has
  - Prioritising future-proof digital and transport connectivity to maximise the long-term potential of the area; asking national agencies to look at Argyll and Bute as a whole and deliver transformational projects
- Support the continuing regeneration of local town centres by – for example – using unused shops for employment training, cultural showcases or residential use
- Lobby for Argyll and Bute to be served by a single Enterprise Agency, with HIE taking on responsibility for the whole of Argyll & Bute in order to simplify our relationships and provide better outcomes for the entire Council area
- Ensure that SMEs continue to have access to the Council's procurement processes, building on the good progress already made
- Work with local and national partners to provide strategic support to key sectors, such as tourism where there is significant potential for continued growth

Supporting individual and community well-being:
- Argyll & Bute Council will be a mental health champion, promoting good health and helping people back into employment when necessary
- Make sure the local education service identifies young people with mental health problems and helps them get early support, and continues to help them as they transfer to adult services
- Take seriously the health and well-being of carers, providing support and respite
- Support our new Leisure & Library Trust – Live Argyll – as they take forward responsibility for delivering and improving these vital local services
- Work with the Health & Social Care Partnership as they deliver services across our area to ensure local people have healthier, longer, and more independent lives
- Make best use of our outstanding environment to support mental and physical wellbeing

Strengthening and empowering communities:
- Make sure the council uses plain English to explain their plans, and that local people have more chance to be involved at an early stage in decisions that affect them or their local area
- Recognising the outstanding levels of volunteering across Argyll and Bute we will support local community and voluntary organisations to build their capacity so they can do more in their areas – including running local facilities and becoming more involved in delivering and improving services currently run by the Council
- Use the power of councils to bring different services and agencies together to serve local areas better, for example by shared service hubs
- Help communities influence the local priorities of Police Scotland and other Community Planning Partners
- Work with community groups to provide support to older or vulnerable people, strengthening the local community
- Ensure that local democracy is effective and available to all - people have a right to locally elected representation and decisions made at the closest possible level
- Investigate how to make the workings of the Council more transparent through improved communication at all levels – contact centre, website, social media and broadcasting Council meetings

Homes for all, tackling poverty and building opportunity

- Work with partners and the Scottish Government to deliver new affordable homes across the Council area, and consider using the resources of pension funds or developer contributions whenever possible to increase numbers
- Use the council's negotiating and initiating clout to secure lower priced energy for local people to address the issue of fuel poverty that has a significant impact locally
- Support the provision of fair and affordable banking, insurance and financial services, and the expansion of credit unions
- Work with partners to provide advice, information and support at an early stage for people who are homeless or at risk of becoming homeless

Greener and cleaner communities:
- We want to see roads, footpaths and cycle ways in good repair and will make best use of our investment and resources, using the principle of right-first-time to improve the quality of repairs
- Use the powers and influence of the Council to lobby for better integrated public transport links, and support communities to create local solutions such as car sharing
- Support measures to make travel to school safer and more child-friendly and to reduce congestion at school gates
- Work to find better solutions to the problems that bring down our communities such as harsher penalties for those who allow dog fouling
- Support the Zero Waste Scotland approach to reduction, reuse and recycling of materials, and lobby for the funding necessary to enable this approach to be taken across our remote, rural and island areas

The Council is an employer of choice:
- Recognise that our proactive, responsive and adaptable workforce is one of the greatest assets we have and ensure training allows employees to progress throughout their career
- Make the most of technology and digital services to increase efficiency and reduce time/cost
- We believe that local people need local services provided through local jobs, and will work to protect jobs and services within Argyll and Bute Council
- Support good employment practice within the council and through contracts to support equality of opportunity, fair pay, equal pay, youth employment and local suppliers

Managing our Finances:
- Prudently managing the Council's borrowing costs to support further revenue spending on core services. Increased capital investment in core council assets and infrastructure, such as IT, transportation, buildings and roads may assist by reducing future revenue requirements

Moved by Councillor A Morton, seconded by Councillor Mulvaney.

Amendment

Continue consideration of the priorities to allow communities to be consulted.

Moved by Councillor Freeman, seconded by Councillor Philand.

Decision

On a show of hands vote, the Amendment received 13 votes and the Motion received 18 votes, and the Council resolved accordingly.

(Ref: Report by Chief Executive dated 5 July 2017, submitted)

The Provost adjourned the meeting at 1.20pm and re-convened at 2.10pm.

The Chief Executive and Councillors Freeman, Kelly and Philand left the meeting at this point.

9. APPOINTMENT OF AUDIT AND SCRUTINY COMMITTEE CHAIRPERSON

The Council considered a report which provided Members with an update in respect of the appointment of an independent Chair of the Audit and Scrutiny Committee.

Decision

The Council agreed to extend the appointment of Martin Caldwell until the 30 June 2022 covering the period of this Council to chair the Audit and Scrutiny Committee.

(Ref: Report by Head of Strategic Finance dated September 2017, submitted)

10. BID4OBAN - APPROVAL OF BUSINESS PLAN - SECOND BALLOT

The Council considered a report which provided an update to the status of the Oban Business Improvement Plan (BID4Oban) financial business plan, term two, 31 October 2017 – 30 October 2022 and the financial contribution to BID4Oban to the operation of the BID over the next five years providing the ballot is successful.

Decision

The Council agreed to:

1. Note the instruction given by the Chief Executive, in consultation with the Leader of the Council to not to exercise the council's veto and to enable the council's Returning Officer to conduct the ballot, and:

2. Approve the Executive Director of Development and Infrastructure with delegated authority to cast the votes on behalf of the council in favour of continuing the BID, and;

3. That, subject to a successful ballot, over the five year duration of the Business Plan, the council through delegated authority to the Executive Director of Development and Infrastructure will:

4. Provide a contribution of £20k per annum for the next 5 financial years consisting of a direct contribution of £13,450 per annum to the BID4Oban, and;

5. That, £6,500 (excluding VAT) per annum with charges increased annually by CPI based on the increase over the last 12 months from the base in July 2017 will be taken from the direct contribution via an invoice to BID4Oban. The first increase will apply on 31 October 2018, and annually thereafter for the next 5 years of additional financial support to finance the cost of administering the annual levy collection, and:

6. To provide £6,550 per annum for the next five years in terms of the Council's contribution (based on property holdings) to the annual levy of £145k.

(Ref: Report by the Executive Director of Development and Infrastructure Services dated 13 June 2017, submitted)

11. NORTHERN ROADS COLLABORATION PROGRAMME

The Council considered a report which outlined the work currently being undertaken with the Scottish public roads sector to explore and develop opportunities for greater collaboration between Roads authorities and sought approval to form a Joint Committee.

Decision

The Council agreed to:

1. Establish a Joint Committee in terms of Section 56 and 57 of the Local Government (Scotland) Act 1973 with Aberdeen City Council, Aberdeenshire Council, Angus Council, Argyll and Bute Council, Comhairle nan Eilean Siar and The Moray Council to be known as The Northern Roads Collaboration Joint Committee;

2. Empower the Joint Committee by delegating to it the functions outlined in **Appendix 1** of the report;

3. Alter the Scheme of Delegation as outlined in **Appendix 1** of the report to give immediate effect to the establishment of the Joint Committee;

4. Authorise the Executive Director of Customer Services to enter into an inter-authority legal agreement with the other member Councils to agree the governance and administrative arrangements for the Joint Committee.

5. Note that the decision on whether a Constituent Local Authority participate in roads collaboration projects will be reserved to the Councils and not delegated to the proposed Joint Committee;

6. Aberdeenshire Council taking the role of Lead Authority for year 1 of the Joint Committee;

7. The Policy Lead, Councillor McCuish and Depute Policy Lead, Councillor E Morton are to be the two named Members of the Joint Committee and that two named substitute Members be the Depute Policy Leads for Finance, Councillor Reid and Corporate Services, Councillor Vennard; and

8. The Environment, Development and Infrastructure Committee receiving an annual report on performance, activities and achievements of the Joint Committee.

(Ref: Report by Executive Director of Development and Infrastructure dated May 2017, submitted)

12. APPOINTMENT OF MEMBERS TO LOCAL PLAN FLOOD DISTRICTS

The Council considered a report which invited Members to appoint two Councillors to represent Argyll and Bute Council at the two local flood districts that it is a member of. These being the Clyde and Lomond Local Plan District and for the Highland/Argyll Local Plan District.

Decision

The Council agreed to nominate Councillor E Morton to represent the Council for the Clyde and Loch Lomond District and Councillor McCuish to represent the Council for the Highland/Argyll District. The Elected Members appointed can substitute for each other when necessary.

(Ref: Report by the Executive Director of Development and Infrastructure dated 12 September 2017, submitted)

13. ARGYLL AND BUTE LOCAL DEVELOPMENT PLAN 2 - MAIN ISSUES REPORT

The Council considered a recommendation by the Planning, Protective Services and Licensing Committee of 20 September with regard to the Argyll and Bute Local Development Plan 2: Main Issues.

Decision

The Council agreed that the proposed Main Issues Report be issued for public consultation and to note that the Main Issues Report represents the first formal stage of the Local Development Plan process this is scheduled to last until late 2018.

(Ref: Recommendation by the PPSL Committee dated 28 September 2017, submitted)

14. PROPOSED DEPARTURE TO THE SCHEME FOR THE ESTABLISHMENT OF COMMUNITY COUNCILS REGARDING CO-OPTION

The Council considered a report which highlighted the potential for our community councils to become inquorate due to a rule within the current scheme for the Establishment of Community Councils which prevents the period for co-opted members to remain community councillors after a period of 6 months.

Decision

The Council agreed to amend the current Scheme to dispense with the requirement within the current Scheme which restricts co-opted community councillors from serving a term of more than 6 months to enable those co-opted to remain community councillors for the extended period of the current Scheme.

(Ref: Report by Executive Director of Customer Services dated 18 September 2017, submitted)

15. COMMUNITY EMPOWERMENT AND COMMON GOOD PROPERTY - CONSULTATION ON DRAFT GUIDANCE

The Council considered a report which asked the Council to agree the response to the consultation on draft guidance on the Community Engagement (Scotland) Act 2015 and Common Good Property currently being undertaken by Scottish Government.

Decision

The Council agreed the wording of the consultation response, with one correction, relating to the provisions within the Community Empowerment (Scotland) Act 2015 as they relate to Common Good Property.

(Ref: Report by Executive Director of Customer Services dated 28 August 2017, submitted)

16. **COMMUNITY EMPOWERMENT - COMMUNITY ASSET TRANSFER REQUESTS PROPOSED GOVERNANCE PROCESSES**

The Council considered a report which set out recommendations to ensure that the Council maintains a consistent and compliant approach in its governance and decision making processes when dealing with Asset Transfer Requests (ATR) in terms of Part 5 of the Community Empowerment (Scotland) Act 2015.

Motion

The Council agree:

1   that where the Asset Transfer Group (ATG) recommend that an ATR should be approved, the authority to approve together with the form and conditions of such approval are delegated to the Executive Director of Customer Services in consultation with the Executive Director of the relevant holding service.

2   that where the ATG recommend that an ATR be refused, the decision on that ATR be determined by a standing sub-committee of the Policy and Resources Committee (which shall meet from time to time as required) comprising 6 members to be chaired by the Vice Chair of the Policy and Resources Committee and Councillors Colville, McCuish and Scoullar with the two Opposition Members to be notified to the Executive Director of Customer Services.

3   that any subsequent review of a decision in respect of an ATR be carried out by Members of the Policy and Resources Committee, excepting those on the standing sub-committee who make the decision in regard to the initial Asset Transfer Request.

4   that the Policy and Resources Committee will receive, on a regular basis, a report on all applications and decisions in respect of the ATR process.

Moved by Councillor A Morton, seconded by Councillor Mulvaney.

Amendment

Agree to the recommendations in the report with the addition of a sentence to recommendation 3.3 to require the meeting of the committee to take place in a venue within the community, if so requested by the applicants.

Moved by Councillor Trail, seconded by Councillor Taylor.

Decision

On a show of hands vote, the Amendment received 11 votes and the Motion received 17 votes and the Council resolved accordingly.

(Ref: Report by the Executive Director of Customer Services dated 28 September 2017, submitted)

17. SUPPORTING COMMUNITIES FUND - PARTICIPATORY BUDGETING

The Council considered a report which advised that the Supporting Communities Fund, previously known as the Third Sector Grants Fund, is a long standing fund allocated by the Council to communities across Argyll and Bute. The report considered future arrangements for management and distribution of the fund within the current legislative context which requires local authorities to consider how best to empower communities in financial decision making.

Decision

The Council:

1   agreed the proposal that the Supporting Communities Fund is allocated through Participatory Budgeting as a pilot project in 2018/19.

2   noted that the proposal has potential to inform how the council engages with its communities and makes decisions on its future budget through a Participatory Budgeting approach.

3   noted that the proposal empowers communities in decision making, assisting Area Committees to make decisions on the basis of participatory budgeting.

4   agreed changes in the distribution of grants within a PB pilot to be:
    o   Not applying the 20% reduction for repeat applicants.
    o   100% funding of projects up to maximum of £2,500.

(Ref: Report by Executive Director of Community Services dated 18 September 2017, submitted)

18. COUNCIL CONSTITUTION

The Council considered a report which advised on the work undertaken by Customer Services in relation to the revisal of the Council's Constitution to contain all revised Governance Documentation.

Decision

Noted that the Constitution has been updated to reflect the changes required by the decisions taken by this Council since May 2017.

Approved the delegation of the appointment of the Chief Social Work Office and Chief Education Officer to the Chief Executive and to advise the Council on any such appointments.

(Ref: Report by Executive Director of Customer Services dated 30 August 2017, submitted)

19. NOTICE OF MOTION UNDER STANDING ORDER 13

Councillor Barbara Morgan, seconded by Councillor Graham Hardie had given notice of the following motion:-

Motion

The Kilcreggan – Gourock ferry, operated by Clydelink Ltd on behalf of Strathclyde Passenger Transport, and operated on a year round basis, provides an important transport link to and from the Rosneath Peninsula.

There has been a large number of sailings cancelled of late with an immense adverse effect on the local community.

This has also affected local businesses, commuters, base workers from both Faslane and Coulport, elderly residents for shopping and residents with hospital appointments which can't be met due to the unpredictability of the service.

There is now a serious lack of confidence in SPT, on the part of service users to resolve this problem and the Council requests the Scottish Government to take on the direct provision of this service to ensure the delivery of a reliable service to the communities who rely on it.

Decision

The Council agreed to the terms of the Motion and requested that the Executive Director of Development and Infrastructure write to Strathclyde Passenger Transport and the Scottish Government accordingly.

(Ref: Notice of Motion by Councillors Morgan and Hardie, submitted)

20. NOTICE OF MOTION UNDER STANDING ORDER 13

Councillor Julie McKenzie, seconded by Councillor Gordon Blair had given notice of the following motion:-

Motion

The Council notes;

- That Argyll and Bute is an area defined by diversity of geography which can often be prohibitive to residents attending council meetings.
- Our continued commitment to an agenda of transformation, improved community engagement and empowerment.
- The petition calling for the live broadcasting of all council and committee meetings signed by 1117 members of the public and 15 of Argyll and Bute's elected members.
- That the IT infrastructure required to facilitate webcasting from the council chamber was installed at Kilmory in 2013.
- That live broadcasting of meetings would open the Council's decision making process to improved transparency and democratic scrutiny, whilst making it accessible for many more of Argyll and Bute's residents.

The Council agrees;

- To undertake the necessary costing and other work necessary to facilitate the broadcasting of all full Council meetings, and Council committee meetings that take place in the chamber at Kilmory, with a further report to the Council in November 2017 on any financial issues which would require to be addressed, and with a view to broadcasting of these meetings beginning in January 2018.
- To undertake a further piece of work to assess the requirements and costings for the live broadcasting of Area Committees and other council committee meetings in Oban, Lorn and the Isles, Mid Argyll, Kintyre and the Islands, Helensburgh & Lomond and Bute & Cowal – to be completed by March 31st 2018.

Amendment

The Council:

- Notes the agreement earlier in this meeting to investigate how to make the workings of the Council more transparent through improved communication at all levels – contact centre, website, social media and broadcasting Council meetings:

- Agrees that officers should bring back to a future meeting of the Council confirmation of the capital and revenue costs involved in:

> (a) live broadcasting meetings held in the chamber, and
> (b) expanding this functionality to all venues used by area committees.

Moved by Councillor Green, seconded by Councillor E Morton.

Decision

On a show of hands vote, the Amendment received 18 votes and the Motion received 11 votes and the Council resolved accordingly.

(Ref: Notice of Motion by Councillors McKenzie and Blair, submitted)

The Council resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the press and public for the following three items of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraphs 9 and 13 and 6&9 respectively of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

E1 21. POTENTIAL PURCHASE OF LAND - HELENSBURGH TOWN CENTRE

The Council considered a recommendation by the Policy and Resources Committee of 17 August 2017 with regard to the potential purchase of land in Helensbugh Town Centre.

Decision

The Council agreed to the recommendations of the Policy and Resources Committee.

(Ref: Recommendation by the Policy and Resources Committee of 17 August 2017, submitted)

E2   22.   COMPULSORY PURCHASE - ROTHESAY

The Council considered a recommendation by the Community Services Committee of 14 August 2017 with regard to a request to make a Compulsory Purchase Order in respect of a property in Rothesay, Isle of Bute.

Decision

The Council agreed to make the Compulsory Purchase Order.

(Ref: Recommendation by the Community Services Committee of 14 August 2017, submitted)

E3   23.   SITE OF FORMER HERMITAGE ACADEMY, HELENSBURGH

The Council considered a report with regard to the site of former Hermitage Academy in Helensburgh.

Decision

The Council agreed to the recommendations in the report and congratulated the Head of Facility Services and the team working on this for all their hard work in securing the deal.

(Ref: Report by Executive Director of Customer Services dated 28 September 2017, tabled)

Agenda Item 5b

MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held in the COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD on THURSDAY, 26 OCTOBER 2017

Present: Councillor Len Scoullar (Chair)

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

Attending: Cleland Sneddon, Chief Executive
Douglas Hendry, Executive Director of Customer Services
Ann Marie Knowles, Acting Executive Director of Community Services
Pippa Milne, Executive Director of Development and Infrastructure Services
Tricia O'Neill, Central Governance Manager
Kirsty Flanagan, Head of Strategic Finance
Jane Fowler, Head of Improvement and HR

The Provost reported to the Council about Argyll and Bute's success in the recent Mod where Isle of Islay did extremely well and the Isle of Mull won 1st, 2nd and 3rd in the adult categories. On behalf of the Council, he congratulated everyone in their success at the Mod.

1. APOLOGIES FOR ABSENCE

Apologies for absence were intimated from Councillors Currie, Kelly, McKenzie, Moffat, E Morton and Philand.

2. DECLARATIONS OF INTERESTS

There were no declarations of interest intimated.

3. BUDGET

(a) Revenue Budget Outlook 2018-19 to 2020-21

The Council gave consideration to a report which advised of the current estimated budget outlook position 2018-19 to 2020-21 and to the recommendations of the Policy & Resources Committee of 19 October 2017.

(b) Management/Operational Savings for 2018-19

The Council gave consideration to a report which provided members with information on management / operational savings that have been identified between 2018-19 and 2020-21 together with the recommendations of the Policy & Resources Committee of 19 October 2017.

(c) **Policy Savings for 2018-19**

The Council gave consideration to a report which provided members with information on policy savings that have been identified between 2018-19 and 2020-21 together with the recommendations of the Policy & Resources Committee of 19 October 2017.

(d) **Budget Consultation**

The Council gave consideration to a report which set out a consultation exercise that will give our communities the opportunity to contribute to transforming the work of the Council together with the recommendations of the Policy & Resources Committee of 19 October 2017.

Decision

The Council:

1. Noted the current estimated budget outlook position for 2018/19 to 2020/21 as outlined in report 3(a).

2. Endorsed the management and operational savings identified in report 3(b) and that officers will proceed to implement as part of normal business.

3. Agreed further development of the policy savings identified in report 3(c) for consideration at the council budget in February 2018.

4. Noted that even if all the savings listed in reports 3(b) and 3(c) were to be accepted, there would still be a revenue funding gap for 2018/19 and subsequent years and that a balanced budget would not be delivered based on current mid-range estimates.

5. In light of the above and the requirement for the council to deliver a balanced budget, requests that officers explore and bring forward additional savings options.

6. Agreed to carry out a budget consultation exercise as proposed in report 3(d), which should be updated to reflect comments made by members at the Policy and Resources Committee meeting of 19th October and any further comments from today's meeting of the council, as appropriate.

(Ref: Report by Head of Strategic Finance dated 5 October 2017, submitted, Report by the Head of Strategic Finance dated 5 October 2017, submitted, Report by Executive Director of Customer Services dated 22 September 2017, submitted, Report by Executive Director of Customer Services dated 22 September 2017, submitted)

4.   **EDUCATION GOVERNANCE REVIEW**

The Council considered a report which provided members with an update on the work of the Joint Steering Group in developing proposals for regional improvement collaborations for the Education Governance Review.

Decision

1.   Noted the work of the joint steering group in developing proposals for regional improvement collaboratives as set out in the appendices to the submitted report.

2.   Noted the agreement of COSLA Leaders at their meeting of 29 September 2017 to the report of the joint steering group and that this positions Argyll and Bute Council within the Northern Alliance area.

3.   Noted the requirement of the Depute First Minister that the Regional Improvement Collaboratives and Regional Improvement Leads are in place for the end of October 2017 and that a Regional Improvement Plan is required to be agreed by end January 2018.

4.   Noted the establishment of the Northern Alliance Collaborative's Convenor's Convention across the Northern Alliance area.

5.   Noted that expressions of interest have been sought from existing Directors of Education across the Northern Alliance authorities for a secondment opportunity to the Regional Improvement Lead role and that interviews are scheduled to take place in the last week in October 2017.

6.   Endorsed the actions taken by officers to give effect to the agreement made by COSLA Leaders with the Scottish Government.

7.   Agreed that further reports on the progress of the Regional Improvement Collaborative or on the details of any other significant element of the Next Steps proposals be reported to the Community Services Committee.

(Ref: Report by the Chief Executive dated 9 October 2017, submitted)

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MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD on THURSDAY, 19 OCTOBER 2017

Present: Councillor Aileen Morton (Chair)

Councillor John Armour	Councillor Ellen Morton
Councillor Rory Colville	Councillor Douglas Philand
Councillor Robin Currie	Councillor Alan Reid
Councillor Jim Findlay	Councillor Elaine Robertson
Councillor Kieron Green	Councillor Len Scoullar
Councillor Roderick McCuish	Councillor Sandy Taylor
Councillor Yvonne McNeilly	Councillor Richard Trail

Attending: Cleland Sneddon, Chief Executive
Douglas Hendry, Executive Director of Customer Services
Pippa Milne, Executive Director of Development and Infrastructure Services
Kirsty Flanagan, Head of Strategic Finance
Anne Paterson, Acting Head of Education
Patricia O'Neill, Central Governance Manager
Jane Jarvie, Communications Manager

1.   **APOLOGIES FOR ABSENCE**

Apologies for absence were intimated on behalf of Councillor Gary Mulvaney.

2.   **DECLARATIONS OF INTEREST**

There were no declarations of interest intimated.

3.   **MINUTES**

The Minutes of the Meeting of the Policy and Resources Committee held on 17 August 2017 were approved as a correct record.

4.   **FINANCIAL MONITORING PACK SUMMARY AS AT 31 AUGUST 2017**

A report providing a summary of the financial monitoring reports as at the end of August 2017 was given consideration. There were six detailed reports summarised including the Revenue Budget Monitoring Report as at 31 August 2017, Monitoring of Service Choices Savings as at 31 August 2017, Monitoring of Financial Risks as at 31 August 2017, Capital Plan Monitoring Report as at 31 August 2017, Treasury Monitoring Report as at 31 August 2017 and Reserves and Balances as at 31 August 2017.

Decision

The Policy and Resources Committee –

1. Noted the Revenue Budget Monitoring Report as at 31 August 2017.

2. Noted the progress of the Service Choices Policy Saving Options as at 31 August 2017.

3. Noted the current assessment of the Council's financial risks.

4. Noted the Capital Plan Monitoring Report as at 31 August 2017 and approved the over project cost changes, the project slippages and accelerations noted within Appendix 7 of the Capital Plan Monitoring Report.

5. Noted the Treasury Monitoring Report as at 31 August 2017.

6. Noted the Reserves and Balances Report as at 31 August 2017.

(Reference: Report by Head of Strategic Finance dated 5 October 2017, submitted)

5.   BUDGET

*   (a) **Revenue Budget Outlook 2018-19 to 2020-21**

The Policy and Resources Committee gave consideration to a report which further updated them on the position in respect of the budget outlook 2018-19 to 2020-21. The report summarised the detail contained within the report that had been considered by the Committee in August 2017 and provided detail on any assumptions that had been updated.

Decision

The Policy and Resources Committee –

1. Noted the current estimated budget outlook position 2018-19 to 2020-21.

2. Agreed to recommend the submitted report, in its current form, to the Special Council meeting on 26 October 2017 for consideration.

(Reference: Report by Head of Strategic Finance dated 5 October 2017, submitted)

*   (b) **Management/Operational Savings for 2018-19**

A report which provided Members with information on management/operational savings that had been identified between 2018/19 and 2020-21 was given consideration. The savings totalled £0.620m in 2018-19 rising to £1.245m by 2020-21, had no policy implications and would not result in any redundancies, however it could not be assumed that all management/operational savings would not have a service impact.

Decision

The Policy and Resources Committee –

1. Endorsed the management/operational savings identified.

2. Noted that officers would proceed to implement the savings as part of normal business.

3. Agreed to refer the submitted report in its current form to the Special

Council meeting on 26 October 2017 for consideration.

(Reference: Report by Head of Strategic Finance dated 5 October 2017, submitted)

* (c) **Policy Savings for 2018-19**

A report which provided Members with information on Policy Savings which had been identified between 2018-19 to 2020-21 was considered. The savings totalled £1.847m in 2018-19 rising to £5.765m by 2020-21 have policy implications and in some cases could result in redundancies.

The Executive Director – Customer Services clarified that the figure of £1.997m in paragraph 1.1 of the submitted report should be £1.847m as detailed at the bottom of the table on page 49 of the agenda pack.

Decision

The Policy and Resources Committee –

1. Noted the Policy Savings identified.

2. Noted that even if all the savings options were to be accepted there would still be a revenue funding gap for 2018-19 and subsequent years as per the Head of Strategic Finance's Budget Outlook Report.

3. Agreed to recommend to the Special Council on 26 October 2017, the options for further development.

(Reference: Report by Executive Director - Customer Services dated 22 September 2017, submitted)

* (d) **Budget Consultation**

The Policy and Resources Committee gave consideration to a report which set out a consultation exercise which would give communities the opportunity to contribute to transforming the work of the Council.

Decision

The Policy and Resources Committee agreed to recommend to the Special Council meeting on 26 October 2017 that the Council –

1. Carry out the consultation exercise proposed within the submitted report.

2. Note the presentation of the consultation would be developed prior to publication.

(Reference: Report by Executive Director – Customer Services dated 22 September 2017, submitted)

6. **MEDIUM TO LONGER TERM FINANCIAL STRATEGY**

Audit Scotland recommend that all Councils have long term financial strategies in place, ideally covering five to ten years. The Policy and Resources Committee considered a report which introduced the Council's medium to long term financial strategy. The strategy provided medium to longer term forecasts for revenue, capital and treasury management along with information about what the Council had in place to mitigate against future funding gaps.

Decision

The Policy and Resources Committee endorsed the medium to long term financial strategy for the Council.

(Reference: Report by Head of Strategic Finance dated 26 September 2017, submitted)

7. SERVICE ANNUAL PERFORMANCE REVIEWS 2016/17

The Committee gave consideration to a report which presented the Service Annual Performance Reviews from Customer Services and Strategic Finance for 2016/17, as per the process set out in the Planning and Improvement Framework. The Service Annual Performance Review provides a summary of the key successes, improvements and case studies during the previous year along with identified key challenges and actions to address the challenges.

Decision

The Policy and Resources Committee endorsed the Service Annual Performance Reviews as presented.

(Reference: Report by Executive Director – Customer Services dated 31 August 2017, submitted)

* 8. COUNCIL ANNUAL REPORT 2016/17

The Committee gave consideration to a report which presented the draft Council Annual Report 2016/17 which was based on key successes, case studies and challenges from the Service Annual Performance Reviews 2016/17. The presentation of the Council Annual Report fulfilled the Council's statutory duty for Public Performance Reporting while using an appropriate format for users.

Decision

The Policy and Resources Committee –

1. Approved the format and content of the Council Draft Annual Report 2016/17.

2. Agreed that the Draft Council Annual Report 2016/17 is presented to the Argyll and Bute Council meeting on 30 November 2017 prior to publishing.

(Reference: Report by Executive Director – Customer Services dated 20 September 2017, submitted)

* 9. MICROSOFT LICENSING COSTS

The Committee gave consideration to a report which focused on changes to the Council's corporate Microsoft Enterprise Agreement. The latest corporate Agreement had expired on 31 May 2017 and had not been renewed as it was no longer affordable. The report looked at outputs from a Licensing Consultancy Service, the implications of Microsoft's pricing strategy, and purchasing arrangements available to the Council. The report recommended the most affordable and practical way forward to allow the Council to use Microsoft Software to help conduct business with minimum or no disruption to services.

Decision

The Policy and Resources Committee agreed to recommend to the Council to –

1. Note that the Council's corporate body no longer operates an Enterprise Agreement with Microsoft with effect from 1 June 2017; and that savings of £208k are anticipated for 2017-18, £222k in 2018-19 and £264k in 2019-20 as a result.

2. Note that these savings would be required in future years in order to fund upgrades to the latest versions of software from 2020 onwards.

3. Approve the retention of the savings in 2017-18, 2018-19 and 2019-20 as earmarked reserves to be used to fund the expected additional costs of Microsoft software in 2020-21 to 2022-23 as this would smooth the annual budgetary requirement.

4. Note that the ICT Service would keep the plan for Microsoft software licensing under annual review.

(Reference: Report by Executive Director – Customer Services dated 16 August 2017, submitted)

10. **BUILDING WARRANT FEES**

A report which updated Members on changes to Building Warrant fee income which had been increased from 1 July 2017 was given consideration.

Motion

The Policy and Resources Committee –

1. Welcomes the long overdue increase in fees for building warrants across Scotland;

2. Notes with disappointment and concern that the Scottish Government has chosen to tax local services in order to fund a central government division.

Moved by Councillor Aileen Morton, seconded by Councillor Rory Colville

Amendment

1. It is recommended that the Committee welcomes the fee increases for building warrants.

2. It is recommended that the Committee acknowledges the government's proposal to fund the Building Standards Division of the Scottish Government (BSD) by top slicing the GAE.

Moved Councillor Sandy Taylor, seconded Councillor Richard Trail

Decision

On a show of hands vote the Motion was carried by 10 votes to 5 and the Committee resolved accordingly.

(Reference: Report by Executive Director – Development and Infrastructure Services dated August 2017, submitted; Motion by Councillor Aileen Morton, seconded by Councillor Rory Colville, tabled)

11. TRANSFORMATION PROJECTS & REGENERATION TEAM - LARGE SCALE PROJECT UPDATE REPORT

Consideration was given to a report which set out the current position of the larger scale projects that are mainly externally funded and are being delivered by the Transformation Projects and Regeneration Team.   The report also provided information on key issues which would impact on the successful delivery of the projects.

Decision

The Policy and Resources Committee –

1. Noted the current progress contained within the submitted report.

2. Agreed that future update reports are submitted to the Environment, Development and Infrastructure Committee, subject to the retention of any delegations provided for within the remit of the Policy and Resources Committee.

3. Congratulated Officers on the amount of external funding they had brought in across the whole Council area and on the successful delivery of these projects across towns in Argyll and Bute.

(Reference: Report by Executive Director – Development and Infrastructure Services dated August 2017, submitted)

12. EXPLORING THE PROVISION OF TOWN WI-FI HOTSPOTS INCLUDING AN UPDATE ON HELENSBURGH PILOT PROJECT

The Committee gave consideration to a report which provided an update on the works undertaken in relation to outdoor, public town centre Wi-Fi in Argyll and Bute following on from the Policy and Resources Committee decision to operate a pilot project in Helensburgh.

Decision

The Policy and Resources Committee –

1. Noted the work undertaken in relation to outdoor, publically available Wi-Fi in Helensburgh, Rothesay and Oban.

2. Agreed that the contract for a concession Wi-Fi Service in Helensburgh is formally terminated and the options appraisal is not undertaken.

3. Agreed that, where demand arises, Council infrastructure can be utilised to facilitate the rollout of publically available Wi-Fi through third party operators where there would be no cost or service implications to the Council.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 11 September 2017, submitted)

13. TARBERT AND LOCHGILPHEAD REGENERATION FUND

The Policy and Resources Committee gave consideration to a recommendation from the Mid Argyll, Kintyre and the Islands Area Committee held on 6 September 2017 in relation to the Tarbert and Lochgilphead Regeneration Fund.

Decision

The Policy and Resources Committee endorsed the decision by the Mid Argyll, Kintyre and the Islands Area Committee and –

1. Agreed that the six projects, listed in paragraph 4.19 of the report submitted to the Mid Argyll, Kintyre and the Islands Area Committee on 6 September 2017, should be taken forward with the budgets as detailed and that work should commence on full business cases which will be reported back to Committee for approval as they become available.

2. Agreed the list of four reserve projects, listed at paragraph 4.22 of the report submitted to the Mid Argyll, Kintyre and the Islands Area Committee on 6 September 2017, in the event that any of the projects agreed to be taken to full business case are unable to proceed.

(Reference: Recommendation from Mid Argyll, Kintyre and the Islands Area Committee held on 6 September 2017, submitted; and report by Executive Director – Development and Infrastructure Services dated 6 September 2017, submitted)

14. AUDIT SCOTLAND'S PRINCIPLES FOR A DIGITAL FUTURE

A report which gave examples of how Audit Scotland's Principles for a Digital Future were already applied in Council ICT projects was before the Committee for noting. The Principles for a Digital Future report highlighted difficulties in managing large complex digital transformation programmes and set out principles for programme and project management that should be considered when embarking on transformation projects.

Decision

The Policy and Resources Committee noted the content of the report which gave reassurance that the Council's approach to Project Management and Digital Transformation was very much in line with the approach recommended by Audit Scotland.

(Reference: Report by Executive Director – Customer Services dated 27 September 2017, submitted)

15. **POLICY AND RESOURCES COMMITTEE WORK PLAN AS AT OCTOBER 2017**

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

Decision

The Committee noted the Workplan as at October 2017.

(Reference: Policy and Resources Committee Workplan as at October 2017, submitted)

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

E1   16. **SIX MONTHLY REPORT ON CASH FLOW SUPPORT LOANS - 1 JANUARY TO 31 AUGUST 2017**

A report which set out a summary of the cash flow support loans over the period 1 January 2017 and 31 August 2017 was before the Committee for noting.

Decision

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

(Reference: Report by Head of Strategic Finance dated 19 September 2017, submitted)

Agenda Item 7

AUDIT COMMITTEE ANNUAL REPORT 2016/17

Introduction by the Chair of Audit Committee

This report provides an overview of the Audit Committee's activity during the financial year 2016/17.

I am pleased to report that the Audit Committee continued to focus its efforts on effectively discharging its functions and responsibilities in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance of 2004 entitled "Audit Committee principles in local authorities in Scotland: a guidance note".

The Audit Committee met quarterly throughout the financial year i.e. March, June, September, and December; the meetings were attended by representatives of the Head of Governance and Law, the Head of Strategic Finance, the Chief Internal Auditor, Audit Scotland along with other Council Officers as and when requested to attend.

In 2016/17, the following Councillors served on the Audit Committee at various points during the year; Michael Breslin, Iain S MacLean, Roderick McCuish, Elaine Robertson, Richard Trail. In respect of the Chair and Vice Chair posts, I, Martin Caldwell continued in the role of Chair with Sheila Hill as Vice Chair.

In looking forward to 2017/18 and beyond, given the significant financial pressures challenges facing the Council and the on-going implementation of major initiatives such as of Health and Social Care integration and the Council's Leisure Trust, the importance of an effective Audit Committee remains critical. Along with my fellow members I look forward to meeting the challenges ahead, building on a strong audit platform and developing the Scrutiny element of the new committee whilst continuing to add value to the Council's governance framework.

Martin Caldwell
Chairperson

Sheila Hill
Vice Chairperson

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1. Terms of Reference

1.1 The Committee's Terms of Reference are to promote good internal control, financial and risk management, governance and performance management. This provides substantial assurance of effective and efficient operation, and compliance with laws and regulations, including the Council's Financial and Security Regulations, Contract Standing Orders and accounting codes of practice.

2. Audit Committee's Effectiveness and Impact

2.1 The Audit Committee's role is to ensure that the Council's internal control framework and governance arrangements are operating effectively and in order to fulfil this role a range of reports are provided to the Committee during the year. The Audit Committee is not a complaints committee. I am satisfied that the frequency, content and detail of reports provided to the Committee allow myself and fellow members to adequately undertake the requirements of our terms of reference.

2.2 The Audit Committee has the right to request updates after reviewing submitted reports. This approach afforded the Audit Committee the opportunity to ask key questions directly and receive assurances. In addition, the Audit Committee can routinely challenge management when agreed audit recommendations implementation dates were missed. Informal protocols are also in place whereby Management are requested to attend committee where assurance level provided is limited or below. This has proved very useful in developing positive relationships with management whilst ensuring independence is maintained. Management's co-operation and engagement is very much appreciated.

2.3 Audit Scotland in March 2016 presented their Annual Audit Plan setting out their approach to the audit of the Council, reflecting their statutory duties and risk based approach. The Audit Plan was considered by the Audit Committee and accepted. Internal audit also presented their annual audit plan for 2016/17 which was approved.

2.4 It is disappointing to note that there were a number of vacancies on the Committee during the year, although these were latterly filled. It is essential that all vacancies are filled at the earliest opportunity and that members of the committee engage in the process in order to ensure the Audit Committee builds on its effectiveness and maintains a positive impact and appropriate profile within the Council.

2.5 In its ongoing development the Audit Committee introduced a number of changes resulting in additional assurance and improved effectiveness and these continue to mature. These are:

- Improved Agenda Management
- Maintaining effective communication protocols between Internal and External Audit
- Improving links between Audit and Performance Review & Scrutiny Committees
- Securing an Annual Audit and Risk report from the Chief Executive
- Raising the profile of Audit within the Organisation
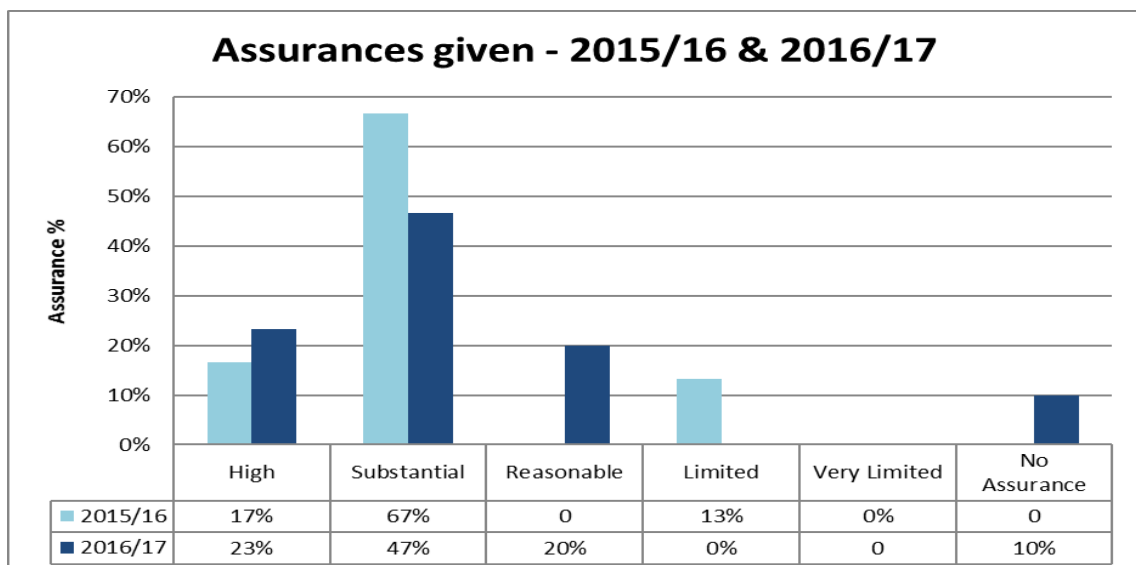
3. **Assurances**

3.1 **Internal Audit Assurance**

3.1.1 Internal Audit is a key source of assurance for both members and management on the effectiveness of the control environment. The Committee has a responsibility for ensuring that Internal Audit is effective in the provision of this assurance. The Committee is pleased to note the Internal Audit team has completed the agreed audit plan within the agreed timescale. Reports are deemed to be accurate, objective, concise, constructive, complete and timely. In my opinion clear assurance judgements are provided, underpinned by an appropriate evidence base and where appropriate include sound management advice and guidance. We will continue to monitor Internal Audit performance, progress and resources to ensure they are able to meet these requirements.

3.1.2 The Committee has received regular reports and information from the Chief Internal Auditor including:

- Internal Audit's risk based planning methodology and annual audit plan;
- Regular progress reports;
- An Annual report from the Chief Internal Auditor in line with best practice in the CIPFA code for Internal Audit in Local Government which provided an opinion on the control environment and the effectiveness Internal Audit activity.

3.1.3 The chart below shows an analysis of assurance opinions received over financial years 15/16 and 16/17.

Assurances given - 2015/16 & 2016/17

	High	Substantial	Reasonable	Limited	Very Limited	No Assurance
2015/16	17%	67%	0	13%	0%	0
2016/17	23%	47%	20%	0%	0	10%

It should be noted that both the Reasonable and No assurance opinion grading were introduced for financial year 16/17. Very limited opinion grading was removed effective 16/17.

3.1.4 The Audit Committee has a clear role in relation to oversight of the Authority's internal audit function. The role of the committee is specifically in relation to overseeing its independence, objectivity, performance and professionalism. I am pleased to advise as Chair of the Committee that I am satisfied the Internal Audit function is effective and activity is undertaken in accordance with relevant standards. This view is supported by commentary in Audit Scotland's 15/16 annual audit report whereby they state the Council has "an effective internal audit function".

3.2 **External Audit Assurance**

3.2.1 External Audit is an essential part of the process of accountability and assurance for public funds, providing an independent opinion on the financial statements, and reviewing aspects of governance and financial management. Working closely with Internal Audit, the External Audit programme ensures that statutory responsibilities are delivered, without the duplication of audit work. Both programmes are submitted to the Audit Committee for scrutiny.

3.2.2 Assurance was received from external auditors, Audit Scotland, for 2015/16 financial statements as follows:

- They presented a true and fair view in accordance with applicable law;
- The accounts prepared properly in accordance with IFRS; and
- The accounts prepared properly in accordance with Local Government Act (Scotland) 1973.

3.2.3 External Audit is required to report by exception on a number of areas in relation to their audit, namely accounting records, statement of governance and control, availability of information and explanation and failure to achieve a prescribed financial objective. External Audit reported no exceptions in respect of these matters for 2015/16.

3.2.4 The external auditor's 2015/16 Annual Audit Report on the council (September 2016) highlights that operational governance arrangements are generally sound, with key financial controls operating effectively.

3.2.5 Argyll and Bute Council was previously incurring an External Audit fee at a higher level as a result of increased correspondence from members of the public. In previous reports I noted it was the desire of the Audit Committee in carrying out its activities to secure additional assurance in respect of governance, risk and control processes which would potentially contribute to a reduction in external audit fees. I am again pleased to note that the External Audit Fee has further reduced.

3.3 **Systems of Risk Management**

3.3.1 It is the role of the Audit Committee to gain assurance on the adequacy of the system of internal controls and on the adequacy of the system of risk management. The role of the Audit Committee is to test the adequacy of the arrangements in place to manage risk. The Audit Committee in 2016/17 received risk management reports and these showed continued progress by the Council in the development and regular review of risk management systems. The Audit Committee has agreed to maintain its focus on seeking assurance on the development of adequate systems of risk management. The Audit Committee continue to receive an Assurance Mapping report prepared by Grant Thornton, Internal Audit Strategic partners. The Chief Executive also submitted a report to the committee on Audit and Risk arrangements.

3.4 **Governance & Internal Control**

3.4.1 In accordance with the CIPFA/SOLACE guidance note for Scottish Local Authorities, issued in May 2009, the completed Local Code of Governance 2015/16, together with an Action plan was presented and reviewed at the June 2016 Audit Committee meeting. The draft Statement of Governance & Internal Control was also reviewed and noted for inclusion in the Annual Accounts, subject to External Audit feedback.

3.4.2 The draft Statement of Governance & Internal Control is informed by the:

- Work of officers within the Council;
- Work of External and Internal Audit;
- Statements of governance or internal control provided by external bodies;
- External review and inspection reports and
- Recommendations from the Audit Committee.

The content of the Governance Statement and the process for preparing the Governance Statement has been reviewed for 2016-17 financial year-end.

4. Independence

4.1 To assist in preserving the Committee's independence measures are in place including:

- The appointment of an independent chair and vice chair,
- Observation of the Audit Charter which specifies the independence of the Chief Internal Auditor and of auditors in identifying and scoping audit briefs
- The non-political approach of the committee
- The active involvement of the External Auditors
- Clear terms of reference aligned to CIPFA's Role of the Audit Committee Guidance

5. Training and Development

5.1 Audit Committee Effectiveness sessions have taken place throughout the term of the previous Council and were aimed at addressing themes arising from analysis of a CIPFA self-assessment exercise. As well as induction courses for the new Committee I anticipate that these will continue throughout 17/18, albeit perhaps in a different format and frequency. Specific training requirements in respect of the Scrutiny role will be addressed as soon as possible.

6. Looking Forward

6.1 At its May 2017 meeting the Council agreed political management arrangements which include the creation of an Audit and Scrutiny Committee. Although there are areas where Audit and Scrutiny naturally combine, there is a requirement to ensure that Audit matters in respect of governance, risk and control remain clearly defined and matters for scrutiny are treated as such. I look forward to the development of this new committee over the interim period. I am also pleased to note that officer support arrangements include the Chief Internal Auditor, who although having no direct operational responsibility, will also have an overview of Scrutiny arrangements.

6.2 The Audit Committee is committed to self-evaluation and continuous improvement and I would like to thank members for their attendance and contributions during the year. Subject to the membership, our focus will continue to be on the role of the Audit Committee, developing skillset and expertise to allow effective challenge based on strong principles of risk, control and assurance in respect of the operations, finances and governance of the council. It is envisaged that the committee will continue with its' substantive effectiveness programme which will assist in providing a sound grounding on the focus and operating principles respectively of audit and scrutiny.

6.3 The Audit element of the Committee, although subject to continuous improvement, is reasonably well developed. In respect of the new scrutiny remit of the committee I hope to adopt a similar pro-active approach by developing and building on the work of the former Performance Review and Scrutiny committee to ensure scrutiny is seen and operates as an in-depth reviewing function which looks outwards to inform its analysis and adopts a discursive positive form of inquiry.

7. Conclusion

7.1 Based on the reports received and reviewed by the Committee and the follow up work requested, it is the opinion of the Audit Committee that an overall substantial assurance opinion can be placed upon the adequacy and effectiveness of the Council's internal control system in 2016/17. I am satisfied that active monitoring and follow up of recommendations is in place in respect of agreed management action. This follow up process will be further enhanced by the inclusion of supplementary further testing within the continuous monitoring programme.

7.2 Throughout 2016/17 the Audit Committee evolved and indeed continues to evolve with an agreed framework of reporting and agenda management which allows it to undertake appropriate assessment of the Council's progress in addressing identified issues covering risk, governance and internal control. With a solid base established in this regard, the Committee continues to adopt a pro-active posture on the Council's operations.

Audit Committee performance has been aided through the expertise and contribution from its Members during 2016/17.

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Agenda Item 8

ARGYLL AND BUTE COUNCIL **COUNCIL**

30th November 2017

LEADER'S REPORT

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1. INTRODUCTION

1.1 This report gives colleagues an update on my activities as Leader of Argyll and Bute Council from 16th September to 16th November 2017.

2. RECOMMENDATIONS

2.1 Members are asked to consider the report,

2.2 Members are asked to note that the full Leader's Report Pack is available in the Leader's office. This includes COSLA and other papers and briefings as referenced in the report. Any items discussed in public can be provided to members electronically; the papers for items taken in private session can be reviewed in the Leader's office.

3. MEETING WITH ARGYLL AND BUTE'S MSYP

3.1 Argyll and Bute is represented on the Scottish Youth Parliament by Jamie Murray from Rothesay, who I met in Helensburgh on 19th September.

Elected to the SYP for a second term in March this year, Jamie is an enthusiastic and committed MSYP who is particularly keen to engage with the council on the key areas of interest we share in relation to young people. He is particularly interested in young people's mental health and in education, and in ensuring young people have a voice when it comes to the essential services that affect them. We enjoyed a very positive and friendly discussion

He is very interested in meeting with other members too and will be happy to hear from any colleagues who have an interest in exploring ways of working together in representing Argyll and Bute's young people.

4. ARGYLL AND BUTE CPP MANAGEMENT COMMITTEE

4.1   It was the turn of Helensburgh to host the Argyll and Bute CPP Management Committee meeting on 20th September. As always, this was a helpful opportunity to cement our already-strong partnership working and relationships.

Alongside area updates and reviewing local area community planning action plans, we had a productive discussion to shape and inform the final version of the latest CPP annual report, which examines case studies relating to each of the community planning outcomes.

Preparations are well in hand for the CPP Full Partnership, which takes place in Arrochar in December and at which Jamie Hepburn MSP, Minister for Employability and Training, will deliver the keynote address.

5. ARGYLL AND BUTE – DOORS OPEN DAY

5.1   Over the weekend of 22nd to 24th September, across Scotland, people had an opportunity to explore inside and outside some of the most interesting, unusual and attractive buildings in their community as part of the Doors Open Day programme. It was a real pleasure to launch the Argyll and Bute element in Helensburgh on Friday 22nd September.

We had 18 buildings across the area opening their doors to locals and visitors, including the iconic St Peter's Seminary in Cardross, Rothesay's Art Deco Pavilion, the newly restored Dunoon Burgh Hall and the romantic Dunans Castle in Glendaruel.

We are incredibly lucky in Argyll and Bute to have so many interesting buildings and places to see and explore – many of them set in stunning landscape. Many of them have a quite fascinating history and have involved several famous and notable architects in creating landmarks we live alongside every day. They make a rich contribution to community life and it is great to be able to open them up for everyone to enjoy.

6. EMPLOYEE JOINT CONSULTATIVE COMMITTEE

6.1   The first EJCC meeting of the new council took place on 26th September. This was a very positive and constructive discussion, and it's clear that the good working relationships we have long enjoyed with our trades unions is set to continue. Working together is vital given the difficult times and challenges ahead and I'm glad that we have the opportunity to do so positively through the EJCC programme of meetings.

7. COSLA LEADERS

7.1 COSLA Leaders met in Edinburgh on Friday 29th September. Some items were discussed in private session, namely:

- Teachers Pay Negotiations
- Education Governance and Regional Collaboration
- Spending Review

The items take in public session were:

- COSLA response to the Fair Funding consultation
- Programme for Government – analysis by COSLA's Policy Teams
- Barclay Review of Non-Domestic Rates
- Socio-Economic Duty
- Distribution Issues

Members will be aware that since that meeting took place, the Education Regional Collaboratives have moved forward apace with lead officers in place by end October.

The Scottish Government is expected to announce the local authority settlement around 13th or 14th December.

8. VISIT FROM AMBERG SULZBACH

8.1 2017 is the fiftieth anniversary of the twinning partnership between Argyll and Bute and the German region of Amberg Sulzbach. It was therefore great to welcome a delegation from Amberg Sulzbach to the chamber on Tuesday 3rd October to officially mark the occasion.

The key to the longevity of this relationship is its positive and friendly nature. It's an important strategic partnership of mutual respect, sharing ideas and expertise, and making the most of the common ground we share. Our regions have very similar opportunities and challenges to deal with – and it's helpful to explore those, as well as examine our differences, in order to learn how to make the most of the opportunities and new ways of tackling the challenges.

Twinning partnerships and their benefits are very much on the national agenda, given the potential that comes from matching areas with similar characteristics and facing comparable challenges. Amberg Sulzbach and Argyll and Bute offer an ideal example of 'doing twinning really well'. The focus of this partnership remains very much as it started out 50 years ago -

on education, culture and opportunities for young people. We have also explored a range of significant issues which are important to our areas and their success, including population and economic growth, tourism and promoting our local offers of food, drink, outdoor and cultural heritage.

We signed a charter to acknowledge the 50th anniversary and to affirm our continued partnership working – before breaking out into more focused sessions to take forward some of the key areas of interest.

8. 'THE COUNTRY COUNCIL' – BBC1 DOCUMENTARY SERIES

8.1 Over the past few months BBC film crews have been working with council staff and customers across the whole Argyll and Bute area, preparing and developing a three-part documentary series called 'The Country Council'. The first episode was broadcast on Thursday 19th October and attracted an audience share of over 20 per cent.

This was very much a first for Argyll and Bute Council – it was a bold step to take and it has paid off. Our staff, our services and our area have been showcased in a very positive light – examples such as staff working very long days in order to ensure customers on our islands could access services, supporting people in very complex and challenging personal circumstances, and going above and beyond to reach customers.

It was incredibly interesting to watch and to learn first-hand about the day to day activities of our front line staff – and reinforced for me that we have a council to be proud of, in its workforce, in the services we deliver and in the beautiful, diverse area we represent.

We are building on the opportunities that national TV attention like this offers and using this as another springboard to promote Argyll and Bute as a great place to live, work and visit – an area full of opportunities and one which has ambitions for a thriving and vibrant local economy.

10. COSLA LEADERS

10.1 Friday 27th October saw me returning to Edinburgh for the next COSLA Leaders meeting. Again most items were taken in private session, but reports and briefings are available to view in the Leader's Report Pack:

- Teachers' Pay Negotiations
- Spending Review
- Community Choices Budgeting Framework
- Brexit
- Welfare Reform
- Distribution Issues

11. CONVENTION OF THE HIGHLANDS AND ISLANDS

11.1   Each local authority of the Convention of the Highlands and Islands (COHI) takes turns to host, and for the autumn 2017 session it was our turn to welcome fellow delegates – on this occasion to Oban.

The Corran Halls was the ideal setting to showcase some of our investment in Oban in recent times – looking over the new pontoons in Oban Bay and the town centre public space regeneration.

COHI offers an opportunity for leaders and officers from the Highlands and islands councils to come together, with Scottish Government ministers, to discuss the issues which have a very different impact and effect on our communities than on our urban counterparts.

With several ministers in attendance, including the Deputy First Minister, and a focused agenda, this was an intense but productive day where we discussed:

- 1 - Scotland's Place in Europe – protecting the interests of the Highlands and Islands (led by Michael Russell)
- 2 - What makes a thriving rural economy (led by Fergus Ewing)
- 3 - Highlands and Islands post 2020 (led by John Swinney)
- 4 - Digital and Rural Connectivity (led by Fergus Ewing)
- 5 - Health and Social Care Integration (led by Aileen Campbell)
- 6 - Education reform (led by John Swinney)

I have been in contact with all of the Ministers following COHI to build on our formal and informal discussions and to invite them back to Argyll and Bute in the future to explore any areas of interests and ways we can work together.

With Michael Russell, John Swinney and Fergus Ewing at COHI

At time of writing we have received the draft COHI outcomes – these may yet be refined or amended, but at this stage are:

Outcome 1 – Scotland's place in Europe
- COHI asks Scottish Government to continue to recognise the specific nature of the impact of Brexit on the Highlands and Islands (particularly in relation to loss of EU funding and impact, regulation and trade tariffs, and the importance of migration, including to support the future labour market and skills) and that these continue to be reflected in Scottish Government policy and negotiations, keeping COHI members involved in, and informed about, developments, including regional arrangements. COHI members agreed to do more - in a co-ordinated, structured way, with support from the Scottish Government - to raise local awareness and understanding and in parallel to lobby the UK Government.

Outcome 2 – Thriving rural economy
- COHI asks Scottish Government with partners to ensure the alignment of investment and strategic priorities across the public sector with the objective of creating a cohesive, shared, agenda that guarantees the development of a vibrant, diverse and thriving rural economy for all. Key elements of this include housing, digital and mobile infrastructure, and transport.

Outcome 3 – CoHI post -2020
- COHI members approved further work by the COHI Senior Officer Group as broadly outlined in the tabled Future of CoHI post-2020 paper. All COHI partners to be involved in all priorities, including the emerging marine proposition, given shared objectives.

- COHI agreed an annual summary report on implementation progress to more proactively shape the agenda of future meetings on growing vibrant communities across the Highlands and Islands through population growth, inclusive growth, and investment in communities and (particularly digital and transport) infrastructure.

Outcome 4 – Digital / Rural
- COHI members agreed that a detailed update on the points raised by members around digital connectivity will be provided by Scottish Government and Highlands and Islands Enterprise by the end of 2017.

- On the issue of fixed wireless broadband provision, members agreed that HIE and Scottish Government officials should meet with local authorities by the end of 2017 to explore the possibility of interim solutions, providing better connectivity now while R100 is deployed, can be progressed.

<u>Outcome 5 - Health</u>
- CoHI asks Scottish Government and partners to work together to consolidate the stories of success and to articulate the impact of service change; to ensure that we are effectively communicating programmes of change to build confidence across our communities about the value of that change; and to coproduce with communities to build new models of delivery.

- CoHI asks Scottish Government to continue to support ongoing change and innovation in the governance of health and social care; and to hear back from partnerships about how those models are developing

- CoHI asks Scottish Government to consider remote and rural issues in respect of workforce strategies and planning

<u>Outcome 6 - Education</u>
- Scottish Government will work with COHI partners to bring further focus to the impact of rural deprivation on educational attainment and consider what further support can be put in place.

12. ROTHESAY – PAVILION AND ISLANDS STRATEGIC GROUP

12.1 Tuesday 31st October saw me joining the Chief Executive and Depute Leader in Rothesay, where Keith Brown, Cabinet Secretary for Economy, Jobs and Fair Work, confirmed the award of £10.6m European Regional Development Funding for the restoration of Rothesay Pavilion. This funding will be used to create affordable space for small businesses to operate and grow, and will help to bring new jobs to the island.

It also offered an opportunity for the Argyll Islands Strategic Group meeting to coincide with Mr Brown's visit and in the hope that his schedule would permit a contribution to the agenda. Unfortunately Mr Brown had to leave for another engagement, but the group has also extended an invitation to Humza Yousaf, Minister for Transport and Islands, and we hope that he will be able to come along to a future meeting.

13. COSO

13.1 Chief and senior officers from across the council – both geographically and in departmental terms – gathered in Helensburgh on Friday 10th November for the first COSO session since the local government elections in May.

It is really helpful to have an opportunity to meet with such a broad range of council staff in this setting – which has a new, thematic format and is very much focused on driving forward the council's transformation agenda.

For me, it was a chance to personally introduce the council's priorities – agreed at the council meeting in September – to a significant body of staff for the first time. I was really encouraged by the positive questions and contributions made by officers and hope to hear from any others who may not have been able to attend COSO but who may have ideas about how we can all work together to deliver for Argyll and Bute – please do get in touch.

14. SCOTLAND'S SOCIAL SECURITY AGENCY – MEETING

14.1 When the Scottish Government first announced its plans for a national social security agency, Argyll and Bute was undoubtedly the first council to express an interest in getting involved. Since then, the government's plans for the agency have developed and moved on. However, given our clear ambitions to grow our economy and our population, and to bring more jobs to the area, we have continued to make it clear we are keen to play a part in this.

While the agency is to be located in Dundee and Glasgow there are elements of local service delivery where councils can get involved. This would see staff based and working in Argyll and Bute.

Officials tasked with setting up the agency have been liaising with Scottish councils over the past few months. They have already had preliminary discussions with our officers and on Wednesday 15th November came to Kilmory for a follow-up meeting.

I was delighted to join senior officers from Economic Development, HR and Customer Services to meet with Ally McPhail, Brian Goodfellow and Miriam Craven from the Scottish Government. We had very positive discussions and it was interesting to get a high level overview from them about how the agency will work and how councils can get involved.

They were keen to learn from us about how we deal with remote working – something in which we're well versed – and it was clear that we are able to make a real contribution to those discussions.

Our officers spoke with them in more depth about our systems, about co-location potential within Argyll and Bute, about our experiences of recruiting and retaining staff, training and generally working to deliver crucial services in a mix of remote, rural and island communities.

We continue to emphasise that availability of good quality jobs is crucial to Argyll and Bute's success and we will continue to work for any possible involvement in the set-up, operation and service delivery of the new agency.

15. POLICY LEAD FOR ECONOMIC DEVELOPMENT UPDATE

15.1 **COSLA Environment and Economy Board:** The second meeting of the COSLA Environment and Economy Board was held in Edinburgh on 23rd October.

Agenda items included:

- Enterprise and Skills review – regional partnerships
- Planning Bill

- UK's exit from the European Union
- Electric Vehicles – a report from COSLA and Transport Scotland
- Circular Economy
- Unconventional Oil and Gas

Representatives from Transport Scotland joined the meeting for the discussion on electric vehicles, which was wide-ranging and highlighted the current infrastructure limitations in rural areas.

The meeting also included a presentation by the Director of Regional Economic Growth on the Glasgow City Region Deal. This covered the structure of the deal, progress that has been made so far, planned infrastructure investment and the need to consider inclusive economic growth.

15.2 **Rural Growth Deal:** Council officers continue to liaise with the Scottish Futures Trust and I am due to join them at a further meeting scheduled with Scottish and UK Government representatives on 22nd November 2017. The Strategic Transportation and Infrastructure Manager presented a paper to SMT on 31st October setting out the proposed interim governance arrangements required to progress the deal to a Heads of Terms agreement with the Scottish and UK Governments.

15.3 **Oban as a University Town (OaUT):** This is progressing with an overall steering group now in place and four work groups dealing with academic offer, infrastructure, commercial engagement and communication.

A five year plan is due to be published in the next month and an awareness raising event for this initiative is planned for January 2018. The workgroups are preparing higher level strategic goals that they can take forward. It should be noted that Oban has in excess of 800 students split between a number of providers such as SAMS/UHI, Argyll College/UHI, Ballet West and NHS.

To assist communication a new leaflet is being prepared which includes case studies of successful students – and, on that note, it's great to hear that in the last academic year four SAMS students gained first class degrees.

15.4 **Digital Connectivity, Broadband:** At the end of September, 83.3% of premises in Argyll and Bute are now connected to the fibre network – and 72.8% of these can access speeds in excess of 24Mbps. This means that 9.1% are connected but unable to get superfast speeds – while 16.7% are still on standard ADSL.

Work continues to progress on the Rest of Scotland Programme intervention area.

Mobile: Planning Officers had major concerns over the siting of a mast at the end of Kilmartin Glen right on the edge of the national scenic area. They had asked for a slight move in its location but this could not be accommodated and was rejected by EE. After the Digital Liaison Officer's intervention this has been escalated and is being looked at again to see if there is any chance of finding an alternative location. Mast planning applications continue to be progressed and Phase 2 of the Emergency Service Network is about to enter pre application consultations, in an attempt to streamline the process.

A full update will come to members at the Environment, Development and Infrastructure Committee meeting in December.

15.5 **Argyll Enterprise Week:** I was happy to attend the launch event for Argyll Enterprise Week in Kilmory on Monday 6th November. The chamber was buzzing with 'stalls' for the first focused session of the week-long event – this one looking at funding opportunities for community and third sector groups. With sessions on a variety of topics ranging from funding to making the most of social media and digital marketing, taking place in several locations across the area, it's fair to say that once again Argyll Enterprise Week was a definite success, attracting a lot of positive comment from those who attended.

15.6 **Visitor attractions in Argyll:** Along with HIE officers, I met with Dr Sharon Webb and Gordon Gray-Stephens of Kilmartin House Museum on 6th November where they provided an update on their plans for the museum. A further report is due to come to Policy and Resources Committee in December.

On 11th November I attended the official launch of the Scottish Submarine Centre in Helensburgh, where the Lord Lieutenant marked the occasion by unveiling a plaque. The Submarine Centre will be fully open to the public next month.

15.7 **Food From Argyll – Good Food Show:** The council, along with partners from Food from Argyll, other local food and drink producers and the Argyll and Isles Tourism Co-operative, were represented at the BBC Good Food Show in Glasgow in October. Argyll and Bute has a fantastic local produce offer which deserves to be highlighted and promoted – and it's a key part of our overall drive to promote the area as a great place to live, work and visit. Understandably the Food from Argyll stall was a major attraction at the show and this was a great opportunity to let a wider audience savour the fabulous flavour of Argyll and Bute.

15.8   **Driving CARS forward:** Our Conservation Area Regeneration Schemes in Dunoon and Inveraray have hit major milestones in the past few months.

The Dunoon CARS scheme, worth over £1.25m, launched in September and focuses on the regeneration of historic buildings in the town centre – also complementing the prior investment and current regeneration works being carried out in the town.

Meanwhile the Inveraray scheme has seen the scaffolding coming down from the last of the Royal Burgh's picturesque and characteristic white buildings. The building restoration phase of Inveraray CARS is now complete but the £2m overall scheme continues until March next year, with the focus now shifting to supporting community engagement initiatives.

15.9   **Filming in Argyll and Bute:** Here in Argyll and Bute we're well aware of the outstanding beauty the area has to offer – and we are always delighted to show it off to a wider audience. We have an abundance of amazing places and spaces to share and that's why we have created a dedicated, one-stop-shop website for companies looking for the ideal film location. The new website has been created entirely in-house, it looks fantastic and is another channel for promoting the attractions of Argyll and Bute. It takes film companies through the whole process from permit to playing on the big screen, with a stop-off at a locations database and library first, and it also offers the facility for anyone wishing to register their property for film makers to use.
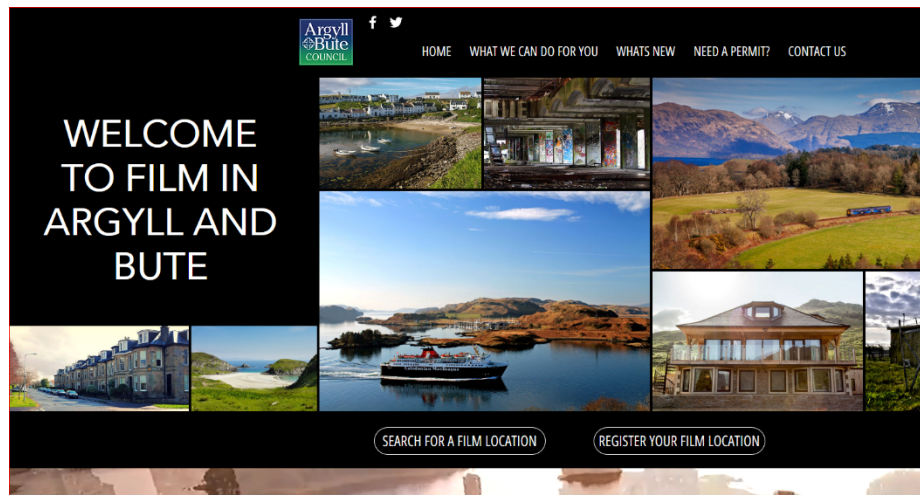
www.filminargyll.co.uk

Argyll and Bute has been the site of a number of international blockbusters and popular TV shows over the years and we hope to welcome many more to our shores. This is another affirmation of our clear message that we are well and truly open for business.

15.10 European activity: I attended the West of Scotland European Forum in Glasgow on 20th September and also (by VC) the scheduled Highlands and Islands European Partnership meetings in October and November.

In common with the discussions at COHI, mentioned elsewhere in this report, post Brexit regional development policy and funding continue to be of significant importance at these meetings, with discussions around lobbying activity to ensure availability of equivalent funding in the future.

16. CORRESPONDENCE AND FUTURE MEETINGS - SUMMARY

16.1 Along with the Depute Leader, I am due to meet with both Michael Russell MSP and Brendan O'Hara MP before the end of the year.

At the time of writing we have confirmed arrangements for the first Argyll and Bute Parliamentary Forum, inviting all the constituency and list MSPs who represent the entire Argyll and Bute local authority area. While parliamentary business is inevitably a priority, we have been encouraged to receive confirmation that seven MSPs are due to attend. We hope to discuss the Rural Growth Deal, the recently agreed council priorities and the importance of connectivity – but we are also keen to hear from the MSPs too and to explore effective ways that we can all work together in the future. I will bring an update on this session in my next Leader's Report.

A meeting with Lord Ian Duncan of Springbank, also in connection with the Rural Growth Deal, has been confirmed for 2nd February 2018 and is likely to take place in Oban.

As indicated by the Policy Lead for Education, I have invited John Swinney to participate in the official opening of Kirn Primary School and am awaiting a response.

Correspondence with Keith Brown on enterprise and skills support within Argyll and Bute continues and it is likely that we will meet soon with Scottish Enterprise and Highlands and Islands Enterprise to discuss this further. Mr Brown has asked both agencies to progress this and will be kept updated on developments.

16. CONCLUSION

16.1 This report highlights my recent activities as Leader of Argyll and Bute Council, together with a brief update on my Policy Lead portfolio.

I hope that this update is helpful for members and will be happy to provide more information wherever possible.

The full Leader's report pack can be viewed in the Leader's office at any time.

17. IMPLICATIONS

17.1 **Policy - None**

17.2 **Financial – None**

17.3 **Legal – None**

17.4 **HR – None**

17.5 **Equalities – None**

17.6 **Risk – None**

17.7 **Customer Service – None**

Councillor Aileen Morton
Leader, Argyll and Bute Council
Policy Lead for Economic Development
16th November 2017

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

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ARGYLL AND BUTE COUNCIL

COUNCIL

30th November 2017

POLICY LEADS REPORT

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1. INTRODUCTION

1.1   This report provides members with an update on key areas of activity for each Policy Lead Councillor. This aims to provide updates from all Policy Leads at each council meeting so that members are informed, up-to-date and able to engage with current issues.

The Economic Development portfolio sits with the council Leader and is included in the Leader's Report.

2. RECOMMENDATIONS

2.1   Members are asked to consider the report.

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

3.1   **Introduction:** This report provides members with an update on my activities as Depute Leader and Policy Lead for Strategic Finance and for Capital Regeneration since September to date. I have held meetings and discussions with a range of officers across the policy briefs.

3.2   **Strategic Finance:** I have had regular meetings with Kirsty Flanagan, Head of Strategic Finance in terms of revenue and capital monitoring; budget outlook reporting and the finalisation of the Medium to Long Term Financial Strategy for the Council. In terms of the budget, the council were presented with management/operational savings which it agreed and our officers will now proceed to implement. Policy savings are to be further developed ahead of February's budget. It should also be borne in mind that even if all policy savings were taken, a yet unbridged gap remains and officers were asked to look at further savings options for members to consider. The first

member seminar on the Budget has taken place and there will be further seminars. A budget outlook paper will be brought to Policy and Resources in December - that will update members on the current scenarios and sensitivities and some further work around savings in loan charges. Later in the month the Scottish Government are due to announce the settlement on 14 December and that will at least provide some certainty around the largest part of our revenue stream. It should be noted that although the budget remains challenging for the year ahead in 2018/19, the years thereafter offer no respite at all and may prove even more demanding as the council seeks to balance resources with expenditure.

3.3 **Capital Regeneration:**

Oban Transit Berthing Facility: the facility has been open since the end of July and Marine Operations have staffed the facility since then, with additional staff being drawn down when required under an agreement with Bid4Oban. The long term 'Operator' tender will commence this month to secure an operational arrangement in time for March 2018. Initial uptake at the facility has been positive and well received both by users and the local community with nearly 700 boats and over 6500 visitors in the first two months.

Dunoon Queen's Hall: This is an £11million project with a 60 week construction period running to March 2018. It is a complex project encompassing demolition of structures on the southern and eastern elevations of the Queens Hall buildings; construction of new structures on those same elevations; major environmental improvements to, and realignment of the adjacent road network; works to be delivered in a brown-field town centre location, which requires to maintain access for pedestrian and vehicular traffic at all times; and works to be delivered in an area with significant pre-existing utility services (sewerage, water, gas, HV/LV electricity and telecoms), including a number, which were subsequently found, to be undocumented, incorrectly documented, or not in a good sate of repair. Local members were provided with an update at their site visit in November and a detailed paper will be provided to the Bute and Cowal Area Committee at their December meeting, updating members on the commercial position of the project, issues affecting the build, and the impact of cost and timescales.

Rothesay Pavilion: In June the Council agreed to approve an additional financial underwriting of the project costs by a maximum of £1M, which would bring the maximum contribution that the Council would be asked to make to the project to £5.689M. This was to provide time for officers to secure additional funds from the key stakeholders, including: Heritage Lottery Fund (an additional **£856k**), Historic Environment Scotland (an additional **£150k**) and European Regional Development Fund (an additional **£83k**). As at the date of writing we have a total confirmed funding package of £13.944m with the main works contract due to be awarded at the

beginning of November, subject to us having received the formal 'Permission To Start' from the Heritage Lottery Fund. Works are expected to commence on site at the beginning of December for a period of 85 weeks, taking us through to building handover in July 2019.

Helensburgh Waterfront Development: The full project team is now actively engaged in the development of: the Stage 3 Developed Design; detailed Project Programme to completion; application packs for the various statutory consents e.g. planning, marine construction licence etc; and informal stakeholder engagement prior to the formal Pre-Application Process (planning). We are working to a programme which will see the new leisure centre and its swimming pool opening in July 2021, with the old facility being demolished by the end of December that same year.

3.4 **Depute Leader:** I attended my first meeting of the Economic Forum in Helensburgh, COHI (Convention of the Highlands and Islands) in Oban and visited COSLA at the end of October. I was delighted to welcome the Cabinet Secretary for Economy, Keith Brown MSP to the Rothesay Pavilion to mark the award of ERDF funding for the project. He met Project Manager, Peter McDonald, Julia Twomlow, Chief Executive of the Pavilion Charity along with the Leader and local Bute members. The minister has fond memories of the Pavilion and we look forward to welcoming him back as the project progresses.

4. POLICY LEAD FOR CORPORATE SERVICES – Councillor Rory Colville

4.1 **Introduction:** I have regular meetings with the Executive Director of Customer Services and the Heads of Service to discuss matters relating to my remit. The most recent meetings took place on 5th September and 14th November. These meetings act as a useful forum to discuss any issues and to brief me on any Corporate Services-related matters.

4.2 **Customer and Support Services**
Updates in respect of Council Tax, Scottish Welfare Fund, Discretionary Housing Payments, Benefits processing, Pathfinder North, Customer Service Centre, and Procurement.

(a) Local Tax Collections
Council Tax collections for 2017/18 as at the end of October are 66.81%, up 0.21% on the previous year at this time.

Collections for 2016/17 are now 96.20% and this is down by 0.27% on previous year at this time. This year's collections were adversely affected by the increase in the premium on long term empty properties which is hard to collect and by the reduction in council tax reduction claimed.

Non-domestic rates collections for 2017/18 as at the end of October are 72.56%, down 1.94% on the previous year at this time. This is due to the new entries for shooting rights which have only now been added to the valuation roll backdated to 1 April. The bills for these were only issued at the start of October, as were application forms for small bonus scheme relief which many of these may be eligible for.

(b)   Scottish Welfare Fund (SWF)
The programme funding for 2017/18 is £420,189. As at the end of October, £236,590 had been spent, which is 3.5% below the profiled amount. The Service are continuing to support high priority cases only, with the intention of being able to support at least this level for the full financial year.

(c)   Discretionary Housing Payments (DHPs) and benefit cap
The confirmed funding to date for DHPs for 2017/18 is £641,772 – this now includes the final funding for 2016/17 received at the end of August. The Strategic Management Team has agreed to support the same priority cases in 2017/18 as we have done throughout 2016/17. At the end of October we had spent and committed £572,242, 88.4% of which is for under-occupancy cases. We have made 1095 awards out of 1191 determinations and have 16 applications awaiting processing or further information. All continuing under-occupancy cases have been processed which is why the bulk of the funding has now been committed.

(d)   Benefits processing
New claims processing year to date to end of October has taken on average 19.7 days which is below our target of 21 days. Changes in circumstances year to date have taken on average 4.76 days which is also well below our target of 6 days. Our accuracy year to date is 97.2% which is also better than the target of 95%.

(e)   Procurement, commissioning and creditors
For the year to date to end of October we have paid 96.89% of creditors invoices within 30 days, which is well above our target of 94% and much improved on last year at this time.

The Service are continuing to work closely with the Health & Social Care Partnership (H&SCP) to support them following the service of an Improvement Notice on a care home and the care home's desire to re-model their services.

The draft procurement strategy for next year has been revised following receipt of the consultation responses and this is on the agenda for the November council meeting.

The Service are running a series of local Procurement surgeries to ensure that local businesses are informed of the opportunities available to them when tendering for contracts for council services. The informative surgeries provides an opportunity to meet procurement officers, learn about the council's procurement procedures and find out more about forthcoming contracts, and the support that is available through the Supplier Development Programme. Last year (2016/17) the council awarded contracts worth a total value of £7.6M to local companies.

(f) Customer Service Centre (CSC)
The percentage of calls to CSC being abandoned for the quarter to end of October is 5.2% - well below our target rate of 7.5% although up on the first quarter of this year due to holidays. The average answered call time for the quarter was 3.30 minutes just below the target of 3.5.

The percentage of voice automation calls successfully transferred for October is 78.8%, now back up above the increased target of 78% following recent improvements made.

(g) Digital initiatives
- The outline business case (OBC) for proactive communications (reducing missed appointments and avoidable contacts) has been approved by the Transformation Board and the Customer Service Board and will now go forward to SMT.
- The OBC for universal direct debits is also going forward for approval.
- Detailed analysis is progressing on webforms, smartforms and voice forms.
- The implementation of the replacement system for council tax and benefits is proceeding apace with a very tight schedule to try and implement in February next year with new online facilities following early in 2018/19.
- The Chief and Senior Officers (COSO) meeting, which took place in Helensburgh on 10 November received an update report on all the new digital initiatives taken forward over the last 6 months through COSO. These include the extension of Skype for Business to Education, the new QKR app for online school payments, the use of messenger5 for communicating with parents in Education, SEEMIS online report cards, waste and recycling notification app, paying for parking permits online, integration between customer management system (CRM) and IDOX for regulatory services, and new council tax and benefits portal. Whilst many of these developments are still underway, the breadth of coverage is impressive and will be very significant in delivering future savings through greater channel shift to digital methods.

(h) Pathfinder North migration to SWAN
We fully transitioned off the Vodafone circuits as planned at the end of July and are nearing a settlement with Capita for the additional costs incurred due to the implementation delays. The principles of the settlement have

been agreed, and the final wording is under negotiation with our lawyers. The service are still confident that the additional costs can be covered from the already agreed budgets.

(i) ICT

- Average time to fix IT faults is 3.4 hours for October, well below our target of 5.5 hours.
- The Education Domain extension roll out has now been completed.
- Build and roll out of local Windows servers update service (WSUS) continues.
- The bi-annual ICT user satisfaction survey ran from end of October until 10 November and a results workshop is planned for mid-December, along with the other members of the Scottish benchmarking group.
- The Saffron catering management system is now live in all schools.
- Cash receipting, debtors, payables, Pecos and general ledger systems have all been updated to cater for the new Leisure Trust.
- An options appraisal over the future of the council print room is under way in view of the impact of stopping printing committee papers as this is over half the work of the print room. It is hoped to report on this in December.
- The kick off meeting with Ernst & Young took place on 26 October for their audit of our Microsoft licensing position. ICT have been provided with scripts to run across the Council's two active directory domains during November. This includes both Education and Corporate. The Service are reasonably confident that the Council are correctly licensed following work on this topic with Insight earlier this year.
- The Scottish Government is close to finalising their cyber resilience public sector action plan. It is expected that we will be required to seek Cyber Essential Plus accreditation by 31 March 2018 in addition to our accreditation for Public Services Network (PSN) which is due in January. We have recently commissioned the external health check for PSN, and unfortunately it is probable that we will need another one soon after for Cyber Essentials. We would hope that in future these scheme can be aligned. Our new ICT Security & Compliance Officer is now in post and will be kept very busy with all these new requirements in addition to preparing for the new General Data Protection Regulations (GDPR) coming in May 2018.

4.3 **Business Improvement Districts (BIDs)**
Governance and Law, and Customer and Support Services have assisted Bid4Oban in their preparations for a re-ballot, which was successfully completed on 6th October 2017. The outcome was a positive vote for renewal of the BID4Oban for another 5 years. The Bills for Bid4Oban second term have now been finalised. Continued assistance is now being given to PA23 to model their billings and finalise their ballot database. The Service is also helping Helensburgh with modelling for a possible new BID in that area.

4.4 **Good News items:**
HROD shortlisted for top national award
The HROD redesign project has reached the final of the Personnel Today Awards 2017 in the Award for Excellence in Public Sector HR category. HROD has responded to the Service Choices savings challenge by completely redesigning the service, moving to a single manager, increasing automation and self-service, providing a professional HR, Payroll and Organisational Development Team that focusses on people, improvement and performance.

It is one of nearly 100 organisations and individuals who have made the shortlist for the annual awards, which recognise and reward excellence in employers. Winners were due to be announced on 21st November.

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

5.1 **Policy Lead activities:** I attended the COSLA Health and Social Care Board on 25th October and an IJB Chairs and Vice Chairs event on 31st October. Staffing levels in social care, free personal care for under 65s, the National Care Home Contract and regional planning of health services were key issues at these meetings. Locally I have also met with representatives from the Struan Lodge Development Group and "CARAH Cares" in Appin.

5.2 **Adult Care**
After Mears announced that they were withdrawing from the provision of homecare within Oban and Lorn, officers worked to ensure that care packages were transferred to other providers, along with supporting efforts to retain as many staff as possible within the care sector locally.

McKenzie Care were served an Improvement Notice by the Care Inspectorate for the Lynn of Lorne Care Home in Benderloch. This identified specific improvements to be made by 30 November 2017. Officers from the Health and Social Care Partnership have continued providing support and ensuring that residents have remained safe, with input from the Care Inspectorate. Further information has been provided to elected members in a detailed briefing issued in early November.

Development of care provision in rural and island areas is the focus of a new Argyll based community interest company "CARAH Cares". This is drawing on learning from the pilot of community homecare in Appin and Lismore, which was supported by Highland Homecare and the Health and Social Care Partnership.

The amalgamation between Campbeltown Medical Practice and Kintyre Medical Group is progressing and development of progressive care in Lorn Campbell Court continues.

5.3   Criminal Justice
Work is ongoing to establish an in house team to support criminal justice work following the dissolution of the former Argyll, Bute and the Dunbartonshires Criminal Justice Partnership.

5.4   Planning
The West of Scotland Regional Plan is currently being developed, with Health and Social Care Partnership senior management represented on programme board and clinical reference group. Engagement events took place on the 20th September and 14th November which were attended by officers and IJB voting members from Argyll and Bute including myself.

Evidence was presented by Stephen Whiston, Head of Strategic Planning and Performance to the Scottish Parliament Rural Economy and Connectivity Committee on the requirement within the Islands Bill for "island impact assessments or island proofing" for health and social care services. Part of this was about transforming services to meet the current needs of populations – rather than relying on what may have existed previously or being able to meet all desires and expectation. The broader impact on the economic, social and cultural viability of islands within the context of demographic change was also considered.

Technology and Innovation in Health and Social Care was discussed by the Scottish Parliament Health and Sports Committee, with Stephen Whiston again joining other professionals in presenting evidence and answering questions. This included challenges and changes required to realise productivity gains expected through the integration of health and social care, and repeated previous calls for national leadership on this.

5.5   Finance
Service Improvement Officers are now being appointed to support significant redesigns set out in the Quality and Finance Plan. A Quality and Finance Board drawing on voting members of the IJB, trade unions and officers has been established to provide governance around the plan.

The Health and Social Care Partnership forecast budget gap for 2017-18 had decreased to £4.4m over the summer and a Financial Recovery Plan is in place to address this. Reasons for the remaining gap have included ongoing costs of medical locums and agency staff, increased demand for social care services and delays in achieving savings from the Quality and Finance Plan. The situation is being monitored and further actions, which may have policy implications will be presented to the IJB if needed.

Planning is now underway for changes to services that will be needed to achieve financial balance in 2018-19. At present an estimated £6.8m additional savings will be required, dependent on Council and Health Board budget allocations, however this cannot be confirmed until final budget announcements have been made.

6. POLICY LEAD FOR ROADS AND AMENITY SERVICES – Councillor Roddy McCuish

6.1 **Introduction:** This report provides members with an update on my activities as Policy Lead for Road and Amenity Services to date. I have held regular meetings and discussions with a range of officers across the policy briefs and I thank them for all their kind assistance in my new roles.

6.2 **A83 Taskforce:** I attended a meeting of the A83 Taskforce on 24 October with Humza Yousaf MSP, Minister for Transport and the Islands. The Taskforce received a presentation from BEAR Scotland and Transport Scotland regarding further works that are proposed on the Rest and Be Thankful. These include the provision of catch pits adjacent to the existing carriageway and planting of trees on the mountainside. Over time the trees should help bind the soil and also soak up some of the rainwater helping to reduce the risk of landslides in the future. The Taskforce also discussed the forthcoming roadworks on the A82 between Tarbet and Inverarnan. During the works there will be a daytime road closure. This is due to the very narrow and restricted road corridor and the need to carry out barrier repair, surfacing and associated drainage works. Also during the works, both Argyll and Bute and Stirling Council will be carrying out litter picking work to take full advantage of the closure. Transport Scotland will be permitting some limited access via permits to residents and businesses along the length of the closed section of road.

6.3 **Trunk Road Liaison Group:** I have attended a meeting of the Argyll and Bute Trunk Road Liaison Group which consists of officers from our Council, Transport Scotland, BEAR Scotland and Police Scotland. The focus of this group is to coordinate roadworks and contribute towards road safety for the benefit of the travelling public. It is great to see officers from the above organisations collaborating for the common good of the travelling public. This approach and style of meeting should be replicated across other business areas.

6.4 **Refuse Collection Calendars:** Every household in Argyll and Bute should by now have received their new refuse collection calendars for the next 12 months. I am pleased to note that some changes to collection dates have been introduced which provides further efficiency.

I have also learnt that other local authorities are proposing not to issue hard copy calendars but will publish the information directly onto the Council website for self-service. This is a model that I am keen the service explores further.

6.5 **Kerrera Ferry Parking:** On 30 October I attended a meeting with Mr Yousaf, Minister for Transport and the Islands, Mr Russell, local MSP, local elected members, island residents and officers from the Council, CMAL and Calmac. This meeting discussed the recent improvements to the Kerrera slipways, breakwater and Transport Scotland taking over the formally privately operated ferry. The ferry car park is located partly on private land and the agent acting for the landowner is seeking a lease agreement to formalise the car park. Mr Yousaf has instructed Transport Scotland officials to enter into further negotiations with the landowners agent with a view to resolving future parking provision.

6.6 **Festive Lighting:** We are now entering the second season of a three year funding provision for festive lighting. Positive discussions are taking place with numerous community groups regarding festive lighting for the future. Officers have sent out the schedule of installation and switch on for festive lights across the Council area and are working hard to ensure switch on events run smoothly.

6.7 **Creating a Culture of Customer Care:** I have been working with officers across both Roads and Amenity and Customer Services with a view to being able to provide smoother and slicker communications in relation to enquiries both from elected members and our constituents. Over recent years customer enquiries have increased significantly while staffing numbers have reduced. Significant focus is being placed on this area of work as there is a strong commitment within the service to provide excellent customer service. More detailed updates will be provided to the Environment, Development and Infrastructure Committee in due course.

6.8 **Winter Maintenance:** I am pleased to confirm that resources are in place to deliver the Winter Maintenance Service. Argyll and Bute Council has a statutory obligation, under Section 34 of the Roads (Scotland) Act 1984, to "...take such steps as it considers reasonable to, prevent snow and ice endangering the safe passage of pedestrians and vehicles over public roads" in the Council area, which by definition includes carriageways, footways, footpaths, pedestrian precincts, etc. We are starting winter with good resilience with over 10000 tonnes of salt in stock and a further 1500 tonnes due to be delivered by boat w/c 6th November.

We have in place a comprehensive network of weather stations and this was detailed in the presentation that the Head of Service gave to Members on 7th September at the Members Development Day.

6.9 **Roads Reconstruction Capital Programme:** The Capital Programme is substantially complete with a mixture of surface dressing, resurfacing and footway works. Approximately 90kms of carriageway network will have been improved.

7. **POLICY LEAD FOR COMMUNITIES, HOUSING, GAELIC AND ISLANDS – Councillor Robin Currie**

7.1 Since the last report, I have attended the Community and Wellbeing Board of COSLA and papers from those meetings are available for Members to read. At one of the Board meetings, I was re-appointed to serve on the Scottish Government's Crofting Stakeholders Forum. A lot of the Forum's work for the next year or so will be to work on a new Crofting Bill.

7.2 **Islands:** The work of the Argyll Islands Strategic Group, which I chair, has focused in recent months on the Islands Bill and ensuring the views of our Island Communities are heard as the Bill Passes stage 1. To help the Group understand the views of island communities we carried out an online consultation with island community councils and development trusts and also encouraged individuals to submit responses to the Bill. Taking full account of what was said a written response was submitted to the Scottish Government and evidence was presented to the Rural Economic and Connectivity Committee at the Scottish Parliament. Worth noting that we received many thanks for conducting our consultation with island communities and the fact that what they said was relayed to the Scottish Government.

7.3 **Housing:** The Strategic Housing Investment Plan was approved by Full Council on 28th September. Since the last update 2 affordable housing units have been completed on Coll and 8 in Oban and I was delighted to officially open both developments.

The Council has been working closely with the MOD/HMNB Clyde and made a housing presentation to partners in Helensburgh on 28th September. We are working with HMNB to try and secure a Future Accommodation Model pilot for the Helensburgh and Lomond area.

The Council has submitted a Housing Infrastructure Fund bid to the Scottish Government to assist with the costs of upgrading Kirk Road in Dunbeg. We have been in dialogue with the Scottish Government and hope to hear the outcome of the bid in the next few weeks.

The Council have started the process of carrying out a Housing Market Study in Helensburgh and Lomond. We will work closely with all interested parties including the Health and Care Partnership in order to gain an accurate view of the current housing needs in the area.

A Scotland's Energy Efficiency Programme (SEEP) has been approved for a ground source heat pump district heating system for Iona village in partnership with Iona Renewables.

I recently attended, along with six other Housing Conveners, an informal dinner and discussion with the Cabinet Secretary for Communities, Social Security and Equalities, Angela Constance and the Minister for Local Government and Housing, Kevin Stewart. This was an enjoyable evening and a wide range of topics were discussed such as SHIPs, CPOs for house building, assistance for self-build, Universal Credit, infrastructure fund, etc.

7.4   Live Argyll Launch

I'm delighted that the new leisure and libraries trust, Live Argyll, has now taken over delivery of local leisure services, including swimming pools, gyms, libraries and some community halls.

Since the budget decision of February 2016, there has been a significant amount of work to put in place effective arrangements for the new trust. We have a keen, committed, and experienced board in place to lead the trust, and have appointed an equally enthusiastic and knowledgeable general manager and team who will drive forward the delivery of quality leisure services. It is fair to say that since Live Argyll officially came into being on 2nd October, everyone involved has hit the ground running and are working very hard to make sure that it goes from strength to strength.

7.5   Community Planning and Community Development:

Supporting Communities Fund – a Participatory Budgeting Pilot. It was agreed at Council in September 2017 to have a pilot using a Participatory Budgeting (PB) approach with the Supporting Communities Fund. The first stage, the ideas site, of the pilot process will start week commencing 13th November 2017. The ideas site, www.abpb.co.uk, is for organisations and community groups to post ideas on projects they would like to use funding to make happen in their administrative area. People are encouraged to share thoughts on projects and look for potential opportunities to collaborate. The ideas site is open until 22nd December 2017. The deadline for applications to the fund is 22 January 2018.

Voting will open in April 2018. During the January – April period, the applications will be scored and a list of proposed projects taken to the March Area Committee meeting. Voting will be open to anyone aged 16yrs or over, living in Argyll and Bute.

Marketing will run during both the ideas stage and the voting stage. Information will also go directly to everyone who has applied for a Supporting Communities Fund Grant / Third Sector Grant in the last 3 years, community and third sector contacts, community councils, parent councils and all who participated in the Growing Gaelic PB project earlier this year.

Community Planning Partnership's Full Partnership Meeting, 5 December: The annual meeting of the Community Planning Partnership takes place in Arrochar Three Villages Hall on Tuesday 5 December. A multi-agency working group have been planning the day which will see a variety of presentations and workshops highlighting the excellent partnership work across Argyll and Bute to date, and the challenges for the future. Jamie Hepburn MSP, Minister for Employability and Training will deliver the key note speech for the day. The day includes information on youth volunteering, mental health, skills and careers, the work of the MOD, recruitment and retention across partners, community justice, falls response and business development – we believe the agenda will have something of interest to all partners. Around 80 people are expected to attend, including national and local partners, and community planning delivery leads and local area community group planning chairs.

8. POLICY LEAD FOR EDUCATION – Councillor Yvonne McNeilly

8.1 Education – the way forward:
Following the Scottish Government's education governance review, Argyll and Bute Council will now join the eight-member Northern Alliance Collaborative. The member councils are Argyll and Bute, Moray, Western Isles, Aberdeenshire, Aberdeen City, Highland, Orkney and Shetland.

The timeframe for the Northern Alliance to be fully operational is January 2018 as outlined in the Chief Executive's report to council in October.

At the time of writing arrangements were in hand for a meeting of the alliance just prior to the council meeting on 30th November. Cllr Kieron Green was due to attend as Depute Policy Lead for Education.

I was part of the interview panel for the Improvement Lead Officer position on Thursday 26th October. Subsequently Ms Gayle Gorman of Aberdeen City Council was appointed. She interviewed very well and has enormous experience in both the Scottish and English systems – including reporting directly to ministers on key education policy issues.

Gayle has worked in both rural and inner city authorities and also has experience of collaborative working in set-ups similar to that of the Northern Alliance. Her fellow directors and chief executives regard her very highly

and, along with our own Chief Executive, I am confident that she will do a very good job.

8.2 **New Kirn Primary School:**
Pupils and staff moved into the newly completed Kirn Primary School on Thursday 2nd November, with minimal delay and considerable support from the local community who are understandably excited to see a new state of the art learning facility.

Plans are in hand for an official opening which will involve current and former pupils and, we hope, the Depute First Minister and Cabinet Secretary for Education, John Swinney, who has previously expressed an interest in participating.

The move to and from Dunoon Grammar School while work on the new build was ongoing has gone very smoothly. At DGS itself, the well regarded Head Teacher, David Mitchell, has returned to his post after a secondment to Hermitage Academy, where a new Head Teacher, Robert Williamson, has been appointed and has taken up post in Helensburgh. He was previously HT at Drumchapel High School and brings with him considerable experience and enthusiasm.

8.3 **Education Scotland:** The final visit in the inspection process took place during September and a number of colleagues participated in this. The final report on Argyll and Bute is expected early next year.

8.4 **Children and Young People's Services Plan 2017/20:** this vision for achieving the very best for our young people is a commitment and partnership between the council and NHS Highland. It's a key part of our drive to give children and young people the best possible start, providing a framework for professionals, parents, carers and volunteers so that, with us, the best possible services are delivered. It's been produced in consultation with young people across the area and through careful planning with a range of agencies and community planning partners.

8.5 **Good news stories from our schools:** All councillors receive the press releases issued by our Communications Team on behalf of the Education Service, so you'll be well aware of the volume of good news and success stories coming from our young people and our schools – there are almost too many to list here, but I'd like to share some of them with you.

I was particularly impressed by the young Digital Leaders from Dunoon who came to present their Our Children, Their Future app development to the Community Services Committee. We were all blown away by their confidence, their eloquence, their imagination and their technical ability. They were inspired to develop and create their own app linked to the

council's education vision strategy launched earlier this year and demonstrated it in action to the chamber. They also brought along some digital robots they've been working on and set up demonstration stations in the corridors of Kilmory – great fun but also a major achievement.

Following the visit of Amberg Sulzbach in October we've heard that some of our young people from Bute and Oban are due to visit Germany next year as part of the follow-up activity arising from the visit. It's great that our young people have the chance to build these connections and they're also using what they learn in the exchange process to work towards SQA accredited qualifications and Youth Achievement Awards.

Pupils at Port Ellen Primary School have been shortlisted as finalists in this year's Rolls Royce Science Prize, which seeks to build children's understanding and experience of engineering. Their submission to the awards received a special merit and was one of only six which Rolls Royce will support over the coming year – well done!

If you watched the BBC documentary The Country Council you'll have seen pupils from Kirn opening a time capsule discovered during the Queen's Hall works – a really exciting opportunity for them to play a part in Dunoon's history.

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

8.1 **Planning:**
Local Development Plan 2 (LDP2) update
As noted in my previous report the council has a statutory duty to replace the current Local Development Plan, which was adopted in March 2015, by March 2020 and as such the Development Plan Scheme (DPS) sets out the programme for key milestones in the process.

At the last council meeting members approved the Main Issues Report (MIR) being issued for public consultation. This process is now under way and will conclude on 11th December 2017. The consultation is available online and the documents are available in all Council Libraries.

As well as meeting key stakeholders and other interested parties in the consultation process officers have also held a number of public drop-in events and have visited Area Committees.

The information from the MIR consultation will be used to inform the draft LDP2 which is due to be completed by May 2018 and will be subject to further consultation.

Details of the Development Plan Scheme and LDP2 process can be found at: https://www.argyll-bute.gov.uk/ldp2

8.2 **Building Standards:**
Commercialisation
Building Standards have retained the 'verifier' contract with Babcocks International Ltd and are also processing applications on behalf of both Edinburgh City Council and Moray Council. As a result the service is on target to meet a very challenging budget of being self-financing from fee income alone.

Customer Service Excellence (CSE)
Building Standards were the first service within the council to be accredited for Customer Service Excellence and they have successfully passed a number of audits in recent years to retain the award. On writing this report they are due to be audited for their CSE award on 22nd November and I will report the result at a later date.

8.3 **Regulatory Services:**
Shellfish Monitoring Contract
In my last report I advised that Regulatory Services had formally submitted a tender to CEFAS (Centre for Environment, Fisheries and Aquaculture Science) to deliver a shellfish monitoring programme for 2018/21.

Unfortunately their bid to retain the shellfish contract for a further three years has been unsuccessful with the contract being awarded to Hallmark (a commercial arm of the Food Standards Agency).

This is extremely disappointing as they have been delivering the contract to a high standard for the last ten years.

Export certificates/movement documents for shellfish.
Regulatory Services continue to support a significant food export sector which operates on an international market. Demand is greater than last year with 1450 certificates being issued for period April to October, as opposed to 1056 in 16/17.

10. CONCLUSION

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

11. IMPLICATIONS

11.1 Policy - None

11.2 Financial – None

11.3 Legal – None

11.4 HR – None

11.5 Equalities – None

11.6 Risk – None

11.7 Customer Service – None

Argyll and Bute Council – Policy Lead Councillors Report
20th November 2017

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

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Agenda Item 10

ARGYLL & BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **30 NOVEMBER 2017**

EXTRACT OF MINUTE POLICY AND RESOURCES COMMITTEE HELD ON 19 OCTOBER 2017

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* **8.   COUNCIL ANNUAL REPORT 2016/17**

The Committee gave consideration to a report which presented the draft Council Annual Report 2016/17 which was based on key successes, case studies and challenges from the Service Annual Performance Reviews 2016/17. The presentation of the Council Annual Report fulfilled the Council's statutory duty for Public Performance Reporting while using an appropriate format for users.

Decision

The Policy and Resources Committee –

1. Approved the format and content of the Council Draft Annual Report 2016/17.

2. Agreed that the Draft Council Annual Report 2016/17 is presented to the Argyll and Bute Council meeting on 30 November 2017 prior to publishing.

(Reference: Report by Executive Director – Customer Services dated 20 September 2017, submitted)

The Council Annual Report 2016/17 can be found here
https://www.argyll-bute.gov.uk/moderngov/ieListDocuments.aspx?CId=544&MId=7620&Ver=4

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ARGYLL AND BUTE COUNCIL   **COUNCIL**

STRATEGIC FINANCE   **30 NOVEMBER 2017**

AUDITED ACCOUNTS 2016-17 AND
AUDIT SCOTLAND ANNUAL AUDIT REPORT 2016-17

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1. **EXECUTIVE SUMMARY**

1.1   Audit Scotland have now completed their audit of the Council's Accounts for the year to 31 March and also the Charitable Trusts administered by the Council and have issued audit certificates containing no qualifications. The Council's Accounts and the Charitable Trust Accounts incorporating the audit certificates are on the Council's website on the following link:

https://www.argyll-bute.gov.uk/council-and-government/financial-statements

1.2   The external audit of the Council's Accounts was completed within the timescale of 30 September. The Audit and Scrutiny Committee, at its meeting on 19 September 2017, approved the Accounts for issue.

1.3   There were only three adjustments to the accounts, as summarised below:
   - A reduction in capital creditors of £0.325m as a result of an error in the original calculation.
   - A transfer of £5.536m to Assets Under Construction from Other Land and Buildings with £0.279m of depreciation written off to revenue.
   - An increase in NDR Income of £0.082m in respect of the Lorn Arc Tax Incremental Funding Scheme which was used to pay down the TIF Debt.

1.4   These adjustments had no impact on the General Fund Balance. The detail of the changes within the annual accounts is noted in Appendix 1.

1.5   The External Auditors Annual Report is positive. The report contains a number of key messages in respect of:
   - The Audit of the 2016/17 Annual Accounts
   - Financial Management
   - Financial Sustainability
   - Governance and Transparency
   - Value For Money

1.6   The Council is recommended to:
   - Note that unqualified certificates have been issued for both the Council Accounts and the Charitable Trusts and these are now included within the Accounts on the Council's website.
   - Consider Audit Scotland's Annual Audit Report for 2016-17.

ARGYLL AND BUTE COUNCIL   **COUNCIL**

STRATEGIC FINANCE   **30 NOVEMBER 2017**

**AUDITED ACCOUNTS 2016-17 AND
AUDIT SCOTLAND ANNUAL AUDIT REPORT 2016-17**

2.   INTRODUCTION

2.1   Audit Scotland have now completed their audit of the Council's Accounts for the year to 31 March and also the Charitable Trusts administered by the Council and have issued audit certificates containing no qualifications.   The Council's Accounts and the Charitable Trust Accounts incorporating the audit certificates are on the Council's website on the following link:

https://www.argyll-bute.gov.uk/council-and-government/financial-statements

2.2   Audit Scotland have issued the 2016-17 Annual Audit Report to Members and the Controller of Audit and this is attached as Appendix 2.

3.   RECOMMENDATIONS

3.1   Note that unqualified certificates have been issued for both the Council Accounts and the Charitable Trusts and these are now included within the Accounts on the Council's website.

3.2   Consider Audit Scotland's Annual Audit Report for 2016-17.

4.   DETAIL

4.1   The Council Accounts were completed and submitted by the statutory date of 30 June along with the Accounts for the Charitable Trusts administered by the Council.

4.2   Audit Scotland carried out their external audit of the Accounts and the audit was completed within the timescale of 30 September.   The Audit and Scrutiny Committee, at its meeting on 19 September 2017, approved the Accounts for issue.

4.3   The audit certificate on the Council's accounts for the year ended 31 March 2017 contains no qualifications.   External audit were able to conclude that the Council's Accounts present a true and fair view of its financial position as at 31 March 2017.

4.4   There were only three adjustments to the accounts, as summarised below:
- A reduction in capital creditors of £0.325m as a result of an error in the original calculation.
- A transfer of £5.536m to Asset Under Construction from Other Land and Buildings with £0.279m of depreciation written off to revenue.
- An increase in NDR Income of £0.082m in respect of the Lorn Arc Tax

> Incremental Funding Scheme which was used to pay down the TIF Debt.

4.5 These adjustments had no impact on the General Fund Balance. The detail of the changes within the annual accounts is noted in Appendix 1.

4.6 The audit identified an error in respect of the holiday pay accrual where it was agreed not to amend the accounts. If this entry had been processed it would have reduced the General Fund Balance by £0.111m.

4.7 The committed funds within the General Fund Balance are £41.519m per the audited accounts. The Council also agreed that £4m would be set aside and used towards budget smoothing within the year 2019-20 in addition to the 2% contingency which amounts to £4.671m. The leaves an unallocated balance, after contingency of £3.299m.

4.8 The External Auditors Annual Report is positive. The report contains a number of key messages in respect of:
- The Audit of the 2016/17 Annual Accounts
  - Unqualified audit opinion on the Council's and charitable trusts financial statements.
- Financial Management
  - Financial management has been effective and internal financial controls are operating effectively.
- Financial Sustainability
  - The Council has adequate reserves, consistently contains expenditure within budget and its financial plans are aligned to Council priorities.
  - The financial position is sustainable in the medium term, although rising demand, increasing costs of services and pressures on central funding will continue to place strain on the Council's capacity to deliver services at the current levels.
  - With the principles of the medium to long-term financial strategy agreed by members the long-term strategy should be finalised along with the strategic workforce plan.
- Governance and Transparency
  - The Council has appropriate governance arrangements in place that support the scrutiny of decisions made by the Council. The Council has improved the level of openness and transparency with which it concludes its business.
- Value For Money
  - A number of improvement activities have been introduced, with good evidence of progress having been made in addressing previous recommendations, however, measures taken will require time to fully develop and demonstrate significant and lasting improvement.

4.9 Appendix 1 of the Annual Report outlines the action plan agreed with officers to address issues identified during the audit. The actions are in relation to:
- Impairment Reviews
- Holiday Pay Accrual
- National Fraud Initiative
- Workforce Planning

5.   CONCLUSION

5.1   This report advises members on the conclusion of the audit of the Accounts. The External Auditor's certificate is unqualified. The audit was completed within the required timescales. Minimal adjustments were made to the accounts during the audit process.

6.   IMPLICATIONS

6.1   Policy –   None.
6.2   Financial -   None
6.3   Legal -   None.
6.4   HR -   None.
6.5   Equalities -   None.
6.6   Risk -   None.
6.7   Customer Service -   None.

Kirsty Flanagan
Head of Strategic Finance
30 October 2017

Gary Mulvaney, Policy Lead for Strategic Finance and Capital Regeneration Projects

For further information please contact Peter Cupples, Finance Manager – Corporate Support 01546-604183.

Appendices:
Appendix 1 – Summary of Main Changes to Financial Statements Arising from Audit
Appendix 2 – Annual Audit Report

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

Section of Financial Statements Changes	Audited Accounts £000s	Unaudited Accounts £000s	Change £000s	Comments / Explanation
Comprehensive Income & Expenditure Account (Pages 52-53 of audited accounts)				
Net cost of services	239,643	239,365	278 (Cr)	Write off of Depreciation
Total Taxation and Non-Specific Grant Income	(252,123)	(252,205)	82 (Cr)	Additional NDR Income
Deficit on Provision of Services	4,998	4,638	360 (Cr)	Net effect of above
Total Comprehensive Income and Expenditure	52,115	51,755	360 (Cr)	Net effect of above
Statement of Movement in Reserves (Pages 56-57 of audited accounts)				
Deficit on Provision of Services	4,998	4,638	360 (Cr)	See Comprehensive Income and Expenditure Account above.
Statutory Adjustments	(6,341)	(5,981)	360 (Dr)	Net effect of above
Balance Sheet (Pages 54-55 of audited accounts)				
Other Land and Buildings	255,848	250,590	5,258 (Cr)	Transfer off Assets to Assets Under Construction
Vehicles, Plant, Furniture and Equipment	9,552	9,207	345 (Cr)	Correction of Capital Creditors
Assets Under Construction	18,830	24,366	5,536 (Dr)	Transfer off Assets to Assets Under Construction
Total Long Term Assets	509,190	509,123	67 (Cr)	Net effect of above
Short Term Debtors	15,981	16,063	82 (Dr)	Correction of Debtors Balances
Short-term Creditors	(30,115)	(29,770)	345 (Dr)	Correction of Creditors Balances

Total Assets less Liabilities	151,204	151,564	360 (Dr)	Net effect of above
Capital Adjustment Account	194,647	195,007	360 (Dr)	Net effect of above
Total Reserves	151,204	151,564	360 (Dr)	Net effect of above

# Argyll and Bute Council

2016/17 Annual Audit Report

AUDIT SCOTLAND

To Members of the Argyll and Bute Council and the Controller of Audit

September 2017

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.

- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.

- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.
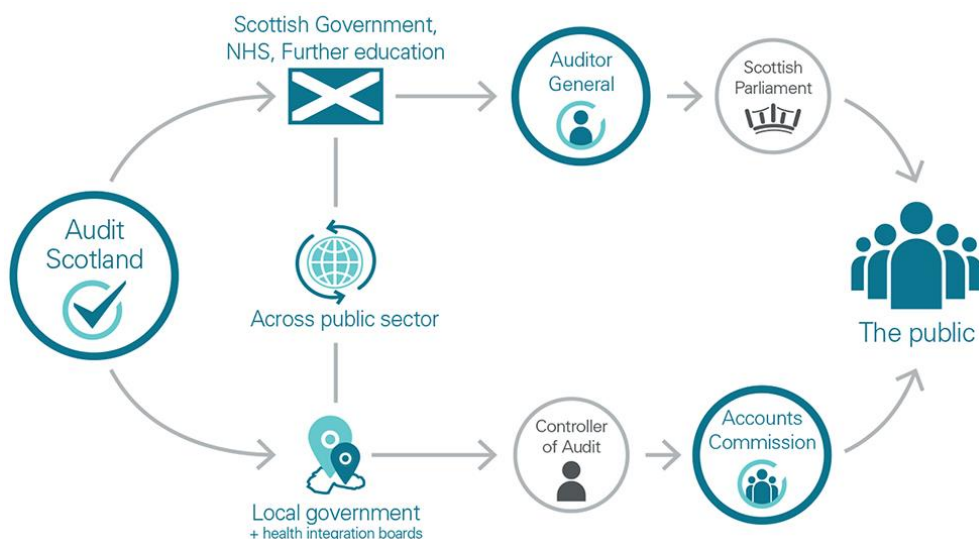
About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money

- reporting our findings and conclusions in public

- identifying risks, making clear and relevant recommendations.

Contents

Key messages

Audit of the 2016/17 annual accounts

1   We issued an unqualified audit opinion covering the Council's financial statements, management commentary, remuneration report and annual governance statement.

2   Our audit opinions for the eight charitable trusts administered by the Council were unqualified.

Financial management

3   Financial management has been effective in 2016/17, with the Council reporting an underspend against budget of £2.883 million. Total usable reserves have increased by £1.334 million to £58.449 million.

4   Our testing of the design and operation of internal financial controls confirmed that controls relating to financial systems and procedures are designed appropriately and operating effectively.

Financial sustainability

5   The Council has an adequate level of reserves, consistently contains its expenditure within annual budgets and has met its savings efficiency targets. It has three-year financial plans that are aligned to Council priorities.

6   The Council's financial position is sustainable in the medium term although rising demand, increasing costs of services and pressures on central funding will continue to place a strain on the Council's capacity to deliver services at the current levels. Funding gaps of £3.3 million and £9.3 million for 2018/19 and 2019/20 respectively were identified by the Council as necessary savings targets.

7   With principles of medium to long-term financial strategy agreed by members, the Council now needs to finalise developing its long-term financial strategy. The Council also needs to conclude developing its strategic workforce plan to ensure that it has the required capacity and skills to deliver effectively its services in the future.

Governance and transparency

8   The Council has appropriate governance arrangements in place that support the scrutiny of decisions made by the Council. The Council has improved the level of openness and transparency with which it conducts its business.

Value for money

9   Our Best Value audit follow-up found that a range of improvement activities had been introduced, with evidence of good progress having been made in addressing previous recommendations, however,

measures taken will require time to fully develop and demonstrate significant and lasting improvement.

Introduction

1. This report is a summary of the findings arising from the 2016/17 audit of Argyll and Bute Council.

2. The scope of the audit was set out in our Annual Audit Plan, presented to the 24 March 2017 meeting of the then Audit Committee. This report comprises:

- an audit of the annual report and accounts

- consideration of the four dimensions that frame the wider scope of public sector audit requirements as shown in Exhibit 1.

Exhibit 1
Audit dimensions

Source: Code of Audit Practice 2016

3. The main elements of our audit work in 2016/17 have been:

- an interim audit of the Council's main financial systems and governance arrangements

- audit work covering the Council's arrangements for securing Best Value relating to financial management, financial sustainability and the use of resources, and a follow up review of actions in response to the Best Value report issued in December 2015.

- an audit of the Council's 2016/17 annual report and accounts including the issue of an independent auditor's report setting out our opinions.

4. Argyll and Bute Council is responsible for preparing the annual report and accounts that show a true and fair view in accordance with the Local Authority

Accounts (Scotland) Regulations 2014. It is also responsible for establishing effective governance arrangements and ensuring financial management is effective.

5. Our responsibilities as independent auditor are established by the Local Government in Scotland Act 1973 and the *Code of Audit Practice 2016* guided by the auditing profession's ethical guidance.

6. As public sector auditors we provide an independent auditor's report on the annual report and accounts. We also review and report on the arrangements within Argyll and Bute Council to manage its performance and use of resources such as money, staff and assets. Additionally, we report on the Council's best value arrangements. In doing this, we aim to support improvement and accountability.

7. Further details of the respective responsibilities of management and the auditor can be found in the *Code of Audit Practice 2016*.

8. This report raises matters from the audit of the annual report and accounts, risks or control weaknesses. Communicating these does not absolve management from its responsibility to address the issues we raise, and to maintain adequate systems of control.

9. Our annual audit report contains an action plan at Appendix 1 (page 34). It sets out specific recommendations, responsible officers and dates for implementation.

10. As part of the requirement to provide fair and full disclosure of matters relating to our independence, we can confirm that we have not undertaken non-audit related services. The 2016/17 audit fee for the audit was set out in our Annual Audit Plan and as we did not carry out any work additional to our planned audit activity, the fee remains unchanged.

11. This report is addressed to both the Council and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk.

12. We would like to thank all management and staff who have been involved in our work for their co-operation and assistance during the audit.

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Part 1
Audit of 2016/17 annual report and accounts

Main judgements

We issued an unqualified audit opinion on the Council's annual report and accounts.

We gave unqualified audit opinions on the trusts administered by the Council.

Unqualified audit opinions

13. The annual report and accounts for the year ended 31 March 2017 were approved by the Council on 29 June 2017. We reported, within our independent auditor's report:

- an unqualified opinion on the financial statements

- unqualified opinions on the management commentary, remuneration report and annual governance statement.

14. Additionally, we have nothing to report in respect of those matters which we are required by the Accounts Commission to report by exception.

Audit of charitable trusts administered by Argyll and Bute Council

15. Due to the interaction of the Local Government in Scotland Act 1973 with the charities legislation, a full and separate audit and auditor's report is required for each registered charity where members of Argyll and Bute Council are sole trustees, irrespective of the size of the charity.

16. For 2016/17, the Council reduced the number of charitable trusts where it is the sole trustee from nine to eight, but has encountered some legal obstacles to reducing the number further.

17. Our duties as auditors of the charitable trusts administered by Argyll and Bute Council are to:

- express an opinion on whether the charities' financial statements properly present the charitable trusts' financial position and are properly prepared in accordance with charities legislation

- read the trustees' annual report and express an opinion as to whether it is consistent with the financial statements

- report on other matters by exception to the trustees and to the Office of the Scottish Charity Regulator.

The Council's annual report and accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of its resources.

18. We received the trusts' accounts in line with the agreed timetable and after completing our audit we issued unqualified audit opinions in respect of the 2016/17 financial statements of:

- Baillie Gillies Bequest
- County of Argyll Education Trust Scheme 1960
- Kidston Park Trust
- Logie Baird prize Fund
- Marquess of Bute Silver Wedding Dowry
- McCaig Trust
- Miss Annie Dickson Burgh Bequest
- Oban Common Good Fund

Submission of the Council's annual report and accounts for audit

19. We received the unaudited annual report and accounts on 30 June 2017, in line with the audit timetable set out in our 2016/17 Annual Audit Plan. In 2016/17, for the first time, the Council's group accounts included the financial results of Argyll and Bute Integration Joint Board. Suitable assurances were obtained from the auditors of the Integration Board and NHS Highland in relation to internal financial controls over IJB related expenditure.

20. The working papers provided with the unaudited report and accounts were of a good standard and finance staff provided good support to the audit team during the audit. This helped ensure that the final accounts process ran smoothly.

Risk of material misstatement

21. Appendix 2 provides a description of those assessed risks of material misstatement that were identified during the planning process which had the greatest effect on the overall audit strategy, the allocation of resources to the audit and directing the efforts of the audit team. Also, included within the appendix are wider audit dimension risks, how we addressed these and conclusions.

Materiality

22. Materiality defines the maximum error that we are prepared to accept and still conclude that that our audit objective has been achieved (i.e. true and fair view). The assessment of what is material is a matter of professional judgement. It involves considering both the amount and nature of the misstatement.

23. Our initial assessment of materiality for the annual report and accounts was undertaken during the planning phase of the audit and is summarised in Exhibit 2 below. Specifically with regard to the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

24. On receipt of the annual report and accounts and following completion of audit testing we reviewed our original materiality calculations. The revised amounts were not significantly different and there was no impact on the audit approach.

Exhibit 2
Materiality values

Materiality level	Annual Audit Plan	Final Amount
Overall materiality – This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It	£3.353	£3.466 million

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Materiality level	Annual Audit Plan	Final Amount
was set at 1% of gross expenditure for the year ended 31 March 2017.	million	
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement we have calculated performance materiality at 60% of overall materiality.	£2.012 million	£2.079 million
Reporting threshold (i.e. clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount. This has been calculated at 1% of overall materiality, rounded up.	£34 thousand	£35 thousand

Source: Audit Scotland Annual Audit Plan 2016/17

How we evaluate misstatements

25. There were no material adjustments to the unaudited financial statements arising from our audit. Misstatements which have been corrected are noted in Exhibit 3 below.All individual misstatements which exceeded our reporting threshold have been amended in the audited financial statements, with the exception of an error which related to the calculation of the accrual for unpaid holiday pay (see Exhibit 3 below).

26. It is our responsibility to request that all errors are corrected although the final decision on this lies with those charged with governance taking into account advice from senior officers and materiality.

Significant findings

27. International Standard on Auditing 260 (UK & Ireland) requires us to communicate to you significant findings from the audit. These are summarised in Exhibit 3 (where a finding has resulted in a recommendation to management, a cross reference to the Action Plan in Appendix 1 has been included).

Exhibit 3
Significant findings from the audit of Argyll and Bute Council

Issue	Resolution
1. Non current asset additions We noted in our testing of capital additions during the year that the amount included as capital creditors at the year end included NPDO solar panels. The amount was found to be based on an earlier estimated business case rather than on the final version. The result was that the asset accounts value, and the underlying creditor amount, were both overstated by £345,205 ie no impact on net assets of the Council.	This has been corrected in the final version of the financial statements.

Page 179

Issue	Resolution
2. Non current asset classification Kirn Primary School is being rebuilt on the site of the previous school, with all pupils decanted while works are ongoing. However, the costs have been included as an Operational Asset within land and buildings rather than as an Asset Under Construction (AUC). Also, assets under construction do not attract depreciation whereas depreciation has been charged against this asset as it has been classified as operational in the asset register. The Net Book Value at year end per the draft accounts is £5,257,268. Total costs to date £5,535,753 should be transferred to AUC, and depreciation charged to date of £278,485 written back to revenue.	This has been corrected in the final version of the financial statements.
3 Impairment reviews From our review of Assets Under Construction we noted a number of assets where there had been no movement during 2016/17. One project, Campbeltown Old Quay, was recorded in the accounts at £1.148m but had no movement for over 2 years. Whilst there were identifiable reasons for these long pauses in project activity, management should review these projects annually for potential impairment.	The Council should carry out impairment reviews for all significant assets including Assets Under Construction. Action plan (appendix 1, point 1)
4. Holiday pay accrual An element of the underlying calculation of the liability is based on the NI contribution. The rate used was 10.4% however, from April 2016, the rate increased to 13.8%. As a result the accrual, and total staff costs, are understated by £110,681. The percentage used to incorporate Other Staff into the calculation was based on a sample of employees from 2010/11. Management should update the sample data used in the calculation.	This has not been adjusted, however it is not a material sum and has been treated as an unadjusted error. (see paragraph 25) Sample data used to calculate accrual for holiday pay should be reviewed to confirm its continued suitability. Action plan (appendix 1, point 2)
5. Tax incremental financing (TIF) Additional 2016/17 non domestic rates (NDR) income of £82,143, due from Scottish Government in relation to TIF projects, was not included in the draft accounts. The result was that NDR income and amounts due from SG were understated. As income from this source falls to be credited to Capital Adjustment Account, there was no impact on General Fund.	This has been corrected in the final version of the financial statements.

Issue	Resolution
6. Heritage assets The council owns museum exhibits which are not included within Heritage Assets as no detailed inventory exists. The council agreed to consider cataloguing the assets at the Campbeltown Museum and the Argyll Collection during 2015/16, however, this exercise has not yet been completed.	Work on this is progressing, but has proved to be more onerous than first envisaged. Management aim to have this completed during 2017/18.

Recommendation 1

The Council should carry out impairment reviews for all significant assets including Assets Under Construction.

Recommendation 2

Sample data used to calculate the accrual for holiday pay should be reviewed regularly to confirm its continued suitability.

Going concern

28. The financial statements of the Council, its group and the associated charitable trusts have been prepared on the going concern basis.

Other findings

29. Our audit identified a number of presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual report and accounts.

Objections and Whole of Government Accounts

30. The Local Authority Accounts (Scotland) Regulations 2014 require a local authority to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. The Council complied with the regulations.

The Council submitted a consolidation pack for the whole of government accounts audit on 12 July, 2017. Due to the impact that accounting for Argyll and Bute Integration Joint Board has on the figures reported in the accounts, the Council will exceed the £350 million threshold set for the requirement for an audit of the whole of government accounts return. We expect to complete our audit of the Council's whole of government accounts return by the deadline of 30 September, 2017.

Part 2
Financial management

Main judgements

Financial management is effective with a budget setting process focused on the Council's priorities.

The Council has, over the last five years, consistently contained its expenditure within annual budgets.

The Council has appropriate internal controls in place within main financial systems and our testing confirmed that these were operating effectively. We did not identify any significant internal control weaknesses.

Financial performance in 2016/17

31. In February 2016 the Council approved a balanced budget of £237.953 million for 2016/17. This balanced position was arrived at after a range of measures were identified to meet a funding gap of £10.432 million, including operational savings of £1m, Service Choices options £5.2 million, other savings of £3.6 million and one off use of reserves £0.580 million.

32. The Council has a good track record in delivering services within budget over the last five years, and the final outturn for 2016/17 was an overall underspend of £3.243m on funding of £237.956m.

33. The departmental underspend was £1.038m in total with £0.887m of this deriving from Customer Services. The principal reasons were additional savings from not filling vacant posts (identified as 2017/18 savings under Service Choices), and insurance and utility cost savings on NPDO contracts.

34. Other significant elements of the overall underspend were loan charges which were underspent by £1.044m as a result of borrowing being deferred, and increased funding of £0.861m mainly from successful recovery of outstanding sums due.

Efficiency savings

35. With reduced funding from government and increased demand for services, efficiency savings are an important means of bridging the gap between funding received and spending commitments.

36. Local authorities are required to prepare and publish an Annual Efficiency Statement for each financial year. The statement for 2016/17 can be found on the Council website. The Policy and Resources Committee routinely receives budget monitoring reports including progress against savings plans.

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

37. For 2016/17 the efficiency savings target was at least 3% of funding. Scottish Government funding of the Council for 2016/17, excluding Non Domestic Rates, was £166.251 million, so the target for efficiency savings was £4.988 million. The Council achieved actual savings of £6.713 million, or 4% and the Council therefore achieved its efficiency savings target for 2016/17.

Borrowing in 2016/17

38. The Council's external borrowing as at 31st March 2017 was £172.235 million, an increase of £12.413 million on the previous year. The increase was a result of new borrowing from the Public Works Loans Board (PWLB) of £25 million, less £8.9 million of loan repayments to PWLB, an interest free loan of £0.4 million from Salix (interest free loans to public bodies for energy efficiency projects) for a Street Lighting project and a managed reduction in temporary borrowing of £4.0 million. [Exhibit 4]

39. During 2016/17 there was significant volatility in PWLB rates, with rates falling during quarters 1 and 2 to reach notably low levels in July and August. The Council took advantage of the low rates available, and the opportunity to reduce refinancing risk, by repaying some existing PWLB loans while increasing total PWLB debt.

40. The Council utilises temporary borrowing to assist in managing cash flow pressures particularly around the year end. In 2015/16, £7m of short term loans were obtained prior to the year end to address cash flow pressures, whereas the requirement for 2016/17 was only £3m. Levels of temporary borrowing are therefore closely linked to liquid cash balances held by the Council in the lead up to the financial year end.

41. Lender Option Borrower Option (LOBO) loans; A LOBO loan is typically a long term loan where the interest rate is initially fixed but the lender has the option to propose or impose on pre-determined future dates, a new fixed interest rate. The borrower has the option to either pay the revised interest rate or to repay the loan. Argyll and Bute Council has £40.255 million of LOBOs within its market debt portfolio,

42. Based on our work we can conclude that;

- the use of LOBOs has been undertaken in line with the Council's treasury management policy, which has been reviewed and approved annually by councillors
- the interest rates on the Council's LOBOs were lower than the comparable PWLB rates available at the time,
- the option to propose or impose a new fixed interest rate has never been exercised by the lenders,
- the potential for debt restructuring is kept under regular review by the Council as part of its treasury management arrangements.

Exhibit 4

Overall indebtedness as a % of Taxation and non specific grant income over past 3 years.
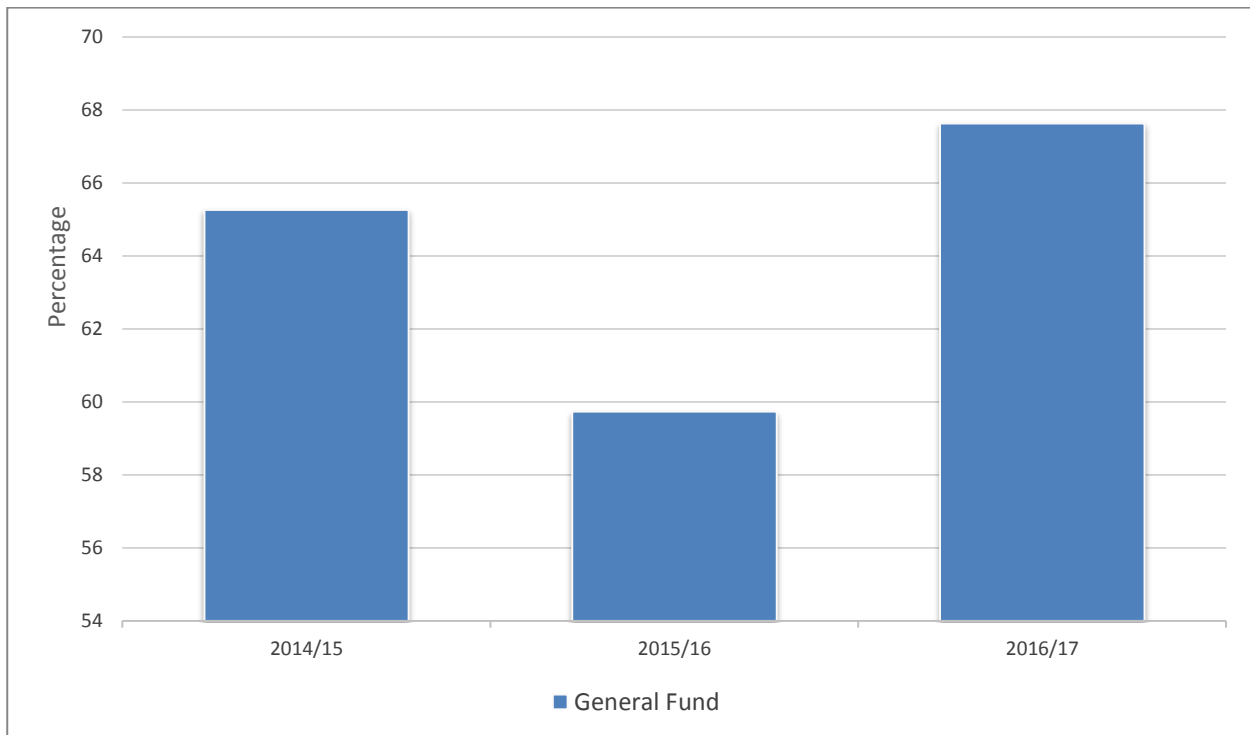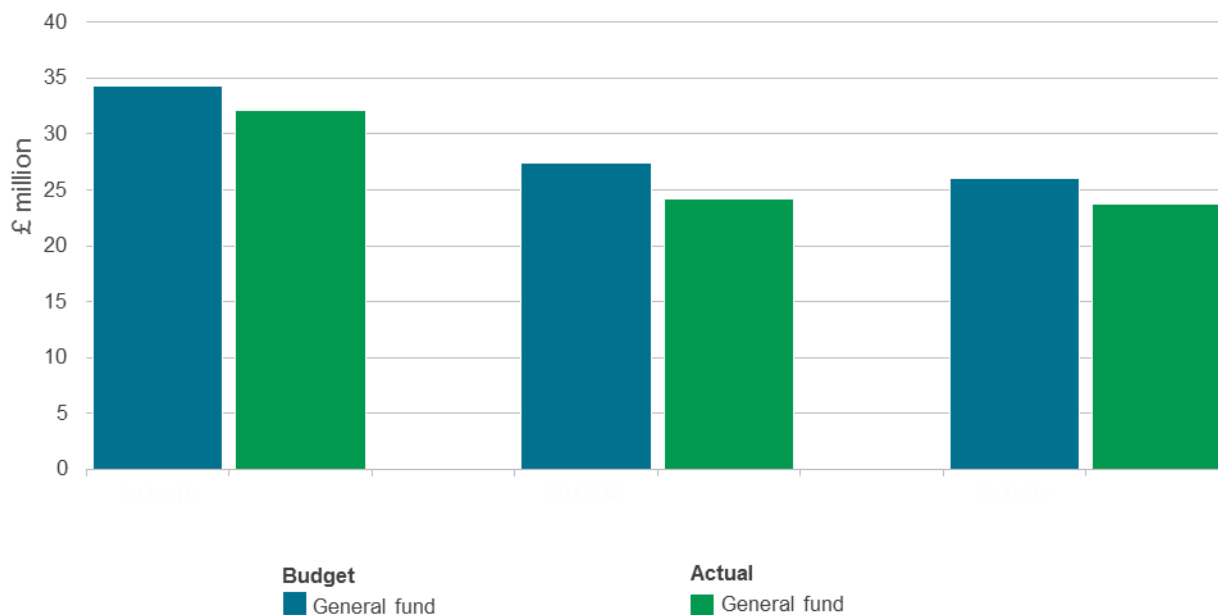

Source:

Capital programme 2016/17 to 2019/20

43. The Council approved a capital programme of £109m for the four year period in February 2016. This was revised upward in August 2016 as a result of an additional £5.615m of funding becoming available.

44. Capital expenditure in 2016/17 was £23.722m against a budget for the year of £26.079m, resulting in an underspend of £2.357m. This slippage was identified as relating principally to the Council's CHORD development projects, NPDO Schools Solar Panel Installations and to the Carbon Management Group Heating Conversion Project. The Council has a history of slippage in its capital programme as outlined in Exhibit 5, however, there is no indication that this has had any impact on service delivery.

Exhibit 5
Capital slippage compared to budget

Source:

45. Regular monitoring reports to the Policy and Resources Committee track project delivery and forecast outturn both in year and across the 3-5 years of the current plan. Whilst the slippage in each year, as set out in the comparison above, has only been due to net slippage of projects between financial years, it is an area that the Council should keep under review.

Budgetary monitoring and control

46. The *Local Government in Scotland: Financial overview 2015/16* (November 2016) highlighted that the need for budgets and forecasts to reflect actual spending becomes increasingly important for Councils with decreasing (or low levels) of usable reserves to rely on.

47. We reviewed the Council's budget monitoring process and considered internal audit's review of financial planning and budget monitoring activities, reported in August 2016. We found that:

- Financial monitoring reports (revenue and capital) are included in a comprehensive financial reports monitoring pack and discussed at the Policy and Resources Committee every two months. The information presented in the pack is appropriate and sufficiently detailed to support effective scrutiny.

- Internal audit provided reasonable assurance for this area. Its review of budget monitoring reports, provided to budget holders on a regular basis by Strategic Finance, found that these were accurate. This was supported by the budget holders' view that the reports were timely, accurate and relevant. Identified areas for improvement related to the recording of cost and demand pressures and a forecast outturn position in the budget holder engagement logs, including planned earmarking within budget monitoring and forecasting protocols, and using trend analysis and unit costing in the budget monitoring process.

48. Within the Council the detailed scrutiny of financial performance is delegated to the Policy and Resources Committee which receives regular revenue and capital

monitoring reports. From our review of these reports we concluded that they provided a good overall picture of the budget position at service level. Also, the reports forecast out-turn position for the year and include good narrative explanations for significant variances against budget. They allow both members and officers to carry out effective in year scrutiny of the Council's finances.

Budget setting

49. We followed up on areas for improvement set out in our report on the 2016/17 budget setting process. From our attendance at the 2017/18 budget setting meeting, and from reviewing minutes of the meeting, we have confirmed that officers have addressed the report recommendations:

- The budget proposals included a clear breakdown of how a balanced budget would be made up. The amendments proposed at the budget setting meeting primarily focussed on allocating the additional funding announced by the Cabinet Secretary for Finance and the Constitution on 15 December 2016. This included £2.4 million of revenue and £0.7 million of capital funding.

- The Head of Strategic Finance reminded members of the recommendation in our report on the 2016/17 budget setting process for members to consider circulating proposals for any significant changes to the budgeting pack in advance of the Council meeting. Although the alternative budget proposals were tabled on the day rather than, as good practice would indicate, circulated in advance with agenda papers. However, the proposed changes to the budget focussed primarily on allocating the additional funding rather than significantly changing the existing budget proposals.

- The minutes of the budget setting meeting were comprehensive and clear.

- We also found that the Head of Strategic Finance commented appropriately on each alternative budget proposal and confirmed that each presented a suitably balanced budget.

Financial capacity within the Council

50. The Section 95 officer is the Head of Strategic Finance who is a member of the senior management team and has direct access to the chief executive and Council members. We concluded that the Section 95 officer has appropriate status within the Council. The finance team has sufficient numbers of qualified and experienced staff and appropriate training and succession planning is in place.

51. With the recent Council elections there have been a number of new members elected. Soon after taking office, new and returning members received induction training which included material on how the Council works and how it is financed. We reviewed the training provided to new members and concluded that it had been appropriately designed, and should aid them in exercising their scrutiny responsibilities effectively.

Internal controls

52. As part of our audit we identify and inspect the key internal controls in those accounting systems which we regard as significant for the production of the financial statements. Our objective is to gain assurance that the Council has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

53. Our findings were included in our interim audit report presented to the Audit Committee on 27 June 2017. We concluded that, overall, the Council's systems of internal control are effective. No significant control weaknesses were identified which could affect the Council's ability to record, process, summarise and report

financial and other relevant data so as to result in a material misstatement in the financial statements.

54. The Annual Governance Statement confirms that an annual review of the effectiveness of the system of internal control is carried out, and that it is the Council's view that systems of internal control are operating effectively.

Prevention and detection of fraud

55. We have responsibility for reviewing the arrangements put in place by management for the prevention and detection of fraud. We reviewed the Council's arrangements including policies and codes of conduct for staff and elected members, whistleblowing, fraud prevention and fraud response plan.

56. Based on the evidence reviewed by us, we concluded that the Council has adequate arrangements in place for the prevention and detection of fraud.

National Fraud Initiative

57. The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise co-ordinated by Audit Scotland. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify 'matches' that might suggest the existence of fraud or error.

58. The latest position on NFI investigations by the Council is summarised in Exhibit 6.
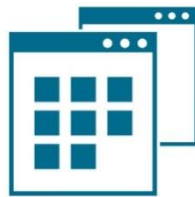
Exhibit 6
National Fraud Initiative

Total number of matches	Number recommended for investigation	Completed/closed investigations
7,672	1,092	1,223

Source: NFI website

59. For the current NFI exercise, 7,672 matches were identified in total, with 1,092 of those in the category recommended for investigation. Administration of the process is well organised and resourced, with staff in appropriate departments involved in investigation of matches. Internal Audit has a role in overall monitoring of progress.

60. Reasonable progress has been made in following up recommended matches, with just under 700 of those having been processed to date. Regular updates are provided as a standing agenda item to each Audit Committee meeting, however, very little detail is provided, with no regular update on numbers of matches, progress on follow up, or outcomes until the conclusion of the exercise. There could be improvements made in the level of detailed reporting to the Audit and Scrutiny Committee.

Recommendation 3

Additional detail on progress with processing NFI matches should be provided to Audit and Scrutiny Committee as a standing agenda item during the course of the NFI process.

61. The Council is pro-active in investigating matches, employs a significant level of staff resource in the process and provides regular updates to Audit and Scrutiny Committee. An area of good practice noted was the Council's use of an outsourced independent matching service (Datatank) twice yearly to identify council tax discount fraud.

Part 3
Financial sustainability

Main judgements

The Council's financial position is sustainable in the medium term although rising demand, increasing costs of services and reductions to central funding will continue to place a strain on the Council's capacity to deliver services at the current levels.

With the principles of its medium to long-term financial strategy agreed by members, the Council now needs to finalise the development of its long-term financial strategy. The Council also needs to conclude the development of its strategic workforce plan to ensure that it has the required capacity and skills to deliver effectively its services in the future.

The Council has an adequate level of reserves and has three-year financial plans that are aligned to the Council priorities and demonstrate how it will address future budget challenges.

The Council needs to continue the development of its savings proposals for 2018/19 and 2019/20.

Financial planning

62. It is important that long-term financial strategies (typically covering five to ten years) are in place which link spending to the Council's strategies. Although councillors only approve the budget for a single year, this should be supported by indicative future spending plans (covering three years at least) that forecast the impact of relevant pressures on the Council

63. The Council has developed a three year Budget Outlook report, which is updated through the year, to provide a more up to date financial position for members. It is prepared using three different scenarios; Best case/Worst case/Mid range. The latest 2018/19 to 2020/21 Budget Outlook, updated to August 2017, is based on the approved budget for 2017/18.

64. The Council has also recognised the need to develop a medium to long term financial strategy which demonstrates how the Council will respond to demands and pressures whilst continuing to meet its communities' needs. The financial strategy will be developed during 2017. Key to this strategy will be a set of principles which have been identified and approved by Council in February 2017;

- Resources aligned with the Local Outcome Improvement Plan (LOIP)
- Direct provision versus commissioned services (make or buy)
- Digital transformation
- Shared Services

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

- Commercial activities (via trading accounts)
- Arm's Length External Organisations (ALEOs)
- Commercial sponsorship
- Investment opportunities
- Volunteering for core services
- Fully centralised procurement
- Engaging Trade Unions in full partnership
- Shared and improved asset utilisation
- Management structure
- Work patterns and shift arrangements

65. We consider the approach taken by the Council in addressing its medium to long term financial position to be soundly based and realistic in its treatment of funding uncertainty and utilisation of varying scenarios in its budget outlook reporting. The underlying principles recognise the need to consider all aspects of Council activity and all available options for service redesign as an integral part of the strategy. We will monitor the development of the financial strategy during 2017, and report on progress as part of our 2017/18 audit.

Funding position

66. The Council is facing a number of challenges in maintaining a sustainable financial position in future. These include rising demands for services, increasing cost of services and reductions in central government funding.

67. On 23 February 2017, the Council agreed a balanced budget for 2017/18 with a surplus of £193k. Indicative budgets forecast a funding gap of £3.3 million for 2018/19 rising to £9.3 million for 2019/20.

68. The latest Budget Outlook 2018/19 to 2020/21, presented to Policy and Resources Committee 17 August, has updated the three year forecast funding gap as follows;

- Best Case - £10.200 million (£2.033 million in 2018/19)
- Mid Range - £17.414 million (£4.573 million in 2018/19)
- Worst Case - £29.101 million (£8.689 million in 2018/19)

69. The Council's approach to meeting the required savings is currently under development. This creates a financial sustainability risk for the Council as the level of necessary budget savings may adversely affect the level and quality of service provision.

Savings plans

70. As outlined in paragraphs 35 to 37 the Council achieved its efficiency savings target in 2016/17.

71. The Council agreed a balanced budget of £235.680m for 2017/18, with a small surplus of £0.193m. The funding gaps of £3.3 million and £9.3 million for 2018/19 and 2019/20 respectively were identified by the Council as the necessary savings targets. The approach to achieving these savings will be by a combination of efficiencies, transformational change and service reductions. Detailed savings proposals for 2018/19 and 2019/20 are currently being developed, using the principles contained in the financial strategy, for presentation to the Council at a future date. We will monitor progress and review emerging proposals as part of our 2017/18 audit.

Reserves

72. One of the key measures of the financial health of a local authority is the level of reserves held. The level of usable reserves held by the Council increased from £57.115 million in 2015/16 to £58.449 million in 2016/17.

73. The general fund reserve is the largest reserve. This reserve has no restrictions on its use. Its main purpose is to provide a contingency fund to meet unexpected expenditure and as a working balance to help cushion the impact of uneven cash flows.

74. The Council reviews the level of its uncommitted reserves when setting the budget each year. The General Fund balance at 31 March 2017 was £53.489m, with a revised figure for earmarked amounts of £41.519m leaving £11.97m. The Council also agreed to a set aside of £4m towards budget smoothing for 2019/20, which reduces the unallocated General Fund balance to 7.97m. The Council's approved reserves strategy specifies that uncommitted contingency reserves should be 2% of the Council budget for the following year. For 2017/18 this translates as £4.671m. This results in an unallocated reserves figure of £3.299m.

75. Exhibit 9 provides an analysis of the general fund reserve over the last five years split between committed and uncommitted reserves.   We consider that the overall level of useable reserves held by the Council is reasonable.

Exhibit 9
Analysis of general fund over last five years
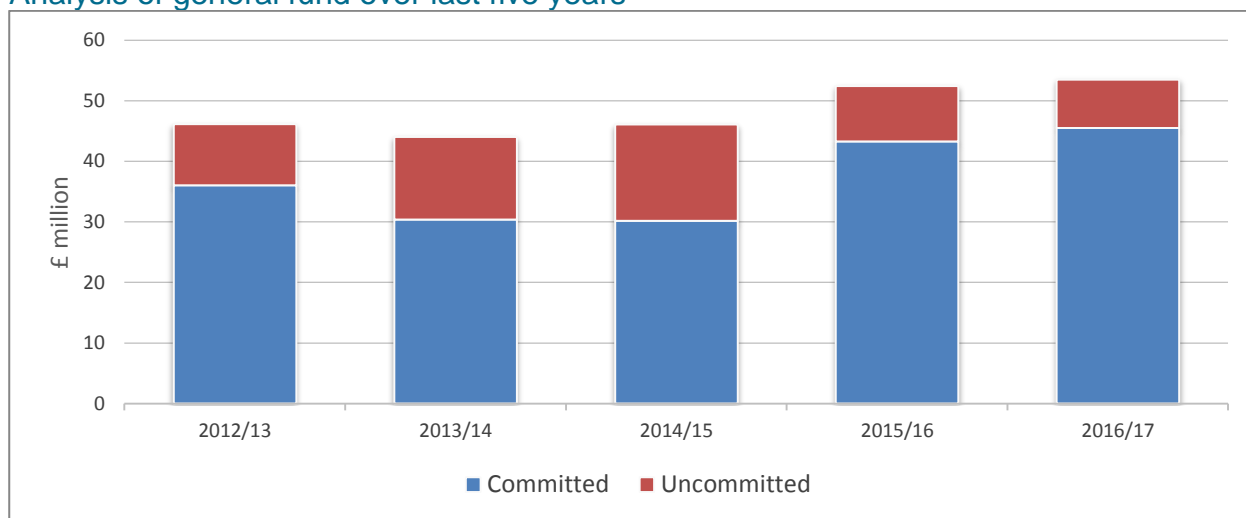
Source:

Workforce planning

76. Audit Scotland's *Local government in Scotland – performance and challenges 2017* report highlighted the need to plan and manage reductions to Council workforces. Failing to do this can affect the skills mix and ability of the organisation to deliver, manage and scrutinise services effectively.

77. The report advises councils to have effective systems in place for managing their workforce and monitoring staffing levels, and that information should be aligned to other long-term plans such as financial plans.

78. We noted in our Annual Audit Plan issued in March 2017 that a People Strategy 2016-2020 had been approved by the Council in September 2016, but that it did

not contain any detailed information regarding, for example, future projections for staff numbers. Management confirmed then that workforce planning was starting to be developed, with discussions at service level on required skills and capacity.

79. Work to date has involved HR officers meeting with managers and staff across all services to gather workforce profile information. The following key factors and related developments were identified from the meetings with services;

- **Difficulties recruiting and retaining qualified professional staff** – there are plans to use social media as part of recruitment process, and to promote recruitment jointly with the Community Planning Partnership.
- **Difficulties with succession planning**
- **Importance of leadership development** – the leadership programme for managers and Chief Officers was delivered.
- **An aging workforce –** Growing Our Own programme in place, to encourage young people into the workforce. Integrated framework for trainees developed, from Modern Apprentice to Graduate Trainee.
- **Need for alternative routes into professional and technical roles**
- **Need for more accessible training –** an increased number of e learning training courses is available.
- **Positive practices to be shared across the Council –** A 5 year programme of sponsoring social work degree students, joint development of education qualifications with local college and universities, and development of social care SVQs.

80. In August, a draft of the Strategic Workforce Plan was considered and agreed by the Strategic Management Team. Further development of the plan is necessary to incorporate Council priorities, and issues deriving from the medium to long term financial strategy and the Transformation Programme. However, it is expected that the completed plan will be presented to Policy and Resources Committee for adoption in December.

81. This is a key area of development for the Council and the further development of workforce planning activity should be expedited.

Recommendation 4

The Council should continue to progress their developments in workforce planning as a key priority. There is a risk that, without the necessary planning in place, the Council may not have the required capacity and skills to effectively deliver its services in the future.

Part 4
Governance and transparency

Main Judgements

The Council has appropriate arrangements in place that support scrutiny of decisions made by the Council and its standing committees.

The Council is open and transparent in the way that it conducts its business, with the public able to attend meetings of the Council and its committees. Minutes of committee meetings and agenda papers are readily available on the Council's website for public inspection.

Governance arrangements

82. Elected members and management of the council are responsible for establishing arrangements to ensure that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and for monitoring the adequacy and effectiveness of these arrangements.

83. Citizens and other service users should be able to hold the council to account regarding the services it provides. Transparency means that citizens have access to understandable, relevant and timely information about hoe the council is taking decisions and how it is using its resources.

84. The Council operates a Local Code of Corporate Governance which is subject to annual review by the Council Governance Group, the last review having taken place in June 2017 to cover 2016/17. An Action Plan is maintained to record areas where work is ongoing, or requires to be undertaken to improve governance arrangements. Based on the annual review for 2016/17, the Audit Committee approved the revised Code for 2016/17, the Action Plan 2017/18 and a draft statement of governance and internal control for 2016/17.

85. As part of the wider review of governance arrangements across the public sector, we completed a follow-up of the 'Role of Boards' national report, published in September 2010. This involved review of documentation, discussions with key officers and attendance at Council and committee meetings. The main findings from this work were:

- At a number of Council and audit committee meetings we attended, we observed appropriate level of challenge being applied to decision making.

- The Council's website is in line with good practice in the way it sets out committee information, agendas, papers and minutes. It is easy to navigate with a high level of transparency and openness. Access to the Council's information and committee papers is readily available to the stakeholders. Agendas and papers are available online prior to meetings and minutes are attached in a timely manner. However, we noted that members' interests did not include all information required by the Councillors' Code of Conduct.

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information.

Arrangements are now in place to have a fully collated Register of Interests published on the Council website.

- Although, overall, members and staff observe high standards of conduct and behaviour, long-standing political and personal differences remained among a small number of key individuals in Argyll and Bute Council. Some of these continued to be played out in a public way. During the year, one case was upheld by the Standards Commission, and a councillor censured for breach of the Councillors' Code of Conduct. In our interim report in June, we noted the risk that, if such public disagreements were to persist, the Council's image and reputation would be damaged further with potential implications for relations with local communities and for management effectiveness.

- The Council has taken steps to improve member training and development, including the introduction of a new members' induction programme in time for the May 2017 local government elections. This included training on standards and leadership with an emphasis on developing positive relationships with others. Early signs have been that interaction amongst new members has been appropriate.

86. Overall we concluded that the Council has appropriate arrangements in place that support scrutiny of decisions made by the Council and its standing committees and are increasingly supportive of good governance and accountability.

Management commentary, annual governance statement and remuneration report

87. The Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 requires councils to prepare and publish, along with their financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that are consistent with the disclosures made in the financial statements. The management commentary should be fair, balanced and understandable and also clearly address the longer-term financial sustainability of the body.

88. Based on our knowledge and work performed, we concluded that the management commentary, annual governance statement and remuneration report are consistent with the financial statements.

Internal audit

89. Internal audit provides senior management and elected members with independent assurance on the Council's overall risk management, internal control and corporate governance processes.

90. The internal audit function is carried out by the Council's own Internal Audit Section. We carried out a review of the adequacy of the internal audit function and concluded that it operates in accordance with the Public Sector Internal Audit Standards (PSIAS) and has sound documentation standards and reporting procedures in place.

91. To avoid duplication of effort we place reliance on the work of internal audit wherever possible. In 2016/17 we placed formal reliance on internal audit's work in the following areas: Continuous monitoring programme of main financial systems and Procurement. Also, we considered internal audit report findings as part of our wider dimension audit work.

Transparency

92. Transparency means that the public, in particular local residents, have access to understandable, relevant and timely information about how the Council is taking decisions and how it is using resources such as money, people and assets.

93. There is evidence from a number of sources which demonstrates the Council's commitment to transparency. Members of the public can attend meetings of the full Council and committees. Minutes of these committee meetings and supporting papers are readily available on the Council's website.

94. The Council's website allows the public to access a wide range of information including the register of members' interests, current consultations and surveys and how to make a complaint.

95. The Council makes its annual accounts available on its website. These include a management commentary which provides details of performance against budget, information on the use of reserves and risks and uncertainties facing the Council.

96. Overall, we concluded that the Council conducts its business in an open and transparent manner. This is further addressed at paragraphs 110-111 of this report.

Integration of health and social care

97. Legislation to implement health and social care integration, passed by the Scottish Parliament in February 2014, came into force on April 1, 2016. This brings together NHS and local council care services under one partnership arrangement for each area.

98. Integration will mean a greater emphasis on enabling people to stay in their homes, or another homely setting, where possible, sharing their lives with their family and friends and doing the things that give life meaning and value.

99. The Argyll and Bute Integration Joint Board (IJB) is provided in partnership with NHS Highland and became fully operational on 1 April 2016. Appropriate financial transactions and balances of the IJB have been consolidated into the Council's group accounts.

100. The Council and its NHS partner have plans in place to make health and social care integration work effectively. Audit Scotland, as part of a series of reports, will be reporting on integration authorities' progress after the first year of IJBs being established. This is not due until spring 2018, and auditors will be in a better position to assess progress once the work on this report has been completed.

Local scrutiny plan

101. The 2017/18 Local Scrutiny Plan (LSP) prepared by the Local Area Network (LAN) of scrutiny partners for the Council was submitted to the Audit and Scrutiny Committee on 27 June 2017. The LAN did not identify any new scrutiny risks in the year which would require specific scrutiny work during 2017/18 although Education Scotland is carrying out two further inspection visits in June and September 2017. The Council will be subject to a range of nationally driven scrutiny activity as set out in the LSP.

Equalities

102. The Equality Act 2010 introduced a public sector general duty that encourages public bodies to mainstream equality, that is, ensure it is part of their core work. The Act requires that by no later than 30 April 2015 and every two years thereafter, public bodies must publish a report on the progress made to achieve the quality of outcomes it has set.

103. We reviewed the current (April 2017) Equalities Mainstreaming Report available on the Council website and concluded the Council has met its statutory duty to:

- publish information on progress made in mainstreaming equality within the Council

- report on progress made towards achieving equality outcomes published in 2013

- publish annual employee information and details of the progress made in gathering and using information to better meet the duty

- publish updated gender pay gap information.

104. We concluded, on the basis of evidence reviewed, that the Council is proactive in ensuring that equality is mainstreamed.

Equal pay

105. In September 2017, the Accounts Commission published its findings from an audit of equal pay across local government. The audit found that councils underestimated the challenges involved in implementing the Single Status Agreement (SSA) and some of the approaches taken by councils did not always prioritise pay equality and were later found to be discriminatory. Argyll and Bute Council implemented single status in February 2008 and reports that between 2004/05 and 2015/16 it has spent £4.7 million compensating workers who had been unfairly paid and settling equal pay claims.

106. Almost 27,000 equal pay claims across Scotland remain live and Argyll and Bute Council still has 134 live claims. Workers could potentially still make new claims against councils. This means that councils need to be confident that they have fair and transparent pay arrangements and take necessary action, such as regular equal pay audits, to deliver pay equality in line with their public sector equality duty.

Part 5

Value for money

Main judgements

We note that there are sound arrangements in place for financial and service planning, financial governance and resource management, subject to developments in workforce planning and a long-term financial strategy which are ongoing.

We reviewed the Council's progress in taking forward the recommendations in the Accounts Commission's Best Value report published in December 2015. We found that good progress had been made in addressing the recommendations, however, measures taken will require time to fully develop in order to demonstrate significant and lasting improvement.

Best Value

107. The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. Best Value will be assessed over the five year audit appointment, as part of the annual audit work. In addition a Best Value Assurance Report (BVAR) for each council will be considered by the Accounts Commission at least once in this five year period. The BVAR report for Argyll and Bute Council is planned for later in the five year programme.

108. This year's Best Value audit work focussed on the Council's arrangements for demonstrating Best Value in financial and service planning, financial governance and resource management. Our conclusions on these areas are largely set out in the earlier sections of this report.

109. We also reviewed progress made by the Council in response to the Best Value report published in December, 2015. The Council received the report in January, 2016 and agreed the development of an Improvement and Action Plan to take forward its recommendations. The report identified a number of areas for further improvement. The current position is noted below in respect of the areas for action.

110. Establishing a more open and transparent culture and style of working: A bench-marking exercise with other similar councils was completed by the Council to compare the numbers of items taken in private, and to seek to reduce those to levels similar to peer councils. Reductions have been achieved, with quarterly monitoring and reporting on numbers of excluded items being considered by the Strategic Management Team.

111. The Council has carried out a review of Political Management Arrangements covering committee structures, area committees and audit and scrutiny arrangements. The main findings from this review were that:

Value for money is concerned with using resources effectively and continually improving services.

- the current "traditional" committee structure should be retained

- the current arrangement of four area committees would also be retained although we note that the number of meetings would be reduced.

- the functions of audit and scrutiny would be combined in a new Audit and Scrutiny Committee.

The various measures identified were approved by the new Council in May 2017.

Conclusion: The Council has been addressing the issue of lack of openness through its review of public/private reports, however, historically, the more serious challenges around lack of openness have originated from within the Council itself. Measures taken demonstrate a commitment to increased openness and transparency, and the political management arrangement options presented to the new Council should enable that culture of increased openness and transparency to be maintained.

112. Standards: Continuing to seek a resolution to a number of relationship issues relating to elected members and others: Training on standards and behaviour has been refreshed in line with new guidance produced with input from Standards Commissioner. A new programme of induction training and ongoing training material was put in place in time for the inception of the new Council.

113. Member and group discipline is now a standing item for discussion in regular meetings between the Chief Executive and group leaders. From discussion with the Chief Executive and senior councillors, there are indications that member discipline and behaviour standards have improved during 2017. However, the new Council is still in the early stages of its development and it will be important to ensure that appropriate avenues for constructive dialogue exist across the Council and the wider organisation.

Conclusion: There is evidence of improvement in this area, however, senior officers and members require to continue to work together to foster the highest standards of behaviour, mutual respect and professionalism.

114. Taking a more innovative approach to dealing with its financial challenges: A number of funds have been put in place by the Council to improve finances by supporting the growth of the local economy. These include the Tarbert and Lochgilphead Regeneration Fund, a Rural Resettlement Fund and an Inward Investment Fund which are all now in operation. Other similar projects are the Maritime Change Project, Oban as a University Town and the Single Investment Plan, which forms part of a potential Rural Growth Deal.

115. The former Transformation Working Group is now the Council's Transformation Board with a focus on delivering change to improve service delivery, and to help balance the budget in 2018/19 and beyond. It will progress defined work streams as noted below;

- Transformation Packages - savings via Business Cost Reduction/Income Maximisation/Service Redesign/Self Funding

- Innovation Fund - funding for innovative projects identified by staff

- Asset Management and Investment Fund - investment to provide the Council with a commercial financial return

    –   Catering and Cleaning Innovation - service transformation options in catering and cleaning

    –   Digital Transformation - eleven projects to be taken forward in four tranches

116. An updated Budget Outlook report has been developed to provide more up to date information to members on the financial position. A 3 year Budgetary Outlook for the period 2017/18 -2019/20 was prepared using three different scenarios; Worst Case/Mid Range/Best Case and has been updated and presented to Policy and Resources Committee meetings since August 2017.

117. A process has been established to monitor savings emerging from the Council's Service Choices initiative and their impact on services. Progress is reported to the Policy and Resources Committee as part of the Financial Monitoring Reports pack. The first such report was presented August 2016 and at each meeting thereafter, with copies available on the Council's website. The latest update was that from 125 savings options, 96 have been delivered, 22 are on track to be delivered, 3 have still to be implemented, 1 has still to be developed, 3 have a potential shortfall and none are delayed.

118. The Council has recognised the need to develop a medium to long term financial strategy which demonstrates how it will respond to demands and pressures whilst continuing to meet its community's needs. This will be developed during 2017. The key to the strategy will be a set of fourteen underlying principles identified and approved by the Council in February 2017. One of these principles concerns the potential use of Arm's Length External Organisations (ALEOs), and the Council has formed a Leisure and Libraries Trust, which will commence operation from October 2017, and should provide full year savings of £0.541m from 2018/19 onwards.

Conclusion: The Council has introduced a range of initiatives to promote financial sustainabilty in the area and has developed a more innovative approach to dealing with its financial challenges. It is implementing alternative approaches which are intended to avoid reducing or withdrawing services, but instead seek to do things differently. It will, however, require to complete its development of a longer term financial strategy in order to consolidate any benefits from its various funding and savings initiatives.

119. Community Engagement - Continuing to demonstrate clearly how it takes on board consultation feedback from its communities: A review of the Council's relationships was carried out and considered by the Strategic Management Team. Its main conclusions were that perceptions of relationships with communities were often media led, but that work had to be done to improve communications with community groups, and especially with community councils. Community groups wanted more influence rather than control.

120. Specific new initiatives by the Council include the development of a Community Action Planning Toolkit and delivery of related training sessions, and a successful application to Scottish Government to run a Participatory Budgeting project for area committees, with five separate projects having been identified.

121. A Chief Officers and Senior Officers Working Group will now meet twice yearly to look at ways of progressing closer working with communities. Digital Transformation, Community Empowerment and Cultural issues have already been discussed in this forum.

122. The Council carried out a public consultation process during November 2016 –January 2017 in support of its budget planning process, and received more than 1700 responses. Respondents were asked about services and the role of the

Council, transforming services to make savings and raise income, and on working together with the Council. Findings were reported to the Council on 23 February 2017, and feedback was included on the Council's website on how views submitted had contributed to decisions made.

Conclusion: A number of initiatives are under way and at various stages of development. The Council requires to continue to develop practical mechanisms for embedding community engagement in its activities.

123. Local Empowerment: The Council has undertaken to prepare for and implement all relevant elements of the Community Empowerment (Scotland) Act 2015. Project leads have been identified to progress key component elements of the Act and the Council has reported all elements to be on track. A Community Empowerment Event, facilitated by the Council and community planning partners, was held in March 2017 to inform communities on the elements of the Act and how to become involved.

124. Council procedures are being developed to ensure consistency across the Council in its approach to community engagement, and enable effective and timely decisions to be made on community engagement issues.

125. The Council's website has a prominent Community Empowerment section with an overview of the various elements of the Act. It describes the legal status of the Act, the new rights for community bodies and the new duties on public authorities. The eleven topics covered by the Act are clearly summarised with links provided to further information or support.

126. There is a Community Empowerment Working Group comprising of Council officers and representatives of other community partners such as Fire and Rescue, Police, HIE, etc chaired by the Executive Director of Customer Services and meeting 6-8 weekly. In its update report to the Council in June 2017 it provided an overview of the elements of the Act which impact on Argyll and Bute Council and an update on actions taken to meet statutory requirements. This indicated that all elements of the Act currently in force had been implemented, and that work is ongoing to comply with other parts as and when they come into force.

Conclusion: The Council has in place, or is developing, the necessary mechanisms to comply with statutory Community Empowerment requirements. Information on the Act, and practical guidance on how individuals or community groups can exercise rights under the legislation, are available on the Council website. Measures taken to date appear to be in line with statutory deadlines and, where further legislation is awaited, preparatory measures are in place where possible.

127. Exploring all options for providing training and development for all members in a way that is most accessible and has greatest impact: A significant review was carried out on the new member induction programme, and on the content of seminars and training material available to members both online and in person.

128. Member training and development was identified in the 2015 BV Report as an area where improvement was required, and the Council has taken action to improve this area, with the development of a new members' induction programme ahead of the May 2017 elections being a significant step.

129. However, the response rate to the survey which sought feedback for developing the induction programme was somewhat low, with 21 out of a possible 36 members responding, and the BV Report in December 2015 noted that attendance at seminars varied greatly but on average less than half of all members

attended. Attendance at the induction sessions for the new council, held in May 2017, was very high, with very few members not attending.

Conclusion: Progress has been made in improving the induction programme and the available training support for members, however, we will continue to monitor developments and progress in this area.

130. The Controller of Audit will consider the results of the follow up work, and report to the Accounts Commission on the extent of improvements made.

Following the public pound

131. Local authorities have a statutory responsibility to comply with the Accounts Commission / COSLA Code of Guidance on funding external bodies and following the public pound.

132. The Council has successfully concluded the process of creating a charitable trust to operate all Council owned leisure and library services. The new organisation will begin operating from 1st October, 2017. It will be essential that the Council implements robust assurance and governance arrangements to deliver best value whilst ensuring an appropriate level of accountability for public money utilised in funding the operations of the new body.

Performance management

133. The Council's Planning and Performance Management Framework (PPMF) had been in use since 2009. Detailed processes ensured that the Council's resources were targeted towards delivering the priorities set out in the Single Outcome Agreement/Local Outcome Implementation Plan, and the Council's Corporate Plan. It was based on review and scrutiny of individual service plans. Those service plans aimed to align service resources with service, corporate and national outcomes and were reviewed via service and departmental scorecards.

134. The PPMF operated effectively as a framework for monitoring and reporting performance, however, in our 2015/16 report we commented that the number of outcome indicators, together with the range of corporate and service strategies and plans, might work against visibility and clarity around performance management.

135. In 2016, the Performance Review and Scrutiny Committee and Chief Executive requested that a review of the PPMF be carried out to simplify the process, reduce duplication and provide improved scrutiny. In April 2017, a new Performance and Improvement Framework (PIF) was introduced and approved by the Council.

136. The first stage of this development has been to simplify service outcomes, reduce their number and create a smaller number of business outcomes. The new approach has been applied to service planning for 2017-20, and was approved by the Council in February 2017. Service plans will now extend to 3 years in duration rather than the previous single year. Updated scorecards will be developed to enable elected members to access and assess high level and strategic outcomes rather than low level activity measures. We will monitor developments in relation to PIF and assess its effectiveness in delivering its intended improvements as part of our 2017/18 audit.

Overview of performance targets

137. The Council participates in the *Local Government Benchmarking Framework* (LGBF). The framework aims to bring together a wide range of information about how all Scottish Councils perform in delivering better services to local communities, including the cost of services and how satisfied citizens are with them.

138. The Performance Review and Scrutiny Committee received quarterly performance reports throughout the year. The latest such report was for Financial Quarter 3 to December 2016, and was presented to the Committee on 3rd March 2017. These reports monitor progress against the Council's key priorities. Based on the most recent report, Key Successes included;

- positive progress reported by the A&B Economic Forum,
- the launching of two new funds to help local businesses,
- the opening of a £2m investment Station Square, Oban and
- the completion of 47 new affordable homes between October-December.

139. Key Challenges were recognised as;

- review of political management arrangements and the impending local government elections
- challenges associated with recycling and waste treatment in the medium to longer term
- funding for infrastructure priorities
- continued work with the HSCP around joint working, joint processes and options for co location
- production of medium to longer term financial strategy.

Statutory performance indicators (SPIs)

140. The Accounts Commission places great emphasis on councils' responsibility for public performance reporting. The Commission does not prescribe how councils should report this information but expects them to provide the public with fair, balanced and engaging performance information.

141. For 2016/17 two (SPIs) were prescribed:

- SPI 1: covering a range of information relating to areas of performance such as improving local public services, improving local outcomes, engaging with communities and achieving Best Value

- SPI 2: relates to the reporting of performance information as required by the Local Government Benchmarking Framework.

142. Overall we concluded that the Council's arrangements for publication are satisfactory.

National performance audit reports

143. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2016/17, a number of reports were issued which are of direct interest to the Council. These are outlined in Appendix 3.

144. The Council's internal audit section reviews Audit Scotland's national reports and passes them to the appropriate management recipient for a high level follow-up. The Chief Internal Auditor summarises this to the Audit Committee on a quarterly basis but this summary does not include all Audit Scotland's national reports of relevance to the Council, and the follow-up action is not clearly set out. Additionally, only some reports are presented to committees or other member groups for consideration. There is a risk therefore that some opportunities for improvement are not being identified. We raised this issue in our interim report to Audit Committee in June 2017, and management have undertaken to review the process to ensure that reports are presented to relevant committee and that follow up actions are monitored.

Appendix 1
Action plan 2016/17

2016/17 recommendations for improvement

Page no.	Issue/risk	Recommendation	Agreed management action/timing
11	**1. Impairment reviews** From our review of Assets Under Construction we noted a number of assets where there had been no movement during 2016/17. One project, Campbeltown Old Quay, was recorded in accounts at £1.148m but had no movement for over 2 years. Whilst there were identifiable reasons for these long pauses in project activity, management should review these projects annually for potential impairment. There is a risk that capital projects subject to delays, or indefinite suspension, might suffer impairment in value as a result of such delays.	The Council should carry out impairment reviews for all significant assets including Assets under Construction.	Impairment reviews including Assets under Construction will be carried out each year. Peter Cupples, Finance Manager Corporate Support. 15 April 2018.
11	**2.Holiday pay accrual** The percentage used to incorporate Other Staff into the calculation was based on a sample of employees from 2010/11. There is a risk that over time the relevance and validity of the sample data will reduce resulting in misstatement of the amount accred.	Sample data used to calculate the accrual for holiday pay should be reviewed regularly to confirm its continued suitability.	The Holiday Pay Accrual will be reviewed at year end and will be updated as required. Peter Cupples 15 May 2018
17	**3. National Fraud Initiative** Regular updates on the NFI process are provided as a standing agenda item to each Audit Committee meeting, however, very little	Additional detail on progress with processing NFI matches should be provided to Audit and Scrutiny Committee as a standing agenda item during the course of the NFI	Additional information will be provided as part of the regular updates to the Audit and Scrutiny Committee.

Page no.	Issue/risk	Recommendation	Agreed management action/timing
	detail is provided, with no regular update on numbers of matches, progress on follow up, or outcomes until the conclusion of the exercise. There is a risk that Audit and Scrutiny Committee are not aware of delays in processing of NFI matches.	process.	Chief Internal Auditor 31 December 2017
21	**4. Workforce planning** Underlying workforce planning to support the Council's People Strategy is currently under development. There is a risk that, without the necessary planning in place, the Council may not have the required capacity and skills to effectively deliver its services in the future.	The Council should continue to progress their developments in workforce planning as a key priority.	Strategic Workforce Plan to be prepared and agreed at Policy and Resources Committee in December 2017. Jane Fowler, Head of Improvement and HR 31 December 2017

Appendix 2
Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our opinion on the financial statements.

Audit risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
1 Risk of management override of controls ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls in order to change the position disclosed in the financial statements.	Detailed testing of journal entries. Review of significant accounting estimates and evaluation of the impact of any variability in key assumptions. Focused testing of accruals and prepayments. Substantive testing of transactions after the year end to confirm income and expenditure has been accounted for in the correct financial year. Evaluation of significant transactions that are outside the normal course of business.	No unusual or inappropriate transactions were identified as part of detailed testing of journal entries. A review of accounting estimates did not show any instance of bias. No significant issue were noted in our testing of accruals and prepayments. Income and expenditure accounted for in correct financial year. No significant transactions outside the normal course of Council business were identified. Our conclusion is that there is no evidence of management override of controls at the Council.
2 Risk of fraud over income and expenditure ISA 240 requires auditors to presume a risk of fraud where income streams in addition to Scottish Government funding are significant. Argyll and Bute Council receives significant income in addition to Scottish Government funding. The extent and complexity of income means that, in accordance with ISA240, there is an inherent risk of fraud that requires an audit response. Practice Note 10 expands the ISA240 assumption on fraud over income to aspects of expenditure. The risk of fraud over expenditure also applies to the Council due to the variety and extent of its expenditure in	Analytical procedures on income and expenditure streams. Detailed testing of revenue and expenditure transactions, including cut-off testing, focusing on the areas of greatest risk.	We obtained satisfactory explanations for any significant increases or decreases in income or expenditure. Satisfactory results obtained from our testing of transactions.

Audit risk	Assurance procedure	Results and conclusions
delivering services.		
3 Estimation and judgements There is a significant degree of subjectivity in the measurement and valuation of the material account areas of: • non current assets (including heritage assets) • pension liabilities • provisions (including for any equal pay claims). This subjectivity represents an increased risk of misstatement in the financial statements.	Completion of 'review of the work of an expert' for the professional valuers and actuaries. Review of accounting estimates and pension disclosures. Focused substantive testing of key areas including data Argyll & Bute Council provides to its actuaries.	We assessed the reliability of these experts and reviewed their work. No issues were noted. We tested samples of accruals and provisions and confirmed them to appropriate back up evidence. Pension disclosures agreed in full to information from actuaries, or to financial records where applicable. We concluded that estimations and judgements included in the accounts are supported by appropriate audit evidence.
4 Health and Social Care Integration Argyll & Bute Council and NHS Highland transferred full responsibility for delegated health and social care services to the Integration Joint Board (IJB) from 1 April 2016. As a material joint venture, the Council will need to include the financial results of the IJB in the group financial statements for 2016/17. There is an increased risk of misstatement as this is a new area for disclosure in the Council's financial statements. There is a risk that: • transactions relating to the IJB are not correctly classified by the Council • balances between the Council and its IJB partners are not agreed in time for preparation of the financial statements overspends occur if scrutiny of partnership budgets is not effective. Any overspends by the IJB can directly impact the Council's budget.	On-going discussion with officers on accounting for the IJB prior to receiving the Council's unaudited financial statements. Obtain Assurances from external auditors of NHS Highland and of the IJB. Sample test income and expenditure relating to health and social care services provided to the IJB. Review the arrangements in place to confirm balances between the Council and its IJB partners. Confirm whether any overspends or underspends relating to the Council are accounted for in accordance with the integration scheme.	IJB financial position was monitored throughout the audit and the treatment for year end results considered in line with accounting guidelines. IJB figures were accurately incorporated into the consolidated accounts. Confirmation of year end balances was received from each party of the IJB. Sample testing of income and expenditure transactions confirmed they were accurately recorded as IJB or non-IJB. The Council's share of the results of the IJB has been appropriately consolidated into the group accounts. Our conclusion is that transactions and balances of the IJB were correctly classified within the Council's ledger. Balances between the Council and its partners were agreed.

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

5 Financial sustainability Councils are facing significant financial pressures with reductions in funding and the need to reconfigure services,	Review of the Council's budget setting arrangements and its approach to medium and long-term financial planning, including any scenario	The Council has still to develop its approach to medium and long term financial planning. Budget monitoring reporting to members and budget managers

Audit risk	Assurance procedure	Results and conclusions
increasing non discretionary costs, increasing demand for services and the uncertainty around the newly created IJBs. On 23 February 2017, the Council agreed a balanced budget for 2017/18 with a surplus of £193k. Indicative budgets forecast a funding gap of £3.3 million for 2018/19 rising to £9.3 million for 2019/20. The approach to meeting the required savings has yet to be developed. This creates a financial sustainability risk for the Council as the level of necessary budget savings may adversely affect the level and quality of service provision. The Council has recognised this risk as part of its risk management process.	planning On-going review of budget monitoring reports and other reports presented to members. On-going review of the Council's financial position and its progress in achieving its planned savings.	is of a high standard, and enables corrective action to be taken timeously should overspends develop during the year. Savings plans to date have been delivered successfully,and plans for future savings are under develop[ment..
6 Financial management - budget setting process Audit Scotland's report on 2015/16 budget setting process identified 3 areas for improvement: • Members should consider circulating proposals for significant changes to the budgeting pack in advance of the Council meeting • Future budget proposals should include a clear breakdown of how a balanced budget is made up • The process for recording officer advice and Council decisions on significant items such as setting the budget should be reviewed to ensure minutes are comprehensive and transparent. If these actions are not implemented, there is a risk that the scrutiny of the budget setting process is ineffective.	Consideration of internal audit's review of budgeting. Attendance at the budget setting Council meeting. Follow up of progress on improvement actions identified.	Internal audit provided reasonable assurance for this area. Its review of budget monitoring reports, provided to budget holders on a regular basis by Strategic Finance, found that these were accurate. Meeting attended by audit team members. Improvement actions addressed by Council and dealt with satisfactorily.
7 Financial management - financial reporting system There is a requirement to replace the main financial reporting system (Discoverer) by June 2017. There is a risk	On-going review of progress.	Continued support for the current system has been secured until June 2018, to enable market testing for a replacement to be carried out. We will review progress as part of

Audit risk	Assurance procedure	Results and conclusions
that this has an adverse impact on the Council's financial reporting at an important stage of accounts preparation.		our 2017/18 audit.
8 Best value follow-up The Accounts Commission's Best Value report, published in December 2015, identified several areas for improvement for the Council, including: • Operating in a more open and transparent way • Better involving communities in decision making and scrutiny • Taking a more innovative approach to dealing with its financial challenges • Continuing to seek a resolution to a number of relationship issues relating to elected members and others. There is a risk that the measures identified in the resulting improvement plan will not effectively address the issues raised in the report.	Review of the Council's leadership, governance and scrutiny processes, including the role of area committees, as part of our on-going Best Value work. Review of progress made against the Accounts Commission's recommendations in the 2015 Best Value report. Review of induction and training arrangements in place for new members.	Leadership, governance and scrutiny processes reviewed and found to be satisfactory. Role of area committees remained important, especially in view of initiatives planned around community engagement and empowerment. Good progress made against recommendations. New induction and training arrangements for members considered to be a significant improvement.
9 Workforce planning A People Strategy for 2016-2020 was approved by the Council in September 2016. However, the strategy does not contain any detailed information regarding, for example, future projections for staff numbers. There is a risk that the Council does not have the required capacity and skills to deliver effectively its services in the future.	On-going review of progress with the preparation of a workforce plan.	Development of workforce planning is ongoing and will be reviewed further as part of our 2017/18 audit work.

Appendix 3
Summary of national performance reports 2016/17

2016/17 Reports

Month	Report	Report	Report
Apr			
May	Common Agricultural Policy Futures programme: an update		
Jun	South Ayrshire Council: Best Value audit report	The National Fraud Initiative in Scotland	
Jul	Audit of higher education in Scottish universities	Supporting Scotland's economic growth	
Aug	Maintaining Scotland's roads: a follow-up report	Superfast broadband for Scotland: a progress update	Scotland's colleges 2016
Sept	Social work in Scotland	Scotland's new financial powers	
Oct	Angus Council: Best Value audit report	NHS in Scotland 2016	
Nov	How councils work – Roles and working relationships in councils	Local government in Scotland: Financial overview 2015/16	
Dec	Falkirk Council: Best Value audit report	East Dunbartonshire Council: Best Value audit report	
Jan			
Feb	Scotland's NHS workforce		
Mar	Local government in Scotland: Performance and challenges 2017	i6: a review	Managing new financial powers: an update

Local government relevant reports

The National Fraud Initiative in Scotland – June 2016

Maintaining Scotland's roads – a follow up report – August 2016

Social work in Scotland – September 2016

Local government in Scotland: Financial overview 2015/16 – November 2016

Local government in Scotland: Performance and Challenges 2017 – March 2017

Argyll and Bute Council
2016/17 Annual Audit Report

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Agenda Item 12

ARGYLL & BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **30 NOVEMBER 2017**

CHARLES AND BARBARA TYRE TRUST – APPOINTMENT OF GOVERNORS

1. EXECUTIVE SUMMARY

1.1   This report advises that the Charles and Barbara Tyre Trust have written to the Council seeking agreement for the appointment of two Governors to the Board of the Charles and Barbara Tyre Trust.

1.2   The Council has previously taken the decision to investigate the legality of having to make appointments to the Trust and the report presents an update in this regard.

1.3   **RECOMMENDATIONS**

The Council is invited to consider whether it wishes to appoint the two Governors to the Board of the Charles and Barbara Tyre Trust as detailed at paragraph 4.3 of this report or alternatively if it wishes to exercise the option to make no such appointment as provided for at paragraph 4.5.

The Council is further invited to consider its position in relation to future appointment of Governors of the Trust.

ARGYLL & BUTE COUNCIL **COUNCIL**

CUSTOMER SERVICES **30 NOVEMBER 2017**

CHARLES AND BARBARA TYRE TRUST – APPOINTMENT OF GOVERNORS

2. INTRODUCTION

This report advises that the Charles and Barbara Tyre Trust have written to the Council seeking agreement for the appointment of two Governors to the Board of the Charles and Barbara Tyre Trust.

The Council has previously taken the decision to investigate the legality of having to make appointments to the Trust and the report presents an update in this regard.

3. RECOMMENDATIONS

The Council is invited to consider whether it wishes to appoint the two Governors to the Board of the Charles and Barbara Tyre Trust as detailed at paragraph 4.3 of this report or alternatively if it wishes to exercise the option to make no such appointment as provided for at paragraph 4.5.

The Council is further invited to consider its position in relation to future appointment of Governors of the Trust.

4. BACKGROUND

4.1 The Charles and Barbara Tyre Trust is an educational trust arising from the will of the late Charles Tyre and is operated in terms of a Statutory Scheme made in 1979 under the relevant Education (Scotland) Act. The Statutory Scheme provides for a governing body of 10 Governors and the Council's role in relation to the Trust is to appoint Governors. The Governors need not be Members of the Council.

4.2 The periods of office of Governor run for three years from the date of their appointment. The Scheme also provides that a Governor may be re-appointed but can only serve for a maximum of two successive terms and thereafter must vacate office for a period of one year before becoming eligible for further re-appointment.

4.3 Following the Governors meeting of the Trust held on 24 August 2017 the Governors have written to the Council seeking agreement for the appointment of Rev Steve Fulcher, Southend, Campbeltown and Rev Chris Fulcher, Glencruitten Road, Oban to act as Governors on the Board of the Trust.

4.4 The Trust is registered with the Office of Scottish Charity Regulator (OSCR), which is the independent Regulator and registrar for Scotland's charities, including community groups, religious charities, schools, universities etc and consequently is required to comply with relevant laws i.e. the Equality Act. The Council has previously requested clarification of its legal position into the appointment of Governors and it is clear that this is the Council's only role in relation to the Trust.

4.5 Within the Constitution of the Trust there is a provision which states "If the body entitled to appoint a governor fails to do so within the 3 month period, it shall be in the power of the governing body to appoint a successor and any appointment under this subparagraph shall be deemed to be an appointment by the body entitled to make the appointment."

5.0 CONCLUSION

Given this provision the Council may wish to give consideration to its future role in the appointment of governors given that it currently has only a limited and indirect relationship with the Trust. In order to rewrite the terms of the Trust this would incur a significant legal cost to a small charity which has a strong track record in benefiting young people pursue educational development. The existing provision within the Trust allows for a situation where the Council may not make an appointment without incurring a rewriting of the governing constitution.

6.0 IMPLICATIONS

6.1 Policy – None
6.2 Financial - none
6.3 Legal - The Council has an obligation to appoint Governors to the Trust.
6.4 HR - none
6.5 Equalities - None
6.6 Risk – None
6.7 Customer - None

Douglas Hendry - Executive Director of Customer Services
3 November 2017
Councillor Rory Colville – Policy Lead for Corporate Services
For further information contact: Charles Reppke, Head of Governance and Law
Tel: 01546 604192

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Agenda Item 13

ARGYLL AND BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **30 NOVEMBER 2017**

DRAFT PROGRAMME OF MEETINGS 2018/19

1.0   EXECUTIVE SUMMARY

1.1   The Council's Standing Orders for Meetings (SO 20.1) require the Council to approve a Programme of Meetings for the Council and its Committees every

1.1   year.

1.2   The Council is invited to consider and approve a draft Programme of Meetings for the year 2018-19.

ARGYLL AND BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **30 NOVEMBER 2017**

DRAFT PROGRAMME OF MEETINGS 2018/19

2.0   INTRODUCTION

2.1   The Council's Standing Orders for Meetings require the Council to approve a Programme of Meetings for the Council and its Committees every year. Attached is a draft programme of meetings for the year 2018-19, based on the current committee cycle, which it is recommended that the Council approve.

3.0   RECOMMENDATIONS

3.1   It is recommended that the Council consider and approve the draft Programme of Meetings for the year 2018-19.

4.0   DETAIL

4.1   Standing Order 20.1 requires that the Council approve a Programme of Meetings each year.

4.2   The current approved Programme of Meetings for the Council and its Committees runs until June 2018.

4.3   The Council is required to approve a Programme of Meetings for the period July 2018 to June 2019 and a draft is attached at Appendix 1 to this report.

4.4   It should be noted that Standing Order 20.2 makes provision for the Chair of a Committee (or in whose absence the Vice- Chair) for good cause to cancel or alter the date, time or place for a meeting but not after the summons for the meeting has been issued.

5.0   CONCLUSION

5.1   The Council's Standing Orders for Meetings require the Council to approve a Programme of Meetings for the Council and its Committees. The approved Programme runs until June 2018 and the Council is invited to approve a Programme of Meetings for the period June 2018 to June 2019.

6.0   IMPLICATIONS

6.1   Policy - None

6.2   Financial – Members travel and subsistence costs

6.3   Legal – Requirement of Standing Order 20.1

6.4   HR - None

6.5   Equalities - None

6.6   Risk - None

6.7   Customer Service - None

Douglas Hendry
Executive Director of Customer Services
9 October 2017
Policy Lead – Councillor Rory Colville, Corporate Services

For further information contact: Charles Reppke, Head of Governance and Law

APPENDICES
   Appendix 1 – Draft Programme of Meetings 2018/19

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Schedule of Committee Meetings – up to July 2019

	2017	2018												2019						
Committee	*Dec*	*Jan*	*Feb*	*Mar*	*Apr*	*May*	*June*	*July*	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July
Council			Thurs 22		Thurs 26		Thurs 28			Thurs 27		Thurs 29			Thurs 21		Thurs 18		Thurs 27	
Policy & Resources	Fri 8		Thurs 15			Thurs 17			Thurs 16		Thurs 18		Thurs 13		Thurs 14			Thurs 16		
Community Services	Thurs 14			Thurs 15			Thurs 14		Thurs 23			Tues 11			Thurs 14				Thurs 13	
Env, Dev & Infrastructure	Thurs 7			Thurs 8			Thurs 7			Thurs 6		Thurs 6			Thurs 7				Thurs 6	
PPSL	Tues 12	Wed 24	Wed 21	Wed 21	Wed 18	Wed 16	Wed 20		Wed 22	Wed 19	Wed 24	Wed 21	Wed 19	Wed 23	Wed 20	Wed 20	Wed 17	Wed 22	Wed 19	
Audit & Scrutiny	Fri 1			Tues 20			Tues 19			Tues 25			Tues 18		Tues 19				Tues 18	
B&C Area	Tues 5			Tues 6			Tues 5			Tues 4			Tues 4		Tues 5				Tues 4	
B&C CPG			Tues 6			Tues 1			Tues 14			Tues 6			Tues 5			Tues 7		
MAKI Area	Wed 6			Wed 7			Wed 6			Wed 5			Wed 5			Wed 6			Wed 5	
MAKI CPG			Wed 7			Wed 2			Wed 8		Wed 7				Wed 6			Wed 8		
H&L Area	Thurs 21			Thurs 22			Thurs 21			Thurs 20			Thurs 20		Thurs 21				Thurs 20	
H&L CPG			Thurs 8			Thurs 10			Thurs 9		Thurs 8				Thurs 7			Thurs 9		
OLI Area	Wed 13			Wed 14			Wed 13			Wed 12			Wed 12			Wed 13			Wed 12	
OLI CPG			Wed 14			Wed 9			Wed 15			Wed 14			Wed 13			Wed 8		
IJB		*Wed 31*		*Wed 28*		*Wed 30*			*Wed 1*	*Wed 26*		*Wed 28*								
CPP/Mgt Comm	*Tue 5*			*Tue 13*			*Wed 27*			*Wed 19*			*Wed 12*							
Live Argyll		*Wed 24*			*Wed 25*			*Wed 25*			*Wed 24*									
Licensing Board			*Wed 28*		*Tues 24*		*Tues 26*			*Tues 11*		*Tues 20*								
Seminars			Mon 12	Mon 5		Mon 14			Mon 13		Mon 1				Mon 28		Mon 4		Mon 13	

Shading - December 2017 to June 2018 Committee dates agreed already

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ARGYLL AND BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **30 NOVEMBER 2017**

REVIEW OF THE SCHEME FOR THE ESTABLISHMENT OF COMMUNITY COUNCILS

1.0   EECUTIVE SUMMARY

The report sets out the feedback received from the first phase of consultation on an amended Scheme for the Establishment of Community Councils. This follows on from the agreement of the Policy and Resources Committee, on 17 August 2017, to commence a consultation and endorsing the timescales for the review period, and also the previous agreement of Council on 18 May 2017 that the new Scheme should contain provisions to apply sanctions to any community council or community councillor found to be in breach of the Code of Conduct.

The feedback received is largely minor although 2 boundary changes have been suggested by one community council. Commentary from the Governance and Law Service has been prepared in response to the feedback which either recommends inclusion into the draft amended Scheme for the Establishment of Community Councils, or suggests why the matters raised would be inappropriate to progress. This has been collated into a spreadsheet attached as Appendix 1. Appendix 2 contains specific recommendations for the Council to consider in framing the amended Scheme.

There are 2 suggestions made in terms of progressing the review. The first (Option 1) is that the recommendations contained at Appendix 2 are approved and as the matters suggested for progression are of a minor nature, the Council may wish to proceed to give notice of a final draft Scheme, omitting a second stage consultation (although noting that a period of public notice, with time to raise objections, is required). Alternatively, the Council may wish to consider Option 2 to proceed with a second stage consultation (between 8th December and 2nd February 2018, in accordance with the approved timescale). This would result in feedback from Stage 2 being presented to Council in the form of a final draft Scheme in February 2018 and thereafter, public notice with a further period of time for feedback also being required.

Eleven community councils contributed their views on the proposals, with evidence from minutes so far received of a further 12 having discussed the matter and supporting the proposals. This represents a return rate of 41% although we have many community councils who meet quarterly and who are likely to have distributed the consultation to their members with an invitation to feedback any views either directly to the Council or via an office-bearer who would collate any responses and submit these.

ARGYLL AND BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **30 NOVEMBER 2017**

REVIEW OF THE SCHEME FOR THE ESTABLISHMENT OF COMMUNITY COUNCILS

2.0   INTRODUCTION

2.1   Stage one of the consultation on the Review of the Scheme for the Establishment of Community Councils concluded on 19 October 2017. The feedback received is included as Appendix One to this report with commentary provided from Governance and Law as to which matters ought to be included in a draft amended Scheme. Appendix 2 contains specific recommendations for consideration.

3.0   RECOMMENDATIONS

3.1   To note the feedback received during phase one of the consultation and resolve to either:

(a) Progress the review to a second stage consultation based on the suggested amendments contained within Appendix one, and summarised in Appendix 2; noting that the process outlined at recommendation (b) will still require to be followed, with a minimum period of 4 weeks' notice being given at the appropriate time; or

(b) Agree with the recommendations outlined in Appendix 2 and on the basis that these are minor amendments, instruct the Executive Director of Customer Services to give public notice of the amendments to the initial proposals, inviting further representations to be submitted within a 6 week period which will take account of the holiday period.

3.2   Should recommendation 3.1(b) be the favoured option, it is recommended that where there are no proposed amendments to the final draft scheme by the end of the period of notice, the Council will consider this to be the approved Scheme for 2018-2022 and will delegate authority to the Executive Director of Customer Services to give notice of the new Scheme with an implementation date of 26 April 2018 which will coincide with the election date outlined in the consultation timetable.

4.0 DETAIL

4.1 The first phase of consultation took place between 24 August and 19 October 2017 following approval from the Policy and Resources Committee on 17 August 2017 to commence a consultation on a new Scheme. The draft Scheme also featured a process for applying sanctions per the Council decision of 18 May 2017. Feedback received during this consultative period is attached at Appendix one to this report together with commentary from Governance and Law and evidence suggests that a further 12 community councils discussed the proposals and offered no objection or suggested revisions. This represents a response rate of 41%.

4.2 While a number of minor issues have been proposed, two boundary changes have been suggested by Oban Community Council. Feedback on the boundary proposals are contained within Appendix one but to summarise the proposals are to:

Alter the existing boundary between Oban and Kilmore Community Councils to move Oban Auction Mart within the Oban CC boundary;

and

Alter the boundary between Oban, Dunbeg and Connel Community Councils to include an area which is subject to planning permission in principle entirely into the Dunbeg Community Council boundary.

4.3 Not all suggestions are recommended for progression, irrespective of this, feedback has been provided by the Governance and Law Service. This feedback will also be published on the review page of the Council's website.

4.4 The Council should consider the feedback at Appendix one, and the recommendations on the amendments suggested as part of the review at Appendix 2, before resolving how to progress the review.

5.0 CONCLUSION

5.1 The first phase of consultation raises some boundary review requests but otherwise picks up some minor proposals to the amended Scheme. Depending on which of the recommendations at Appendix 2 the Council wishes to progress, it may be possible to go straight out with a final draft Scheme. This would involve giving public notice of amended proposals and a period for any comments or concerns to be raised and reported back to Council. It is suggested that this be a period of 6 weeks to take account of the holiday period.

5.2 A second option would be to carry out a second stage of consultation over a period of 8 weeks, in accordance with the previously agreed

timetable. The feedback would then be incorporated into a final draft Scheme for adoption in February 2018. A further period of notice would require to be given of the final draft Scheme of at least 4 weeks.

6.0   IMPLICATIONS

6.1   Policy - None
6.2   Financial - None
6.3   Legal - None
6.4   HR - None
6.5   Equalities - None
6.6   Risk - None
6.7   Customer Service - None

Executive Director of Customer Services
Policy Leads - Councillors Currie and Colville
30 October 2017

For further information contact: Melissa Stewart, Area Governance Officer, Kilmory, Lochgilphead (Tel. No. 01546 604331)

APPENDICES

Appendix 1 – Consultation feedback including commentary from the Governance and Law Service

Appendix 2 – Summary of recommendations

Community Council Review 2018					
Note of all responses from Community Councils					
Community Council	**Document / Area**	**Location / Identifier**	**Proposed Amendment**	**Rationale / comments**	**Feedback**
Oban	Boundaries	N/a	2 Boundary changes affecting 4 community councils - Oban, Kilmore, Connel and Dunbeg. 1. Suggest that the boundary be altered to include Oban Auction Mart within Oban CC Area rather than Kilmore CC by drawing the boundary along the watershed (although houses to rear would remain in Kilmore CC boundary) 2. to the North of Oban, the hill above Dunbeg (where there is PP for a major holiday facility) lay within Oban, not Dunbeg. It is considered that this should become part of Dunbeg CC	In the case of the area around the Auction Mart, it is quite clear that this is in the process of evolving into what might best be described as an industrial estate, an much of the area has indeed been suggested for develoment in the MIR for the LDP2 which was published recently. It is quite clear that this is primarily a matter for Oban, not for Kilmore, and is therefore essential that we are the statutory consultees for this area. This does not, of course, preclude other CCs making representations on, say the effect of such developments on their access road to Oban, but the statutory consultees have a special status in law. Similarly, the hill above Dunbeg is of primary importance to the residents of Dunbeg; it doesn't just overlook them, it is also used for walking etc. It is therefore essential that they are the statutory consultees, not Oban. The matter has been discussed with Dunbeg CC, who are naturally fully supportive, and with Kilmore CC who agree that they are a rural CC and Oban is an urban one. Kilmore CC will put the matter on the agenda for their next meeting.	A view has been taken from Planning and Economic Development who advise that any response received from a neighbouing community council would be accepted into the process as a statutory consultee. On this basis, and the fact that altering the boundary would compromise the existing ward and polling district boundaries, it is recommended that the status quo remain in terms of the boundary between Oban and Kilmore CCs(noting that Kilmore CC did not submit any formal support for this change although it is understood that Oban CC have raised with them and they have no objection). With regards to the boundary between Oban, Dunbeg and Connel community council (again noting that Dunbeg have been consulted by Oban CC although did not formally respond) it should be noted that the area subject of planning permission in principle spans over 3 CC areas and all 3 CCs were consulted as statutory consultees in a major application.

Dunoon			Welcomed lowering age of membership to 16 and raised a question as to the method of dissolution.	One objector had an issue with the council dissolving a community council. It was felt that this was Constitutional Court type action and how did it stand legally given that a community council is elected. However, most felt (and hoped) that this action would only be implemented in extreme circumstances.	The power to dissolve a community council comes from the National Scheme for Community Councils rather than by way of a local amendment. Powers to dissolve would certainly be a last resort where a community council was not undertaking it's statutory function or not complying with the Scheme - we have neither of these issues at present and would not expect to have to utilise this provision in the future.
Cardross			n/a	Cardross CC debated the document at their September meeeting and have NO additions,alterations or amendment they wish to present.	N/a
Strachur			n/a	We are in agreement with all the proposed amendments to the Scheme and particularly welcome the intention to lower the age of membership of Community Councils from 18 to 16, which we hope will encourage more youth engagement with community issues. Regarding the existing Strachur Community Council area boundary, we believe that this broadly reflects the local sense of community: we certainly have no evidence that members of the public are dissatisfied with the present arrangement. We therefore support the status quo. We also support the status quo as far as existing grant levels are concerned.	n/a

Cove & Kilcreggan	Scheme	11.5	We propose that clause 11.5 of the Scheme should reflect a greater flexibility on use of the grant, either by removing the prescriptive list altogether, or give CCs some discretion by adding a line saying "To support causes or groups that the Community Council considers being for the good of the local community"	The draft scheme is very prescriptive on how community councils should spend the annual admin grant. This is not supported by C&K CC, and we would prefer to be given greater flexibility on how we use the grant. C&K CC uses the grant to support causes that we see as 'good for the community'. For example, we invariably sponsor the Rosneath Highland games (A&B having significantly reduced their financial support). We have in the past given small grants to local groups where we see community benefit, and we wish to continue to do so.	The administration grant provides funding for the running costs of community councils **only** and is not a mechanism for the community council to support other local organisations, who are likely to be able to access other funding streams. However, where there is an excess of funding available, advice is given that providing supporting a group is consistent with the aims and goals of a community council then the community council may choose to support this but should seek to ensure that all groups of a similar status have an equal opportunity to access any surplus funding. No change is necessary for this practice to continue.
	Best Practice Agreement			The timescales for response from the council are noted, and welcomed. However, it has been my experience as Chairman of C&K CC that the A&B record in responding to routine enquiries or requests has been very poor indeed. Invariably emails to 'officers' of A&B council get completely ignored. It is very rare to get any acknowledgement or response. So I hope this aspect of the Good Practice Agreement will actually be enforced.	Timely receipt of responses has been brought to the attention of the Senior Management Team and will continue to be monitored through annual satisfaction survey

	Scheme	5.1 and 6.1	Retain upper age of 18 for community councillors	The legal nuance of this change is recognised but the reality is that it is unlikely that this age group will have any interest in becoming a community councillor. We recommend that the age remains at 18 years.	Community Council elections are run based on local government election rules and as such this franchise should be applied irrespective of whether or not under 18's may put themselves forward for election.
Helensburgh	Scheme	7.2	Existing wording regarding youth engagement has been removed but should be replaced with "Community councils should aim to encourage younger people in the community to engage with community council decisions to establish more interaction between community councils, schools and youth groups."		This paragraph was relevant when the upper age for elections was set at 18 to encourage participation of those under 18s. It is not necessary with the lower age limit.

	Scheme	11.5	An amendment is proposed to add a further cost topic. "General expenses in support of community projects."		It is unclear whether this relates to expenses of community councillors attending other community project meetings or is similar to the request of Cove & Kilcreggan CC to be permitted to support the expenses of community projects. In the case of the former, payment of travel expenses for authorised means is permitted in terms of the administration grant approved usage and the Best Practice Guidance, which states that individual CCs can determine their own procedures on this. In the case of the later, Officers offer the same response as provided to Cove & Kilcreggan CC (see above)
Helensburgh	Scheme	13	Para 13.1 is a duplicate of para 3.5. Amalgamate 13.2, 13.3, 13.4 into one paragraph on complaint. Para 13.5 should concentrate on a complaint placed on a member. Amalgamate and shorten paras 13.7-13.12 on the Conduct Review Panel	This is by far the most extensive amendment. It contains 28 sub-clauses and is very prescriptive. We do not know the background to this paragraph, but it is difficult to visualise the contents applying in any way to the Helensburgh Community Council and raises the question of its applicability to the other community councils in Argyll & Bute.	No amendment suggested as although there is duplication, it is important to cross reference the need to comply with the governance framework within each of the areas where compliance is expected, expecially so in the section where those wishing to complain may focus their attention on. Similarly, while there is a suggestion to amalgamate sections, this does not reduced the need for the information to be provided for those seeking to use or adhere to the process. It is considered that the breakdown into clauses will allow users of the process to easily identify where their complaint sits and how it should be taken forward.

Kilmore	Scheme		Request a change of name to "Kilmore and Kilbride Community Council"	By incorporating Kilbride into the name of the community council it will better reflect the geographic area and polling district it covers. It is hoped the extended name demonstrates the commitment of the community council to represent the whole area and encourage a wider resident participation in community council activities. In addition, there is an historical link between the community council area and the former parish.	There is no objection to this proposal and it is recommended that the name be altered in accordance with the request

| Rhu & Shandon | Scheme | 10 | Liaison with the Council/other Agencies/Area CPGs - recommend that Area Committee should be added here | We do not feel that the Area Committee as it currently operates serves the community - Public Question time is at the beginning of the meeting which results in a situation where a member of public has no idea whether discussion on the item will address the question they wish to raise but if they do not raise, and the matter is not addressed, there is no provision to raise at the meeting for another 3 months. Additionally, there is no matters arising as an agenda item which could mean that anything raised under PQT is not followed up by the committee, a cause of frustration for the community. Some matters discussed, for example the Council Scorecard, serves no useful purpose to the public. At the last meeting a screen shot was used, to be of any used the attendees would need an active link to the database. Reception from community councils to the "Meet the Community Meetings" was lukewarm and held in response to the view that "community councils do not have all the facts so discussions are sometimes sterile" expressed at the last Area Committee meeting. Having a member of the community council on the area committee, in addition to local councillors attending CC meetings would negate this statement and obviate the need for more meetings. We recommend this should happen. | Layout of the Area Committee agenda is not a matter for consideration as part of the review although the comments will be fowarded to the Area Governance Manager for consideration, in consultation with the Area Committee Chair. The suggestion that community councils should participate on the area committee again cannot be progressed as part of this review, this would require constitutional changes and is therefore not relevant to this consultation. It is considered that Liaison with the Council includes the Committees of the Council and there is no requirement to be specific in listing or restricting liaisons to just area committees. |
| | | 11 | Resourcing a Community Council | Add Website Costs to list | Agreed |

Rhu & Shandon	Appendix 1 Resourcing a community council	Para 5 - We note that there is a period of 7 days for transferring files. It would be useful if advice were provided as to which files should be kept and for how long and the recommended format for these files. Para 11e - We believe that Argyll and Bute Council should publish on their website the meeting papers for all community councils or alternatively, where a cc has their own website, the ABC website should point to this. Para 11 - Add "The Community Council will adopt a Constitution at the inaugural meeting following an election".		Advice as to records management can be incorporated into the handbook - no change to the Scheme is necessary, this can be progressed by the CCLO. Uploading of minutes onto the Council's website by community councils has been explored and appears to be a viable option in terms of the feedback received from the web Team however, if this is unable to be progressed for any reason, it is hoped that the increasing online presence of CC will ensure that more links to CC websites can be added to those already listed. Paragraph 3.6 and 9.1 of the Scheme appropriately covers the need to adopt a constitution and also builds in some degree of flexibility to deviate from the model schemes. It is considered that this amendment is not necessary.
	Best Practice Agreement	It would be good if officers in Argyll and Bute were aware of this clause (6.1 - Community councils should keep Argyll and bute Councillors Informed …) we have recently had commuications with an official of ABC who took exception to this practice.		Noted. Approved documentation can be circulated to officers following approval to ensure they are aware of the amended documents. No changes necessary to Scheme.

Rhu & Shandon	Best Practice Agreement		A&B commitment. CC Commitment, Community Engagement	Community Council website could and should be improved so that for each community council it should be possible to easily find the name of the cc, the area it covers, the name and contact details for the secretary and convener, the url of the website, and if the CC doesn't have a website, the dates and locations of the meetings and paperwork for each meeting.	Comments have been noted and webpage development is ongoing. No change required to the Scheme to implement changes.
Lochgilphead				Happy with amendments to current scheme	n/a

Ardrishaig	Scheme		Most of the feedback does not suggest changes but provides feedback in terms of conducting pre-election publicity (with this being led by the council rather than community councils), emphasising the role of community councillors, making training mandatory (and early training on the Community Empowerment Act being provided), a statutory role for elected members within the Scheme to disseminate information of relevance to community councils and calls for occasional informal networking meetings with officers and elected members to promote the value of community councillors.		1.Proposals from Scottish Government are for National Elections for Commmunity Councils and as such, promotion will be led centrally once this has been legislated for. In the interim, there continues to be a need for promotion from both the council and individual community councils, with the council leading on promoting community councils in general and local areas specifically promoting their local goals & priorities. No amendments to the Scheme are necessary for this. 2. The role of community councillors is addressed in a supplementary handbook which will be revised once the new Scheme is agreed. 3. Mandatory training would be a change required at national level and this suggestion will not be progressed although it is hoped that provision for online training will be developed and will lead to greater uptake of training. 4. Any statutory requirement for elected members to disseminate information would again require changes at National level. Many community councils have requested formal reporting directly from their Elected Members and it is suggested that this is the most appropriate way to progress this.

	Scheme	Para 3.5	Freedom of Information - consider incorporating requirement and process for responding to simplistic responses for documentation.	Although this doesn't apply, it may in the future and it would be a good opportunity to ease community councils into the process by incorporating an obligation to respond to any request by any member of the community for agenda, draft or approved minutes within the rules of the FOI legislation. It would not create a terrible burden on the (volunteer) community councillors but would get them thinking about responding to this type of request although unsure whether this would go in the documents.	As this legislation does not apply it has no place in the Scheme although there is potential to incorporate this into the community council handbook and this can be progressed separately from the review.
Lismore	Scheme	Para 3.7b	Provision of agendas, reports and minutes "… and more generally provide minutes to the CCLO within 14 days from the date of the meeting."	Is this "more generally" or "more specifically"?	This wording has not been amended from the previous Scheme but there is no objection to it being strenghthened to "more specifically".

Scheme	5.1	Bullet point 2 - "is resident within the community council area". Clarify what a resident is and add 4th bullet point "is not the subject of sanctions"	Does "resident" require to be clarifed? There are people who spend part of the year on the island and part elsewhere. Perhaps use the phrase 'ordinarily resident'? Perhaps add a 4th bullet for "is not the subject of sanctions …" like 6.8b?	Paragraph 5.1 sets out 3 criteria for membership, providing the 3 criteria are collectively met then there is no need to distinguish between those who reside in an area for part of the year. Secondly, in regard to the addition of sanctions, it is appropriate where the public are not able to excercise their democratic right to vote that the Scheme seeks to prevent those subject of sanctions from being co-opted as this will protect the community council and the public. The period of suspension is such that it would be unlikely to extend beyond a mid term by-election and cannot extend beyond the lifespan of the community council so it is not recommended that the Scheme be altered in terms of the suggestion here.
Scheme	6.8	Clarify whether co-optees can be officer bearers	This wasn't an issue before as the term was only for 6 months but may be important with the extended period. We suggest making it explicit whether a co-opted member may or may not be office bearers, we suggest that they may.	Co-opted members are full voting members and therefore are eligible to be elected into the officer bearer roles. No amendment to the Scheme is proposed.
Scheme	6.8b	Fourth bullet - No capital letter for "Is" to follow the pattern of the other bullet points. 2. see comment before re "resident". 3. Should this be on the date of co-option like the first bullet?		Agreed, suggest this is changed to "is not the subject of sanctions contained at clauses 13.5.3 or 13.12.3 to 13.12.5 on the date of co-option"

Lismore	Scheme	6.8e	alter this to read "Co-opted members may serve for a maximum of 2 years or until the interim by-elections, whichever is the sooner"	This retains the idea that co-opted members are filling a vacancy until it can be filled by the (preferable) means of an election. It also gets around the problem that there might not be an election because a co-opted member was occupying a place.	This change could cause a gap in membership for a co-opted member who serves 2 years before a by-election takes place and potentially leave a community council inquorate. It is not recommended that this change is progressed. It will be the case that all community councils with vacancies (including those temporarily filled by co-opted members) will be asked to enter a by-election process and if they fail to do so, their co-opted member will fail to be a member as at the date of the by-election and could not be co-opted again until a new Scheme comes into effect.
	Scheme	6.8g	Suggest adding "the names of the persons proposed should be listed on the agenda for the meeting when the matter will be decided"	This keeps the community informed of those persons who the community council are seeking to co-opt	Agreed - this creates more transparency, especially when the period of co-option has been extended to 2 years.
Lismore	Scheme	6.12	Suggest rewording to "With the agreement of the Elected Members of Argyll and Bute Council, the Returning Officer may vary the community council term, should other electoral timetables conflict with the community council elections for that term, to prevent disruption to the community council process"	This ensures that any change is under democratic control. We don't think we want to give this power over and elected forum to an unelected person.	Proposal should not be accepted as this would conflict with the Council's own Constitution, approved by elected representatives, which delegates such electoral matters to the Returning Officer.

	Scheme	10.4	Community councils will provide copies of their agendas 7 days prior to meetings and minutes within 14 days of the meeting having taken place to the Council via the local authority's Community Council Liaison Officer This should be amended to be specific about publishing approved minutes	There is talk about draft minutes but nothing explicit about approved minutes. We feel that this should be explicit and that the approved minutes (together with a list of changes) should be published with 14 days of the meeting at which they were approved.	It is not proposed that this be suggested as a standard for volunteers when the provisons of the Council's own Standing Orders do not necessitate this requirement. Individual community councils can determine whether they wish to implement this process.

| Lismore | Scheme | 13 | There doesn't appear to be anything about the complainer and subjects of the complaint informed of progress. We suggest adding wording: * The complainer and subjects of the complaint will be informed within 5 working days of receipt of the complaint, whether it has been passed to the Conduct Review Panel or the date of the meeting at which the complaint will be discussed. *The community council will keep the complainer and subjects of the complaint informed of progress of the complaint and the outcome. * The Panel will keep the community council, complainer and subjects of the complaint informed of progress and the outcome. * The community council will publish in the minutes the outcome of every complaint. 2. There appears to be nothing about whether the meetings of the Panel are open to the complainer, subjects of the complaint, or the public. It might be worth clarifying this. 3. There appears to be nothing about how the Panel will get the evidence it needs to decide a complaint. It might be worth clarifying this. 4. Guidance may be required (perhaps on the website) as to what to do if a community council fails to table a complaint at their next meeting. | | Individual community councils require to adopt their own complaints procedure which ought to contain certain steps. A model is provided within the community council handbook suggesting this and as such a change to the Scheme is not considered necessary. 2. Panel meetings will, when required be administered by the Council and will be run in accordance with the Council's own Standing Orders, again no change is necessary to the Scheme to facilitate. 3. 13.14 allows for the Council to investigate matters relating to complaints and it would be envisaged that the findings will be fed back to the Complaints Review Panel, no change is necessary to the Scheme in view of this provision. 4. This guidance can be provided without the need to amend the Scheme. |
| | Scheme | 13.2.1 & 13.2.2 | Should there be an "or" at the end of 13.2.1 (like 13.2.2) or remove the "or" from 13.2.2 | | Final formatting once a Scheme has been approved will be undertaken although no change is deemed necessary here. |

Lismore	Scheme	13.2.2	Amend to "three or more complaints have previously been receive about a particular community council member, or from a particular individual, during the previous 4 years"	This would ensure that a 3rd complaint received about a community councillor just after their re-election is seen as part of a pattern and that the 'clock is not reset' at every election	Having been returned as a community councillor it does appear that there public support for your appointment and therefore it is recommended that this suggestion not be progressed.
	Scheme	13.2.3	Suggest "the complaint concerns the response (or lack of response) of the community council to a previous complaint".	This would make it clear that a lack of response is also cause for complaint.	It would be preferable to avoid a circumstance where a community council elected to take no action so that they did not have to deal with an issue. While it is accepted that lack of action in response to a complaint could be an issue, it would be preferable not to amend the Scheme in this way but rather for the Council to support the community council through the process.
	Scheme	13.3 and 13.7	amend 13.3 to "Complaints falling within one of the categories in clauses 13.2.1 to 13.2.3 shall be referred to the CCLO who will establish a Conduct Review Panel under clause 13.7"	Clarifies that the council will establish and run any Complaints Review Panel meetings.	Agreed, this makes it clear who the point of contact is to refer a complaint of this nature to.
	Scheme	13.4 and 13.5	We think that these could be clearer. They need to say 1. All complaints received will be put on the agenda of the next meeting and that at that meeting, it should either be minuted that the complaint has been passed to the Panel or a decision then taken (and minuted). 2. Complaints should stay on the agenda until the matter is resolved (even if this is by a Complaints Review Panel).	There should also be something about a resonable time in which to deal with a complaint. Some community councils only have 4 meetings per year and so it could be 3 months (or more) before the next meeting. Some complaints may be about events where time is important.	This type of detail should be set out in terms of the community council's own complaints procedure and it is not suggested that the Scheme be amended per the suggestions.

Lismore	Scheme	13.5	Do the complainer and subject of the complaint (who are not allowed to vote) count towards the quorum of the meeting at that point? We think this needs clarification.	The community council might be inquorate at this part of the meeting. If they don't (which is our preference) the decision would be held over to the next meeting which may be inappropriate. We suggest where a decision cannot be made at the first meeting then the complaint is passed to the Conduct Review Panel. We also suggest that the number voting for and against each decision be minuted.	There can never be less than 3 members contributing to a decision on an item of business whether or not a vote is required. This is covered by the standing orders and therefore no change is necessary. The suggestion to record votes would deter from the clause 13.6 which provides for a secret ballot. This amendment is not recommended.
	Scheme	13.5.1, 13.5.2 and 13.5.3	Should there be an "or" at the end like at the end of 13.5.1 and 13.5.2? or remove the "or" from the end of 13.5.3		Final formatting once a Scheme has been approved will be undertaken although no change is deemed necessary here.
	Scheme	13.8	Suggest adding the following. 'The Panel shall keep minutes of all meetings including times, locations, who was present at each meeting (and times if not there for the whole meeting). The minutes will also record all decisions made and the votes for and against all decisions. These minutes will be available to the complainant, the subjects of the complaint and the community council on request after the complaint has been resolved.'	This ensures that the process is transparent.	No amendment is necessary to the Scheme. The Panel will comply with the Council's Standing Orders.
	Scheme	13.10	Amend to include the community council being notified "A Panel shall meet to decide a complaint within 12 weeks of the complaint being referred to it. In the event that it cannot be decided within 12 weeks, both parties and the community council will be notified of the revised timescales."		Suggest this is re-worded to read "A Panel shall meet to decide a complaint within 12 weeks of the complaint being referred to it. In the event that it cannot be decided within 12 weeks, all relevant parties will be notified of the revised timescales."

Lismore	Scheme	13.11	This undoes the work of carefully constructing the Panel. We would suggest removing this altogether. If not, then we suggest that the agreement of all parties is required e.g. "A Panel may, with the agreement of the community council, the complainant and the subject(s) of the complaint, refer a complaint for consideration by an independent person or body, which person or body shall have the same obligations and powers in respect of the complaint as the Panel." Hopefully this condition would be onerous enough to make the Panel do its job.		The recommendation is that this be amended to "A Panel may, with the agreement of all relevant parties, refer a complaint for consideration by an independent person or body, which person or body shall have the same obligations and powers in respect of the complaint as the Panel"
	Scheme	13.12.5	Suggest changing to a straight 4 years, the remainder of the council term could be days or up to 4 years. Putting a definite length of time makes it clear what the punishment is.		A 2 year suspension is the maximum proposed, lesser sanctions can be applied. No change is proposed.
	Scheme	13.15	Suggest a new clause "Argyll and Bute Council will maintain a list of all individuals disqualified under clause 13.12.5, the start and end of the period of disqualification and the reason (from the Panel). This list will be available on request."	This allows a community council to know if a newcomer to their area is eligible to stand for election.	Agreed

		Model Constitution	4.2	Formatting to be corrected		Final formatting will take place after the document has been approved.
Lismore		Model Constitution	5	This should also cover office bearers who do not seek re-election at an AGM and in the event that there is no appointment made, should all documentation be passed to the Convener or a person so nominated by the Convener. What happens if this clause is not complied with, is it a complaint and if so, what if the person is no longer a member and no longer subject to the complaints process?		The retention of documents by a non-community councillor would have data protection implications and should be pursued by these means. It is proposed that the wording read "In event of the non-election, retiral or resignation of the Secretary and/or Treasurer, all documentation, financial records etc held on behalf of the community council shall be passed to the nominated person appointed by the community council, or designated by the Convener, within 7 days of the effective date of non-election, retiral or resignation"
		Model Constitution	7	"Where a vacancy arises which does not result in the number of community councillors falling below the minimum number as specified in Appendix 3 of the Scheme, the community council may agree to fill the vacancy through co- option with full voting rights to a maximum of one third of the total membership of the community council." We thought the numbers were maxima not minima		Amend to read "Where a vacancy arises which does not result in the number of community councillors falling below 50% of the membership figures specified in Appendix 3 of the Scheme, the community council may agree to fill the vacancy through co-option with full voting rights to a maximum of one third of the total membership of the community council (as specified in Appendix 3 of the Scheme)
		Model Constitution	7	Paragraph 2 See suggestions for Scheme 6.8e above: "Co-opted members may serve for a maximum of 2 years, or until the election or interim by-election, whichever occurs sooner, at which point they will require to stand for election or step down from the role."		See earlier comments, this is not recommended.

| Lismore | Model Constitution | 9b | 'office bearer' is hyphenated in the first sentence but not in the second. This should be standardised. This isn't quite right - from AGM to (main) election may be less than a year. From meeting after main election to AGM may be more than a year. Suggest adding this sentence to the end: "This agreement will only be given if the community council has submitted the annual calendar of meetings, all the agendas, draft and approved minutes, and accounts as stipulated elsewhere in the Scheme for the preceding 12 months." | This is a point when the community council needs something and so A&BC can ensure that it has the documents it needs. | Amend to read "Officer-bearers will be elected for the period up to the next AGM but will be eligible for re-election. However, no office-bearer shall serve in that particular office for more than two consecutive terms of the life of the community council (i.e. eight years), but will be eligible to serve in that office after a break of four years. If there is good cause to depart from this requirement and two thirds of the members are supportive, the council may, upon written application, agree to waive this requirement" While the is no difficulty adding a clause to ensure records are up to date, it is perhaps more appropriate to tie this into the payment of the annual grant (per suggestion further on from Lismore CC) rather than incorporating here. It is recommended that this be included in the financial resourcing sections by amended clause 12 to read "Argyll and Bute Council will continue to provide funding for the administration of community councils through the payment of an annual grant. This will be paid following submission of community council's audited accounts (following approval at the AGM) together with a request for the administration grant and minutes of the AGM. Where community council records are not up to date, the CCLO will make a request that missing documentation from the previous 12 month period be brought up to date prior to the grant payment being released" This change should be reflected throughout the Scheme. |

	Model Constitution	9c	"This approval will only be given if the community council has submitted the annual calendar of meetings, all the agenda, draft and approved minutes, and accounts as stipulated elsewhere in the Scheme for the preceding 12 months."	This is a point when the community council needs something and so A&BC can ensure that it has the documents it needs.	as above
Lismore	Model Constitution	11e	Suggest changing to make explicit the publication of approved minutes and changes from the draft minutes. "Copies of draft minutes of meetings of the community council and of committees thereof shall be circulated within 14 days from the date of that meeting, to community council members, elected members, other appropriate parties and Argyll and Bute Council's Community Council Liaison Officer. Minutes will be approved as a correct record or corrected as need be at the next prescribed meeting of the community council and shall be circulated (together with a list of changes) within 14 days from the date of that meeting, to community council members, elected members, other appropriate parties and Argyll and Bute Council's Community Council Liaison Officer"		As previously recommended, it is not proposed that this be suggested as a standard for volunteers when the provisons of the Council's own Standing Orders do not necessitate this requirement. Individual community councils can determine whether they wish to implement this process.

	Model Constitution	11h	There is nothing here about how to record what happens and make sure that the record is kept and made available to members in the future. Obviously, a record is necessary. Should there be a separate minute kept? Should this be sent to A&BC? We believe that A&BC has a similar arrangement for its meetings. Perhaps something similar could be added here.		There is mention that all minutes of meetings being sent to the local authority etc. This includes minutes of private meetings. No change is necessary to provide for this.
	Model Constitution	14c	14c implies that there are exactly three signatories. 5.2 (of the financial guidelines) implies that there will be at least three signatories. We suggest this be clarified and allow three or more. We suggest changing 14c to read "Any two authorised signatories, who will normally be office bearers of the community council, may sign cheques on behalf of the community council. Authorised signatories may not be co-habitees."		Three would be the optimum number of signatories. It is suggested that 14(c) be altered as suggested to read "Any two authorised signatories, who will normally be office bearers of the community council, may sign cheques on behalf of the community council. Authorised signatories may not be co-habitees".

Lismore	Model Standing Orders	2	We suggest that the requirement to publish the approved minutes (and changes) be made explicit. This suggestion also asks the community council to mark clearly the versions. The part about signing the minutes is thought to be inappropriate in an age when minutes are electronic. "Minutes of the proceedings of a meeting of the COMMUNITY COUNCIL shall be drawn up within fourteen days from the date of that meeting, marked clearly that these are draft minutes and displayed in public places, such as libraries and notice boards, provided to Argyll and Bute Council. Following their approval, the minutes shall be marked clearly as approved minutes and displayed (together with a list of the changes from the draft version) in public places, such as libraries and notice boards, provided to Argyll and Bute Council"		As previously set out, this would be a matter for individual community councils to determine and should not be incorporated.
	Model Standing Orders	4i	We suggest adding 'Complaints' to the agenda after (c) approval of minutes. This would ensure that the item is discussed even if there are no complaints (similar to declarations of interest)		It is suggested that this remain a matter for individual community councils in terms of their preference in agenda setting.
	Model Standing Orders	4ii	We suggest adding 'Public questions' to the agenda after (h) annual programme of meetings. This ensures that there will be a chance for the public to ask questions.		Public questions should be taken at the AGM after each annual report by the office bearers, as set out in 4(ii), (d), (e) and (f). No change is necessary here.

Lismore	Model Standing Orders	4iii	Is item (e) Convener to close meeting needed? This item isn't on 4 i or 4 ii.		This relates to the fact than ordinary meetings often follow an AGM so the Convener would formally close the AGM prior to moving onto the ordinary meeting.
	Best Practice Agreement	ABC 12	This is the one time in the year when A&BC has something that the community council wants and so should be used to ensure that A&BC gets what it wants in terms of documents. We suggest "Argyll and Bute Council will continue to provide funding for the administration of community councils through the payment of an annual grant. This will be paid following submission of community council's audited accounts (following approval at the AGM) together with a request for the administration grant and minutes of the AGM. The grant will only be provided if Argyll and Bute Council has received all the agendas, draft and approved minutes (with changes) for the year since the previous AGM"		Previously responded to. This is the most appropriate opportunity to ensure records are up to date and a suggested wording has been previously proposed.
Lismore	Best Practice Agreement	cc12	In the model Constitution, it stipulates having an item called 'Public questions'. Should the final sentence be changed to reflect this?		For consistency it is agreed to amend to read "Community councils should ensure that all meetings and activities are publicised in accordance with the detail set out in the Model Constitution 7 days prior to the meeting, and that there is an opportunity for members of the public and special interest groups to participate in discussion on the basis of information provided by the community council. Public discussion and open debate should be encouraged through the use of regular agenda items such as "Public Questions".

	Best Practice Agreement	cc13	We think the requirement to display them publically should be left in. We also believe that community councils should do more than "consider" using a website, we think there should be a presumption that community councils use one.			Agreed. Re-insert the need to display publically but no alterations should be made forcing the use of a website at this time until broadband rollout is completed.
	Best Practice Agreement	Comms with Council 2.2	Should "chair" be 'Convener'?			Yes, to be amended to read "Convener" rather than "Chair".
Lismore	Best Practice Agreement	comms with Council 3.1	We believe strongly that a written enquiry requires a written response. If we have gone to the trouble of putting our enquiry in writing (email or paper) then there is a good chance that we want a response we can refer to later (possibly as part of a complaint). Allowing, say, a telephone response leaves ambiguity about what the response was. We suggest the following "Written enquiries will be given a written response in every case. Where a routine enquiry cannot be responded to within 5 working days, the Service shall advise giving a projected time"			This would conflict with the approved Customer Charter which does not state that a response will be in writing. Wording should be amended to read "Routine/simple enquiries will be responded to within 5 working days. Services should advise, within 5 working days, where a routine enquiry cannot be responded to".
Lismore	Best Practice Agreement	comms with council 4.1	Should be amended to "within 3 working days"			Agreed, correct the typo from with 3 working days to "within 3 working days"
Lismore	Best Practice Agreement	comms with council 4.2	Clarify what is meant by "whitemail"			Correspondence received by facsimile. It is considered that this should be updated given that this form of communication is rarely used as a contact method and it is suggested this be amended to read "Email and other such simple enquiries will be responded to within 5 working dates of the date of receipt of your enquiry."

	Best Practice Agreement	Financial Guideline Example Accounts	These still show dates in 1998 and 1999. Perhaps it is time to update the examples.		Agreed!
Lismore	General		We are pleased that the importance of maintaining records has been made explicit (see model Constitution clause 5) but are concerned that by the time it comes to hand over the records (which could be after the office holder has been in office for 8 years) they may not be in a state to pass on. We suggest that the maintenance of the community council's records be made a general responsibility of the community council and place obligations on the Secretary and Treasurer to explain (perhaps at the AGM) how the records are being kept and to demonstrate to the satisfaction of the members that this is the case. Not sure where this would go. Possibly include in the agenda for the AGM? Possibly in Best Practice?		Noted the concerns but this may sit better in the handbook rather than the Scheme, perhaps in a section on records management. Action to be progressed by the CCLO

	Proposed Amendment	Recommendation
1	To alter boundaries of Oban, Kilmore, Connel and Dunbeg Community Council	That the Council agree to retain the status quo in respect of community council boundaries for the reason outlined in Appendix 1.
2	To Remove the power to dissolve a community council	To agree to retain the powers of dissolution, noting that this provision is consistent with the National Model Scheme.
3	That clause 11.5 of the Scheme be amended to "To support causes or groups that the Community Council considers being for the good of the local community" AND/OR to add a further cost topic "General Expenses in support of community projects"	To refuse the request to amend clause 11.5 of the draft amended Scheme, noting that community councils may raise their own funds to support local groups and that there is provision for surplus funds to be distributed, as outlined in Appendix 1.
4	To retain the upper age of 18 for community councils	To refuse the request to retain the upper age of 18 in order to be consistent with Local Government Election Rules.
5	Add website costs to the approved list of administration grant expenditure.	To agree to include website costs in the list of authorised administrative expenditure.
6	To replace the removed wording regarding youth engagement with the wording "Community Councils should aim to encourage younger people in the community to engage with community council decisions to establish more interaction between community councils, schools and youth groups"	To decline to amend on the basis that the lower age for candidates facilitates active engagement.
7	To amalgamate and shorten sections of 13 as outlined in Appendix 1.	To decline the suggestion to amalgamate and shorten sections of 13 based on the feedback contained at Appendix 1.
8	To amend the name of Kilmore Community Council to "Kilmore and Kilbride Community Council".	To agree to amend the name of Kilmore Community Council to "Kilmore and Kilbride Community Council".

	Proposed Amendment	**Recommendation**
9	To add Area Committee to the list of agencies with which community councils should liaise with.	To decline this suggestion on the basis that the wording may infer that liaison be restricted to only the Area Committees of the Council which would contradict the provisions within the Council's Standing Orders for, for instance, deputations.
10	Add (within Paragraph 11 of the constitution) "The Community Council will adopt a constitution at the inaugural meeting following an election"	To decline this suggestion as it is already appropriately provided for in Paragraphs 3.6 and 9.1 of the Scheme.
11	Consider incorporating a requirement and process for responding to simplistic responses for documentation in terms of Freedom of Information.	To decline the suggestion on the basis that Freedom of Information legislation does not apply to community councils.
12	To amend the requirement to "more generally" provide minutes etc to "more specifically" (within paragraph 3.7b of the Scheme)	To agree to amend paragraph 3.7(b) of the Scheme to read "… and more specifically provide minutes to the CCLO within 14 days from the date of the meeting"
13	Amend Section 5.1 of the Scheme to include a 4th bullet point "is not the subject of sanctions"	To decline the request for the reasons outlined in Appendix 1.
14	Amend the fourth bullet point in paragraph 6.8(b) of the Scheme to be at the date of co-option, for consistency with bullet point one.	To agree to amend the 4th bullet point of paragraph 6.8(b) of the Scheme to read "is not the subject of sanctions contained at clauses 13.5.3 or 13.12.3 to 13.12.5 on the date of co-option"
15	To amend paragraph 6.8(e) of the Scheme and paragraph 7 of the Model Constitution to read "Co-opted members may serve for a maximum of 2 years or until the interim by-elections, whichever is the sooner"	To decline the suggestion to amend paragraph 6.8(e) on the basis that this could result in co-opted members not being able to serve up until the next by-election, potentially leaving community councils inquorate

	Proposed Amendment	**Recommendation**
16	To add provision for the names of persons proposed for co-option to be named on the agenda for the meeting where the matter will be decided.	To agree to amend paragraph 6.8(g) of the Scheme to read "Notice of persons proposed for co-option is required to be intimated to all of that community council's members at least 14 days prior to the meeting when the matter will be decided and in terms of keeping the community informed, the names of the persons proposed will be listed on the agenda for the meeting where the matter will be decided"
17	To suggest that the Returning Officer may only alter the community council term with agreement of elected members.	To decline the suggestion on the basis that it would conflict with the Council's constitution which delegates control of electoral matters to the Returning Officer.
18	Paragraph 10.4 of the Scheme, Paragraph 11(e) of the Model Constitution and Paragraph 2 of the Model Standing Orders should be amended to be specific about publishing approved minutes and a requirement to accompany this with a list of changes since the draft minute was circulated.	To decline the suggestion for the reasons stated in Appendix 1.
19	Suggest altering paragraph 13 of the Scheme to include provision to notify the subject of the complaint of progress. 13.4 and 13.5 should outline the process for handling complaints.	To decline this suggestion on the basis that it is a matter for community councils to determine their own procedure for complaints.
20	Amend paragraph 13.2.2 of the Scheme to read "three or more complaints have previously been received about a particular community council member, or from a particular individual, during the previous 4 years"	To decline the suggestion for the reason outlined in Appendix 1.
21	Suggest amending paragraph 13.2.3 to include a lack of response as being a reason to complain.	To decline this suggestion for the reasons outlined in Appendix 1.
22	Amend paragraph 13.8 to include the process for the panel to follow in terms of agendas and formal recording of the meeting, outlined in Appendix 1.	To decline this suggestion on the basis that the panel will comply with the Council's standing orders.

	Proposed Amendment	**Recommendation**
23	Amend paragraph 13.10 to include provision for a community council to be notified.	To agree to amend section 13.10 to read "A Panel shall meet to decide a complaint within 12 weeks of the complaint being referred to it. In the event it cannot be decided within 12 weeks, all relevant parties will be notified of the revised timescales"
24	Amend paragraph 13.11 to seek agreement of all parties to the complaint.	To agree to amend section 13.11 to read "A Panel may, with the agreement of all relevant parties, refer a complaint for consideration by an independent person or body, which person or body shall have the same obligations and powers in respect of the complaint as the Panel"
25	Amend paragraph 13.12.5 to allow for a four year suspension to be applied.	To decline this change and retain a maximum period of suspension of 2 years.
26	Suggest that the Council should maintain a list of those disqualified under clause 13.12.5.	To agree to insert a new paragraph at 13.15 "Argyll and Bute Council will maintain a list of all individuals disqualified under clause 13.12.5, the start and end of the period of disqualification and the reason (from the Panel). This list will be available on request"
27	Section 5 of the Model Constitution – Amend to include cover for officer-bearers who do not seek re-election at an AGM and cover circumstances where there is no appointment made.	Agree to amend Section 5 of the Model Constitution to read "In event of the non-election, retiral or resignation of the Secretary and/or Treasurer, all documentation, financial records etc held on behalf of the community council shall be passed to the nominated person appointed by the community council, or designated by the Convener, within 7 days of the effective date of non-election, retiral or resignation"

	Proposed Amendment	**Recommendation**
28	Section 7 of the Model Constitution – confirm whether maxima or minima	To agree to amend Section 7 of the model constitution to read "Where a vacancy arises which does not result in the number of community councillors falling below 50% of the membership figures specified in Appendix 3 of the Scheme, the community council may agree to fill the vacancy through co-option with full voting rights to a maximum of one third of the total membership of the community council (as specified in Appendix 3 of the Scheme)."
29	Sections 9(b) & 9(c) of the Model Constitution – Amend to stipulate that approval will be withheld if records are not up-to-date.	To decline to amend sections 9(b) and 9 (c) of the Model Constitution and to instead amend clause 12 of the finance and resources section of the best practice guidance to read "Argyll and Bute Council will continue to provide funding for the administration of community councils through the payment of an annual grant. This will be paid following submission of community council's audited accounts (following approval at the AGM) together with a request for the administration grant and minutes of the AGM. Where community council records are not up to date, the CCLO will make a request that missing documentation from the previous 12 month period be brought up to date prior to the grant payment being released"

	Proposed Amendment	**Recommendation**
30	Paragraph 14(c) of the Model Constitution - Clarify the number of authorised signatories.	To agree to amend Section 14(c) of the Model Constitution to read "Any two authorised signatories, who will normally be Office-bearers of the community council, may sign cheques on behalf of the community council. Authorised signatories may not be co-habitees"
31	Paragraph 4(i) of the Model Standing Orders – Suggest adding 'Complaints' as a standing agenda item.	To decline the suggestion to add a standing complaints item on agendas on the basis this would be a matter for individual community councils to determine.
32	Paragraph 4(ii) of the Model Standing Orders – Suggest adding 'Public Questions' to the agenda after consideration of the annual programme of meetings	To decline the suggestion to add a standing item on public questions on the basis that there is already provision for public questions as set out in Paragraph 4(ii) (d), (e) and (f)
33	Section CC12 of the Best Practice Agreement (BPA) – Propose a change to this to reflect the Model Constitution by amending final sentence to "… public questions"	To agree to amend Section CC12 of the BPA to read "Community councils should ensure that all meetings and activities are publicised in accordance with the detail set out in the Model Constitution 7 days prior to the meeting, and that there is an opportunity for members of the public and special interest groups to participate in discussion on the basis of information provided by the community council. Public discussion and open debate should be encouraged through the use of regular agenda items such as "Public Questions".
34	Section CC13 of the BPA – Retain the requirement to display minutes publically and insert a presumption in favour of website use.	To agree to re-insert the need to display minutes publicly but to decline the suggestion that use of a website be mandatory.

	Proposed Amendment	Recommendation
35	Communications with the Council, Paragraph 2.2 of the BPA – replace chair with Convener	To agree to amend Paragraph 2.2 of the Section on Communications with the Council (BPA) to replace "Chair" for "Convener"
36	Communications with the Council, Paragraph 3.1 of the BPA – amend to read "Written enquiries will be given a written response in every case. Where a routine enquiry cannot be responded to within 5 working days, the Service shall advise giving a projected time"	To agree to amend Paragraph 3.1 of the Section on Communications with the Council (BPA) to read "Routine/simple enquiries will be responded to within 5 working days. Services should advise, within 5 working days, where a routine enquiry cannot be responded to." This will ensure consistency with the approved Customer Charter.
37	Communications with the Council, Paragraph 4.2 of the BPA – Clarify what is meant by "whitemail"	To agree to amend Paragraph 4.2 of the Section on Communications with the Council (BPA) to read "Email and other such simple enquiries will be responded to within 5 working dates of the date of receipt of your enquiry"
38	Suggestion to incorporate responsibility on the community council and obligations on the Secretary and Treasurer regarding record keeping.	To agree with the suggestion at Appendix 1 to progress inclusion on records management within the community council handbook.

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ARGYLL AND BUTE COUNCIL   **Council**

Customer Services   **30 November 2017**

2018 Review of UK Parliament Constituencies - Boundary Commission for Scotland Proposals

1.0   EXECUTIVE SUMMARY

This report provides information on the Boundary Commission for Scotland consultation on its revised proposals relating to the 2018 Review of UK Parliament constituencies.

The revised proposals were prepared after considering the responses to its consultations on the Initial Proposals which were published in October 2016.

The Council previously considered the initial proposals in November 2016 and its response is outlined at paragraph 4.2.

The review is being conducted simultaneously by the four UK Parliamentary Boundary Commissions, and will result in a UK Parliament elected from 600 constituencies in place of the current 650, and in 53 constituencies in Scotland in place of the current 59.

Due to the reduction in the number of constituencies, and the requirements for each constituency to have a number of electors within set limits, changes to constituencies are required.

The proposal with respect to Argyll and Bute Council area is to establish an Argyll, Bute and Lochaber county constituency of 77,661 electors and an approximate area of 9,916 square kilometres. The proposed constituency boundary follows ward boundaries in Argyll and Bute and Highland council areas with one exception: Highland ward 12(part) (Caol and Mallaig), where the boundary generally follows community council area boundaries and the Caledonian Canal.

The Commission is consulting the public on Revised Proposals; it will produce Final Proposals in September 2018, and would expect to make final recommendations for constituencies in 2019. This phase of the consultation will run until 11 December 2017.

Recommendations

The Council is invited to consider the Boundary Commission revised proposals and determine its response with regards to the 2018 Review of UK Parliament Constituencies.

ARGYLL AND BUTE COUNCIL   **Council**

Customer Services   **30 November 2017**

2018 Review of UK Parliament Constituencies - Boundary Commission for Scotland Proposals

2.0   INTRODUCTION

2.1   This report provides information on the Boundary Commission for Scotland consultation on its revised proposals relating to the 2018 Review of UK Parliament constituencies.

Under the proposals the Argyll and Bute constituency boundary will spread north to incorporate 2 wards within Highland Council including areas such as Fort William, Caol, Kilchoan and Ardnamurchan. The new constituency will be called Argyll, Bute and Lochaber and will have 77,661 electors.

3.0   RECOMMENDATIONS

3.1   The Council is invited to consider the Boundary Commission revised proposals and determine its response with regards to the 2018 Review of UK Parliament Constituencies.

4.0   DETAIL

Background to the review

4.1.1   The 2018 review of UK Parliamentary constituencies is required by the Parliamentary Constituencies Act 1986. It is being conducted simultaneously by the four Boundary Commissions in Scotland, England, Northern Ireland and Wales. Across the UK, the number of constituencies is being reduced from 650 to 600. In Scotland there will be a decrease from 59 to 53 constituencies, with similar reductions in each part of the UK: England 501 in place of the current 533; Wales 29 in place of the current 40; and Northern Ireland 17 in place of the current 18.

4.1.2   The electoral quota for the review, which is the average electorate per constituency across the UK, is 74,769.2, with the electorate of each constituency having to be within five per cent of that. That means the smallest permitted electorate for a constituency is 71,031 and the largest permitted electorate is 78,507. The maximum permitted area is 13,000 square kilometres. In Scotland, exceptions to these limits apply for Na h-Eileanan an Iar constituency (the Western Isles), and Orkney and Shetland constituency, each of which are defined in the legislation.

4.1.3   An exception to the minimum electorate requirement can be made if a constituency is larger than 12,000 square kilometres which can only occur in

very sparsely populated areas.

4.1.4 Subject to the above requirements, the legislation states that the Boundary Commission may take into account, as it thinks fit, other factors, namely:

- special geographical considerations, including the size, shape and accessibility of a constituency;
- boundaries of council areas and electoral wards;
- existing Westminster constituency boundaries; and
- any local ties which would be broken by changes in constituencies.

4.1.5 Due to the reduction in the number of constituencies, and the requirements for each constituency to have a number of electors within set limits, changes to constituencies are required. These proposed changes as set out on the Boundary Commission for Scotland's and are out for consultation until 11th December 2017.

4.2 The Council previously considered the initial proposals in November 2016 where it agreed to:

"In response to the initial proposals from the Boundary Commission for Scotland regarding the 2018 Review of UK Parliament Constituencies, the Council notes:

- That the Commission was required to propose constituencies with electorates of between 71,031 and 78,505;
- That the electorate of Argyll and Bute Council area is stated as 65,444;
- That the initial proposals place Argyll and Bute Council area within a wider constituency of Argyll, Bute and Lochaber;
- That the electorate of the new Argyll, Bute and Lochaber Constituency is stated as 77,574;

And, in responding to the Boundary Commission for Scotland the Council maintains the position that the future boundaries should reflect local community ties. On this basis it is suggested that the northern boundary be adjusted so that it more closely follows the former Argyllshire County Council Boundary, with the new constituency therefore including the full area of Argyll and Bute Council area, and in addition the catchment areas of Kinlochleven and Ardnamurchan High Schools from the Highland Council area."

4.3 Argyll, Bute and Lochaber Constituency
Under the revised proposals the current Argyll and Bute constituency boundary will spread north to incorporate 2 wards within Highland Council including areas such as Fort William, Caol, Kilchoan and Ardnamurchan. The new constituency will be called Argyll, Bute and Lochaber, will have 77,661 electors and cover an approximate area of 9,916 square kilometres. Geographically this is the third largest constituency in Scotland

4.4 These proposals are not dissimilar to those originally mooted in the 6th Review in 2011, however the current proposals have been revised since consideration by Council in 2016 and amendments have been made to incorporate parts of Ward 12 which includes Caol, Kilchoan and Ardnamurchan but not the Small Isles and Mallaig area. It also includes Highland Ward 22 which includes Fort William.

4.5   In the circumstances the proposed area and electorate meets the requirements laid down by statute. It is clear that there is no established link, other than an historical one, between the communities of Lochaber ward, and the rest of Argyll and Bute but it is fair to assess that the communities share similar issues around "island proofing", remoteness, rurality, sparsity and economic challenges arising therefrom.

Election Responsibilities

4.6   With regards to the Returning Officer responsibilities for election administration the inclusion of the additional areas would involve cross boundary cooperation with Highland Council in regard to polling stations staff and other resources as well as creating a short term challenge for staff in familiarising themselves with the area of Lochaber. It would also be necessary to address the additional time for collection of ballot boxes and delivery to a count centre in Lochgilphead could mitigate against any night time counting of votes as the travel time from some of the outer areas such as Kilchoan to Lochgilphead is up to 4 hours and that would be after the arrival of all boxes from outlying areas.

5.0   CONCLUSION

5.1   The proposals are compliant with the legislative requirements placed on the Commission but represent a substantial increase in the geographic area of the constituency which will create the third largest in Scotland. Whilst the communities have similar characteristics they fall within different Local Authority areas and have little tradition of interaction with Fort William and the Lochaber area looking north to Inverness for all its public and private sector services.

5.2   The Council has always been keen to see co-terminosity of Council boundaries with electoral processes but given the parameters set by the commission that isn't possible. The addition of part of Highland Ward 12; Caol and Mallaig (3,772 electors) and Highland Ward 22 ; Fort William and Ardnamurchan (7,945 electors) to the Argyll and Bute wards electorate (65,944) means the constituency would operate within the necessary legislative parameter of between 71031 – 78,507 electors. The Council may wish to consider if there is any alternative option for the Council to meet these parameters

5.3   The Council is invited to consider the Boundary Commission revised proposals and determine its response with regards to initial proposals for the 2018 Review of UK Parliament Constituencies.

6.0   IMPLICATIONS

6.1   Policy   None

6.2   Financial   The costs of running an election will be increased but are met by Government.

6.3   Legal   None

6.4   HR   There will be an increased burden on council staff in supporting elections covering the enlarged area.

6.5   Equalities   None

6.6   Risk   None
6.7   Customer Service None

Douglas Hendry
Executive Director of Customer Services
3rd November 2017

Policy Lead – Councillor Rory Colville

For further information contact: Charles Reppke, Head of Governance and Law
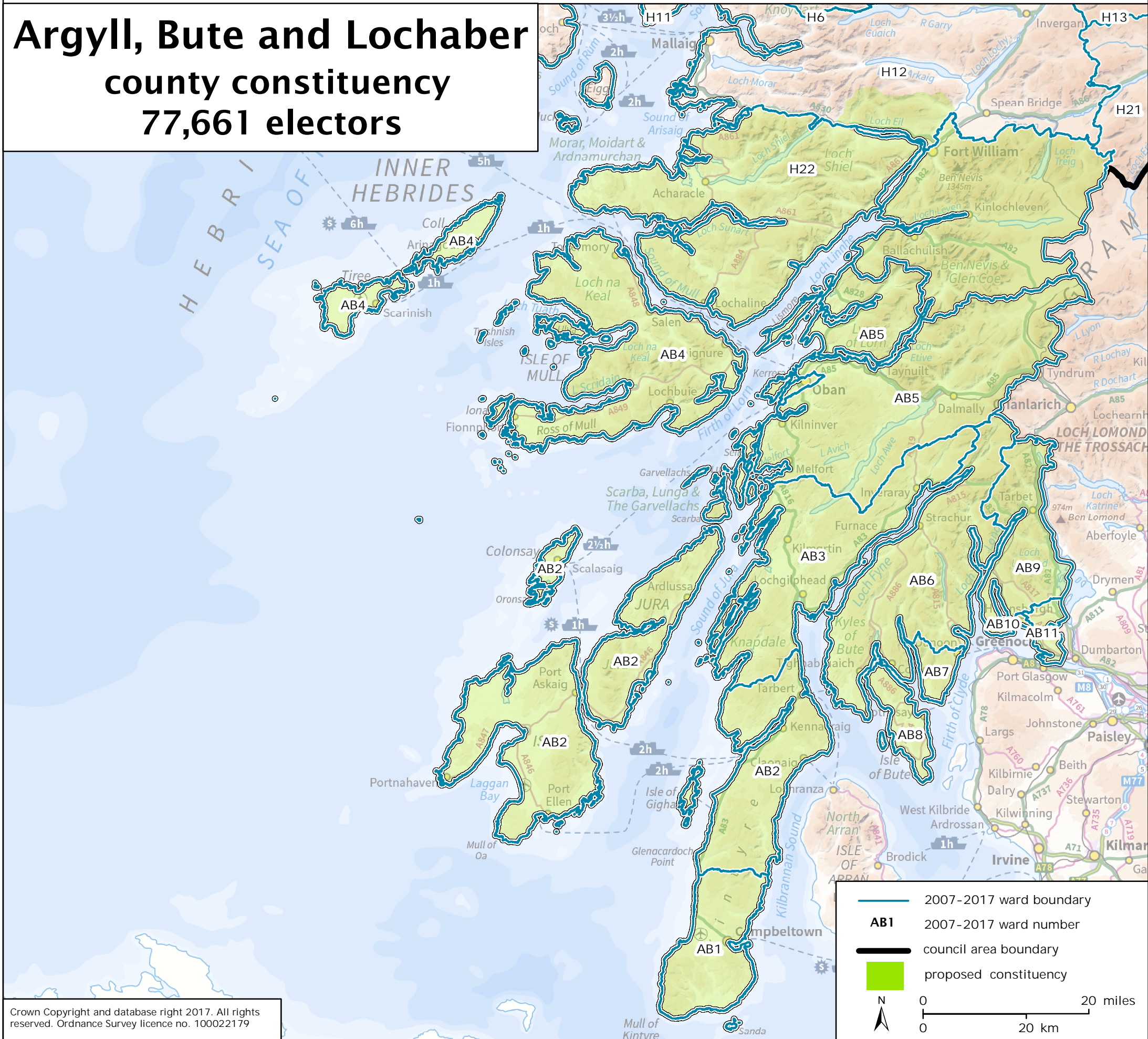(01546) 604192

Appendix – Proposed revised Map

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Boundary Commission for Scotland
PUBLIC CONSULTATION
2018 Review of UK Parliament Constituencies - Revised Proposals

Argyll, Bute and Lochaber
county constituency
77,661 electors

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Legend:
- 2007-2017 ward boundary
- **AB1** 2007-2017 ward number
- council area boundary
- proposed constituency

N 0 — 20 miles
0 — 20 km

We are undertaking a further 8 week period of public consultation on our revised proposals for UK Parliament constituencies in Scotland.

- The legislation governing this review is the Parliamentary Constituencies Act 1986 (as amended).
- UK Parliament constituencies are being reduced from 650 to 600.
- A constituency must be no larger than 13,000 km^2.
- Constituencies must have between 71,031 - 78,507 electors, unless they are larger than 12,000 km^2 when they can have fewer electors.
- 2 Scottish island constituencies are set as Na h-Eileanan an Iar and Orkney and Shetland.
- Scotland will have 53 in place of the current 59 constituencies.

The proposed constituency comprises: Argyll and Bute council area; part of Highland ward 12 (Caol and Mallaig) where the boundary follows a community council area boundary; and Highland ward 22. From our Initial Proposals, the constituency boundary is changed to the north of Loch Eil and by Mallaig. The constituency name is unchanged from our Initial Proposals.

Tell us what you think of our proposals by 11 December 2017.

You can do this via -

consultation
portal: www.bcs2018.org.uk

email: bcs@scottishboundaries.gov.uk

address: Boundary Commission for Scotland,
          Thistle House,
          91 Haymarket Terrace,
          Edinburgh,
          EH12 5HD

Further information is available on our website

www.bcomm-scotland.independent.gov.uk

Twitter: @bcommscot

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ARGYLL AND BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **30th November 2017**

Procurement Strategy 2018/19 and Sustainable Procurement Policy 2018/19

1.0   EXECUTIVE SUMMARY

1.1   The main purpose of this paper is to seek approval for the Procurement
          Strategy 2018/19 and Sustainable Procurement Policy 2018/19; and to
          describe the outcomes of the consultation undertaken for both.

1.2   This report is a covering report to the final draft of the Procurement Strategy
          2018/19 and Sustainable Procurement Policy 2018/19 and the Stakeholder
          Consultation Report 2017.

1.3   This report recommends that Council approve the strategy and policy
          documents.

ARGYLL AND BUTE COUNCIL   **COUNCIL**

CUSOMTER SERVICES   **30ᵗʰ November 2017**

Procurement Strategy 2018/19 and Sustainable Procurement Policy 2018/19

2.0   INTRODUCTION

2.1   The purpose of this paper is to seek approval for the Procurement Strategy 2018/19 and Sustainable Procurement Policy 2018/19; and to detail the output of the consultation undertaken for both.

3.0   RECOMMENDATIONS

3.1   That Council note the outcome of the consultation contained within the Stakeholder Consultation Report 2017.

3.2   That Council approve the Procurement Strategy 2018/19 and Sustainable Procurement Policy 2018/19.

4.0   DETAIL

4.1   The Council has a statutory requirement to update and publish both its Procurement Strategy and its Sustainable Procurement Policy on an annual basis following the key changes introduced by the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2016.

4.2   The Council also has a requirement to consult with key stakeholder groups for both of these documents.

4.3   The final drafts of the Procurement Strategy 2018/19 and Sustainable Procurement Policy 2018/19 are attached as Appendix 1.

4.4   **Consultation Process**

The consultation was completed in September 2017, via a web-based survey on the Council's website. The consultation was publicised via emails to key internal and external stakeholders, as well as being available to the general public through the consultations section on the Council's website.

4.5 **Consultation Outcomes**

The outcomes of the consultation, along with the amendments made to both documents, based on the feedback from stakeholders, are detailed within Appendix 2.

5.0 CONCLUSION

5.1 The Procurement Strategy 2018/19 and Sustainable Procurement Policy 2018/19 have been consulted on and updated in line with the key changes introduced by the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2016.

5.2 The final approved versions of the Procurement Strategy 2018/19 and Sustainable Procurement Policy 2018/19 will be published in March 2018.

6.0 IMPLICATIONS

6.1 Policy – Revisals to the Council's Procurement Strategy and the Sustainable Procurement Policy

6.2 Financial – None at present

6.3 Legal – None at present

6.4 HR – None at present

6.5 Equalities – None at present

6.6 Risk – None at present

6.7 Customer Service – None at present

Douglas Hendry
Executive Director – Customer Services

For further information contact:
Elaine Appleby, Performance Improvement Officer
Elaine.Appleby@argyll-bute.gov.uk; 01369 708 594

Appendices

Appendix 1: Draft Procurement Strategy 2018/19 and Sustainable Procurement Policy 2018/19

Appendix 2: Stakeholder Consultation Report 2017

Rory Colville
Policy Lead

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ARGYLL AND BUTE COUNCIL

PROCUREMENT & COMMISSIONING STRATEGY

2018/19

V0.3

Section 1 – Contents

Section 2 – Introduction

1.1. The Argyll and Bute Council Procurement and Commissioning Strategy 2018/19 relates to our overall procurement approach, with specific focus on regulated procurements. Regulated procurements are defined as works contracts over £4million in value, and supplies and services contracts over £50,000 in value.

1.2. This strategy sets out a framework, which is designed to enable the Council to continue on its journey of change and innovation through:

☐ Building capacity and skills within the Council to continue to improve commissioning and procurement activity;

☐ Increasing the level of collaboration both internally, between service areas, and externally with other partner organisations;

☐ Engaging proactively with key suppliers through contract and supplier relationship management to ensure that we extract maximum value and innovation from our supply base;

☐ Focusing our commissioning and procurement activity on delivering improvements for the people and communities in Argyll and Bute;

☐ Working cooperatively in everything we do to support SMEs and the third sector.

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

1.3. This procurement strategy has been prepared in response to the changing procurement agenda and the current financial climate. The strategy sets out the procurement aims and goals of the Council for 2018/19 and will be updated on an annual basis. These aims and goals reflect both national and local policies and priorities.

1.4. The strategy is aimed at ensuring the Council procures the goods, services and works it needs in the most economically advantageous manner. This recognises the importance of a procurement strategy towards meeting the Council's statutory duty of best value.

1.5. Argyll and Bute Council recognises the value of existing relationships with suppliers and contractors and seeks to build and strengthen those relationships. Local businesses and the third sector play a valuable role in supporting the work of the local authority. The strategy aims to help remove the barriers often faced by smaller organisations with limited resources in bidding for work tendered by the Council. The Procurement and Commissioning Team has provided and will continue to provide support to local organisations, building their capacity to respond to formal procurements through local Meet the Buyer and other training events, and through promotion of the Supplier Development Programme.

Section 3 – Procurement Vision & Principles

Our vision

> To provide best value to the Council from all procurement and commissioning activities

> To embed commercial excellence, by improving commercial decision making throughout the organisation, ensuring that our services always deliver Best Value

> To be recognised as having leading commercial, procurement and commissioning practices and skills delivering outstanding outcomes

> To have the citizens of Argyll and Bute and service users at the heart of what we do

Procurement Principles

These are the basic tenets of how the Council intends to conduct its procurement.

Nine procurement principles have been identified as follows:

1. Procurement should be a viable tool in the promotion of the Council's Goals and Values and in delivering the aims and objectives contained within the Corporate Plan and Single Outcome Agreement.

2. Procurement will be carried out under the terms of the Council's Standing Orders and will be guided by the detailed procedures for purchasing developed by the Council via the Procurement Manual.

3. Procurement should be carried out in line with current legislation to deliver competition, sustainability, equal opportunities and ultimately best value for the Council. The process will be transparent and allow accountability.

4. Best Value will be achieved by obtaining Most Economically Advantageous Tender, taking into account whole life costs and non-financial aspects of the purchase. Purchasing will be driven by desired outputs and results, including acceptable health and safety performance.

5. Suppliers should be able to meet the current and future needs of the Council and in arranging procurement; the needs of the local economy should be taken into account, as permitted by existing legislation and always in pursuit of best value.

6. Officers managing major contracts should be capable through qualification and experience, or have access to professional guidance, to be able to ensure the sound management and monitoring of contracts. The Council will put in place a training programme for all staff required to undertake procurement duties. Staff completing this programme will become "authorised to procure".

7. The procurement function should be carried out in an effective but streamlined manner, which delivers added value without duplication of effort.

8. Where a local or national contract is in place for a commodity this will be used in all but exceptional circumstances.

9. Suppliers and contractors to the Council are part of the resources of the Council and are not adversaries but partners in the delivery of services for the citizens of Argyll and Bute. The Council will work to encourage continued participation in contracts by high quality suppliers.

Section 4 – Strategy Rationale/Context

4.1   The Council's new Procurement and Commissioning Strategy for 2018/19 takes account of the Annual Procurement Report 2016/17 which detailed the progress that the Council has made since the previous strategy was published. This allows us to reflect on the progress made as well as highlighting the opportunities and challenges now facing the Council, and how Procurement can support the organisation's overall objectives.

4.2   Current external impacts on the Council's Procurement and Commissioning Strategy include demographic changes within Argyll and Bute, increasing service user expectations, environmental and social challenges, and the need to ensure our processes are in line with current best practice - for example the recent changes to the Procurement Journey to include Care. Upcoming external challenges include influences such as Brexit and the unknown implications surrounding this, the Scottish Government's vision for education and the review of education governance aimed at an education system which is led by schools and teachers.

4.3   Internal impacts on this Strategy and the Council's Procurement and Commissioning Team include the need to take account of the requirements of the upcoming new Corporate Plan during the term of this Strategy, the provision of support to the service departments to meet their budgetary requirements, as well as the support provided to them to deliver transformational change in how they provide their services to the citizens of Argyll and Bute.

4.4   The Council will continue to deliver its procurement activities and meet the above opportunities and challenges in line with the Scottish Model of Procurement:
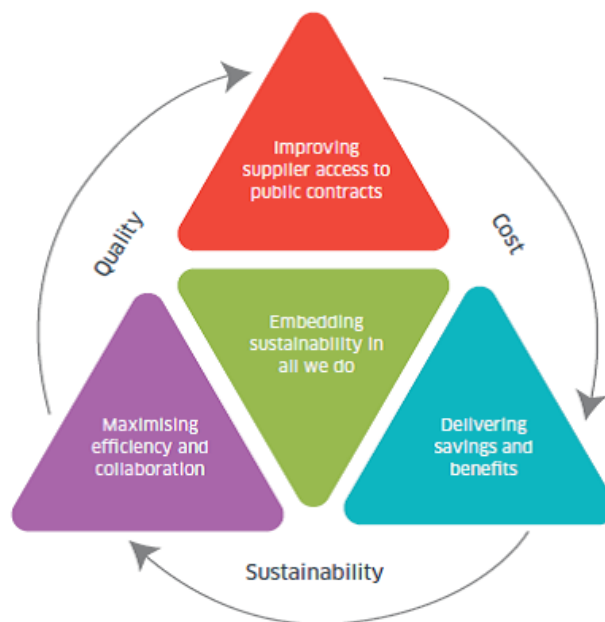
Section 5 – Strategic Aims & Key Priorities

5.1   Our strategic aims

The Strategic Aims of the Procurement and Commissioning Team support the overall Argyll and Bute Council Corporate Plan and Key Strategic Priorities:

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

5.2   For all of our procurement activity we aim to:

1. Provide a value for money procurement service that delivers financial savings

2. Provide a quality service which delivers quality outcomes to the citizens of Argyll and Bute

3. Procure goods, services and works in a lawful and ethical manner which encourages participation, collaboration and sustainable economic growth

4. Continue to improve the Council's procurement performance which will be assessed by Scotland Excel through the Procurement and Commercial Improvement Programme assessment

5. Secure the ongoing commitment of internal stakeholders to implement the strategy, through continuing to increase the profile of procurement and senior sponsorship within the Council

2. Ensure the procurement strategy is aligned with the Council's corporate priorities

3. Continue to improve our Purchase to Pay (P2P) processes with due consideration for local and national ICT Strategy requirements, existing budget constraints and the need to ensure best value, whilst reducing purchase to pay costs. The aim is to strengthen controls, increase efficiency and provide useful and up-to-date management information

5.3   Our key priorities for our regulated procurements are:

a.   Improve procurement processes and policies

We will do this by:

- Increasing levels of contracted spend throughout the Council;

- Supporting a mixed economy of provision and developing markets, particularly local/rural markets, Small and Medium Sized Enterprises (SMEs), Third Sector organisations, and enterprises involving minority groups and those with protected characteristics under the Equality Act 2010;

- Reducing bureaucracy - ensuring our processes and templates are accessible as well as standard, simple, transparent and consistent in line with best practice;

- Protecting public spending – ensuring tax payers money is spent properly, ensuring integrity and accountability;

- Regular reporting of procurement performance and compliance in relation to regulated procurements;

- Categorising areas of spend to ensure we achieve the best balance of quality and price for our regulated procurements;

- Working collaboratively with other public sector organisations on regulated procurements where appropriate, ensuring that our partner organisations are committed to equality of opportunity for all sectors of society, and that their commitments reflect the Council's Public Sector Equality Duty and its general equality duty.

b. Increase expertise, capacity and effectiveness

We will do this by:

- Developing and professionalising contract and supplier management practices to ensure that we are getting the most value and innovation from our contractual relationships while maintaining appropriate standards; and improving commercial awareness across the Council;

- Developing staff in Procurement and Commissioning who lead on regulated procurements; through training, secondments and mentoring;

- Developing relationships with staff within NHS Highland to increase the potential for collaborative working on regulated procurements that will benefit both organisations.

c. Ensure compliance with complex European Union Procurement Legislation, and with Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014 and associated mandatory guidance

We will do this as outlined in the following statements with reference to Section 15(5) of the Procurement Reform (Scotland) Act 2014:

- Ensuring that the Council's regulated procurements will deliver value for

money, through applying the following key principles: Increasing our collaboration with other organisations where possible; Ensuring that all opportunities are thoroughly considered and all implications of change in service areas are fully appraised; Developing contract plans of future procurements to improve our services; Maintaining consistency and transparency in our procurement processes; and Considering where appropriate the whole-life cost of what is being procured and when applying the principle of value for money, ensure that we do so in a clear, transparent and proportionate manner.

- Ensuring that the Council's regulated procurements will be carried out in compliance with our duty to act in a transparent and proportionate manner, at each stage of the procurement process, through: using electronic communications for all procurement activity, while providing alternative communications methods if requested; ensuring open public and market engagement; using clear and precise language to ensure a common understanding of the requirements; and utilising Council thresholds to ensure proportionality regarding the appropriate type of procurement process.

- Ensuring that, so far as reasonably practicable, the following payments are made no later than 30 days after the invoice (or similar claim) relating to the payment is presented: (i) payments due by the Council to a contractor; (ii) payments due by a contractor to a sub-contractor; (iii) payments due by a sub-contractor to a sub-contractor, by: including a standard contract clause to this effect in our regulated procurement contracts; including a clause regarding the prompt payment of sub-contractors within our regulated procurement contracts; and through ensuring effective contract management and monitoring is undertaken to ensure that prompt payment continues to be applied throughout the duration of the contract and taking any necessary steps to rectify any prompt payment issues experienced.

- Ensuring that the Council's regulated procurements will contribute to the carrying out of its functions and achievement of its purposes, through considering the Council's approach to procurement and commissioning in the context of the wide range of joint plans and strategies developed internally and externally, with other local authorities and partner organisations; by utilising effective and relevant consultation when developing and aligning our procurement strategy with these plans and strategies, and for individual regulated procurements as required; and through promoting effective contract and supplier management to monitor the effectiveness of regulated procurements in achieving their purposes.

- Complying with the statutory requirements on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements; through contributing towards improving the social wellbeing element - in particular reducing inequality in Argyll and Bute - of our sustainable procurement duty by promoting the Living Wage and fair work practices in regulated procurements; while ensuring a proportionate approach which provides an appropriate balance between quality and cost.

- Ensuring that the Council's regulated procurements will be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination by, where relevant and proportionate, considering early market engagement prior to the publication of a contract notice on Public Contracts Scotland (PCS); considering in the initial sourcing strategy stage the opportunity to break requirements into smaller lots; and by using clear and precise language preventing broad interpretation as well as offering alternative language formats if requested.

- Complying with the Council's Sustainable Procurement Policy (Appendix 5) in relation to the use of community benefit requirements.

- Complying with the Council's Corporate Health and Safety Policy on promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c.37) and any provision made under that Act, through assessing the potential health and safety risks arising from regulated contracts and considering this throughout the procurement process; and through ensuring that our requirements for individual contracts meet current legislation as a minimum.

- Complying with the Council's Sustainable Procurement Policy (Appendix 5) in relation to the procurement of fairly and ethically traded goods and services.

- Complying with the statutory requirements on how we intend our approach to regulated procurements involving the provision of food to: (i) improve the health, wellbeing and education of communities in the authority's area, and (ii) promote the highest standards of animal welfare, by considering relevant national guidance.

- Following the Council's standard practice on consulting and engaging with those affected by its individual regulated procurements including, where appropriate and proportional: consulting and engaging with relevant stakeholder groups at the commodity sourcing strategy stage of individual regulated procurements; considering the National Standards for Community Engagement during this process; and ensuring the outcomes of any consultations will be taken account of within our regulated procurements.

- Ensuring that the Council's regulated procurements will be carried out in compliance with the sustainable procurement duty, through embedding sustainable procurement as business as usual – ensuring that sustainability issues are considered at all stages of individual procurement exercises; considering how individual procurement exercises can assist the Council to improve the economic, social, and environmental wellbeing of Argyll and Bute; facilitating the involvement of small and medium enterprises, third sector bodies, minority groups and supported business in the procurement process; and by promoting innovation at the initial stage of regulated procurements.

d. Support the Council's transformational changes

- The Council has been making changes to what we do and how we do it in order to protect jobs and services in the face of reducing budgets. Our Transformation Board has been set-up to find ways in which to continue this process of change to deliver savings and generate income by redesigning services and exploring self-funding and business cost reduction opportunities. The Procurement and Commissioning Strategy supports the transformation agenda.

5.4 These priorities link to the Commercial Excellence Programme as follows:

Commercial Excellence Programme

Procurement Delivery
- Identify opportunity
- Analyse, estimate & plan
- Approve
- Deliver project & monitor savings

Cashable savings and wider benefits

Council-wide Commercial Practice
- Supplier behaviour
- Internal behaviour
- Controlling discretionary spend
- Improving process & policy

Change buyer and supplier behaviour

Capability Development
- Redesign the corporate team structure & roles
- Improve project planning & prioritising
- Training & development

Increase expertise and effectiveness

5.5 Appendix 1 sets out an Action Plan to deliver the strategy. Key Performance Indicators by which we will measure the success of the action plan are detailed in Appendix 2. Appendix 4 details the initial results of prioritisation of procurement categories across the council in relation to sustainability.

Section 6 – Spend/Finance

6.1   The Council's total spend in 2016/17 on supplies, services and works was £132 million. Our core trade spend (suppliers we spend more than £1000 with during the year) was £119m. 90% of our core trade spend was with contracted suppliers.

6.2   The following table shows the Council's core trade spend by category. The classification system used is Proclass Level 1, appended by the Scottish Procurement Information Hub.

Table 1: Spend by Proclass Level 1 for 2016/17

Category	Total Spend
Social Community Care	£35.27m
Facilities & Management Services	£19.17m
Construction	£15.66m
Environmental Services	£8.89m
Public Transport	£7.68m
No Summary Category*	£4.70m
Information Communication Technology	£4.01m
Utilities	£3.46m
Vehicle Management	£3.33m
Financial Services	£3.29m
Construction Materials	£2.75m
Catering	£1.27m
Human Resources	£1.12m
Highway Equipment & Materials	£1.03m
Mail Services	£0.95m
Education	£0.83m
Healthcare	£0.75m
Arts & Leisure Services	£0.73m
Consultancy	£0.72m
Housing Management	£0.56m
Horticultural	£0.40m
Sports & Playground Equipment & Maintenance	£0.39m
Street & Traffic Management	£0.38m
Furniture & Soft Furnishings	£0.37m
Legal Services	£0.28m
Cleaning & Janitorial	£0.28m
Clothing	£0.25m
Stationery	£0.19m
Health & Safety	£0.09m
Domestic Goods	£0.005m
Cemetery & Crematorium	£0.005m
Grand Total	**£118.80m**

*Consists of suppliers for which a Proclass Level 1 category could not be appended. £3.77m of the total spend with these suppliers was spent with Hub North Scotland who manage the council's new NPDO school builds. The remainder of this spend is monitored in line with standard processes for all other categories.

6.3 The top 20 suppliers to the Council account for 43% of the Council's total spend on supplies, services and works. The following table shows the top suppliers and spend for the year 2016/17.

Table 2: Spend with Top 20 suppliers

Supplier Name	Total Spend
ABC SCHOOLS LTD	£14.42m
SHANKS ARGYLL & BUTE LIMITED	£6.43m
WEST COAST MOTOR SERVICES CO	£4.55m
ENABLE SCOTLAND	£4.17m
HUB NORTH SCOTLAND	£3.77m
JOHN BROWN (STRONE) LIMITED	£2.70m
CARR-GOMM SCOTLAND	£2.41m
MCKENZIE CARE HOMES LTD	£1.85m
KIELY BROS LTD	£1.74m
OBAN ELECTRICAL SERVICES LTD	£1.61m
ARGYLL, LOMOND & THE ISLANDS ENERGY (ALIENERGY)	£1.51m
ALTERNATIVE HEAT LTD	£1.45m
HC-ONE LTD	£1.33m
CARERS DIRECT LIMITED	£1.27m
AFFINITY TRUST	£1.19m
ALLIED HEALTHCARE GROUP LTD	£1.18m
BARR ENVIRONMENTAL	£1.17m
CROSSREACH	£1.13m
LAND ENGINEERING (SCOTLAND) LIMITED	£1.11m
BREEDON AGGREGATES SCOTLAND LIMITED	£1.10m
Total Spend with Top 20 Suppliers	**£57.28m**

6.4 In 2016/17, spend with SMEs accounted for 76% of core trade spend (suppliers with whom we spent more than £1000 and where supplier size could be determined). The chart below shows the breakdown of spend with Small, Medium and Large companies for 2016/17.

Large Company 24%
Small Company 41%
Medium Company 35%
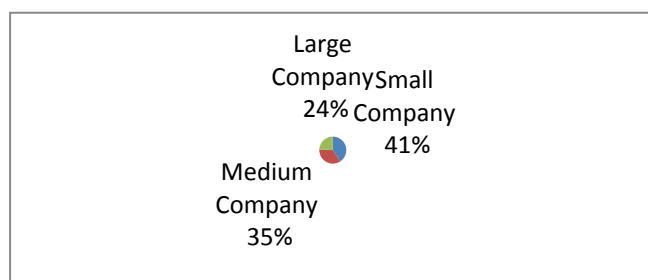
Section 7 – Implementation, Reviewing and Reporting

7.1   Implementation

7.1.1   **Consultation**

The Council will undertake relevant and proportionate consultation and engagement as part of the preparation of this Procurement and Commissioning Strategy. This will help to ensure that our approach and strategy takes account of stakeholders' views and that stakeholders have the opportunity to engage and contribute to the development of the strategy. This will allow us to gain a better understanding of the needs of Argyll and Bute and to tailor our strategy to reflect those needs.

The key stakeholder groups identified for inclusion in this consultation are:
- Argyll and Bute Council employees
- Argyll and Bute Councillors
- Local MSPs, MP and MEPs
- Key suppliers
- Community Planning Partners
- Other interested parties
- The general public

The full details of our consultation are included within a report to the Council's Procurement Board; this covers what will be involved in the consultation, and the inclusion of feedback to the final strategy.

7.1.2   **Approval of Strategy**

The Procurement and Commissioning Strategy will be approved in line with the Council's standard process. After the consultation is completed the draft strategy will be finalised and sent for approval by DMT, SMT, Policy and Resources Committee and finally Argyll and Bute Council.

7.1.3   **Publication of Strategy**

The Council will publish this Procurement and Commissioning Strategy on our website, and will notify Scottish Ministers of the publication of our strategy.

7.2   Reviewing

7.2.1   The Council will review this Procurement and Commissioning Strategy annually. This will help to ensure that we maintain alignment of our procurement activity with our broader priorities and will allow us to revise our strategy where necessary.

7.3   Reporting

7.3.1   The Council will, as soon as reasonably practicable following the end of the financial year, prepare an Annual Procurement Report which will include:

- A summary of all regulated procurements completed in the year
- A review of whether these procurements complied with this Procurement and Commissioning Strategy
- A statement detailing how it is intended that future compliance will be achieved where any procurements were found not to have been carried out in accordance with this Procurement and Commissioning Strategy
- A summary of any community benefit requirements imposed as part of a regulated procurement that was completed during the year
- A summary of steps taken to facilitate the involvement of supported business in regulated procurements completed during the year
- A summary of anticipated regulated procurements expected to commence in next two financial years
- Anticipated future procurements
- Any other information as specified by the Scottish Ministers

Section 8 – Strategy Ownership & Contact Details

The Argyll and Bute Council Procurement and Commissioning Team sit within the Customer Services Directorate, within Customer and Support Services.

The Procurement and Commissioning Team works with the Council's services and suppliers to develop contracts and procedures to deliver Best Value.

The team is responsible for the procurement of works, goods and services for all Council departments; and for developing procurement processes, procedures, strategies and policies in line with national best practice.

If you have any queries in relation to this strategy, please contact:

- Anne MacColl-Smith, Procurement and Commissioning Manager
- Procurement@argyll-bute.gov.uk

Section 9 – Policies, Tools & Procedures

National Policies:

- Statutory Guidance on the Selection of Tenderers and Award of Contracts - Addressing Fair Work Practices, including the Living Wage, in Procurement: http://www.gov.scot/Publications/2015/10/2086
- Scottish Model of Procurement: http://www.gov.scot/Topics/Government/Procurement/about/spd-aims
- Changes to the European Directive: http://www.gov.scot/Topics/Government/Procurement/policy/ProcurementReform
- Public Procurement Reform Programme: http://www.gov.scot/Topics/Government/Procurement/about/Review/Background
- EU Procurement Thresholds: http://www.gov.scot/Topics/Government/Procurement/policy/10613
- Procurement Journey: https://www.procurementjourney.scot/node
- PCIP:http://www.gov.scot/Topics/Government/Procurement/buyer-information/spdlowlevel/PCIPIntro/PCIPInfoPack
- Public Contracts Scotland: http://www.publiccontractsscotland.gov.uk/
- Public Contracts Scotland Tender: https://www.publictendersscotland.publiccontractsscotland.gov.uk
- Equality Act 2010, Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012: http://www.legislation.gov.uk/sdsi/2012/9780111016718/note
- Better Eating, Better Living: http://www.gov.scot/Publications/2014/03/1606
- Beyond the School Gate: http://www.gov.scot/Publications/2014/05/4143
- Soil Association's Food for Life Served Here Award: https://www.soilassociation.org/certification/the-food-for-life-catering-mark/business-support-for-award-holders/standards/bronze-standards/
- Catering for Change: Buying Food Sustainably in the Public Sector: http://www.gov.scot/Publications/2011/01/12154555/0
- Becoming a Good Food Nation: http://www.gov.scot/Topics/Business-Industry/Food-Industry/GoodFoodNation

Local Policies:

- Sustainable Procurement Policy 2018/19 (Appendix 5)
- Community Benefits Clauses in Procurement Guide: https://www.argyll-bute.gov.uk/council-and-government/plans-policies-and-key-documents
- Health and Safety Policy: https://www.argyll-bute.gov.uk/council-and-government/plans-policies-and-key-documents
- Council Constitution:
- https://www.argyll-bute.gov.uk/moderngov/documents/s110902/Combined%20Constitution%20June%202016.pdf
- Equality Policy 2013-2015 - https://www.argyll-bute.gov.uk/equality-workplace

Section 10 – Appendices

APPENDIX 1: Procurement and Commissioning Strategy Action Plan

The specific Action Plan for each of our key priority areas for our regulated procurements is detailed below:

a. Improve procurement processes and policies

Priority	Activities	Owner	Timescale
Increasing levels of contracted spend throughout the Council	Work with departments to put regulated contracts in place where possible to reduce levels of addressable non-contracted spend	PCT	31/03/2019
Supporting a mixed economy of provision and developing markets, particularly local/rural markets, Small and Medium Sized Enterprises (SMEs), Third Sector organisations, and enterprises involving minority groups and those with protected characteristics under the Equality Act 2010	Inclusion of a mandatory sub-contracting clause in regulated procurements where relevant and proportionate	PCT	31/03/2019
Reducing bureaucracy - ensuring our processes and templates are accessible as well as standard, simple, transparent and consistent in line with best practice	Ensure processes and templates for regulated procurements reflect requirements of the Procurement Journey for tender processes and contract management	PCT	31/03/2019
Protecting public spending – ensuring tax payers money is spent properly, ensuring integrity and accountability	Carry out SOCO checks for all regulated procurements to limit opportunities for anyone involved in serious organised crime activities from being awarded public sector contracts	PCT	31/03/2019
Regular reporting of procurement performance and compliance in relation to regulated procurements	SMT Bulletins to cover regulated procurements	PCT	31/03/2019
Categorising areas of spend to ensure we achieve the best balance of quality and price for our regulated procurements	Category Management approach for all regulated procurements	PCT	31/03/2019
Working collaboratively with other public sector organisations on	Consider collaboration with NHS	PCT	31/03/2019

	Highland in Commodity Sourcing Strategies for all regulated procurements		
regulated procurements where appropriate, ensuring that our partner organisations are committed to equality of opportunity for all sectors of society, and that their commitments reflect the Council's Public Sector Equality Duty and its general equality duty	Participate in Scotland Excel and Scottish Procurement frameworks, where relevant	PCT	31/03/2019

b. Increase expertise, capacity and effectiveness

Priority	Activities	Owner	Timescale
Developing and professionalising contract and supplier management practices to ensure that we are getting the most value and innovation from our contractual relationships while maintaining appropriate standards; and improving commercial awareness across the Council	Contract management training sessions for departmental staff who manage regulated contracts to be held in 2018/19	PCT	31/03/2019
Developing staff in Procurement and Commissioning who lead on regulated procurements; through training, secondments and mentoring	PCT staff complete Procurement Competency Assessment in 2018/19 to identify areas for improvement and training needs	PCT	31/03/2019
	Purchasing Officers working towards MCIPS	PCT	31/03/2019
	Internal mentoring and secondments	PCT	31/03/2019
Developing relationships with staff within NHS Highland to increase the potential for collaborative working that will benefit both organisations	Ongoing work with NHS Highland to include their requirements within relevant regulated procurements within the Council	PCT	31/03/2019

c. Ensure compliance with complex European Union Procurement Legislation, and with Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014 and associated mandatory guidance

Priority	Activities	Owner	Timescale
Ensuring that the Council's regulated procurements will deliver value for money, through applying the following key principles: Increasing our collaboration with other	Consider collaboration with NHS Highland in Commodity Sourcing Strategies for all regulated procurements	PCT	31/03/2019

organisations where possible; Ensuring that all opportunities are thoroughly considered and all implications of change in service areas are fully appraised;	Sourcing Strategy templates ensure thorough consideration of all opportunities for regulated procurements	PCT	31/03/2019
Developing contract plans of future procurements to improve our services; Maintaining consistency and transparency in our procurement processes; and	Contract Plans of future regulated procurements to be included in Annual Procurement Reports	PCT	31/03/2019
Considering where appropriate the whole-life cost of what is being procured and when applying the principle of value for money, ensure that we do so in a clear, transparent and proportionate manner.	All regulated procurements to be published via PCS/PCST to maintain consistency and transparency	PCT	31/03/2019
	Whole-life costing is included within Commodity Sourcing Strategy templates, to be considered where appropriate for regulated procurements	PCT	31/03/2019
Ensuring that the Council's regulated procurements will be carried out in compliance with our duty to act in a transparent and proportionate manner, at each stage of the procurement process, through: using electronic communications for all procurement activity, while providing alternative communications methods if requested; ensuring open public and market engagement; using clear and precise language to ensure a common understanding of the requirements; and utilising Council thresholds to ensure proportionality regarding the appropriate type of procurement process.	All regulated procurements to be published via PCS/PCST to maintain consistency and transparency	PCT	31/03/2019
	PINs and FCOs will be published for all appropriate regulated procurements in 2018/19	PCT	31/03/2019
	Specifications within regulated procurements will include references to EU and British standards where appropriate	PCT	31/03/2019
	All Council value thresholds for procurements will be complied with for regulated procurements	PCT	31/03/2019
Ensuring that, so far as reasonably practicable, the following payments are made no later than 30 days after the invoice (or similar claim) relating to the payment is presented: (i) payments due by the Council to a contractor; (ii) payments due by a contractor to a sub-contractor; (iii) payments due by a sub-contractor to a sub-contractor, by: including a standard contract clause to this effect in our regulated procurement contracts; including a clause regarding the prompt payment of sub-contractors within our regulated procurement contracts; and through	We will aim to meet the target of 94.5% of invoices paid within 30 days during 2018/19	PCT	31/03/2019
	All regulated procurements in 2018/19 will include the standard clause in relation to payments	PCT	31/03/2019
	All regulated procurements in 2018/19 will include a clause regarding the prompt payment of sub-contractors	PCT	31/03/2019

ensuring effective contract management and monitoring is undertaken to ensure that prompt payment continues to be applied throughout the duration of the contract and taking any necessary steps to rectify any prompt payment issues experienced.			
Ensuring that the Council's regulated procurements will contribute to the carrying out of its functions and achievement of its purposes, through considering the Council's approach to procurement and commissioning in the context of the wide range of joint plans and strategies developed internally and externally, with other local authorities and partner organisations; by utilising effective and relevant consultation when developing and aligning our procurement strategy with these plans and strategies, and for individual regulated procurements as required; and through promoting effective contract and supplier management to monitor the effectiveness of regulated procurements in achieving their purposes.	Carry out external and internal research when developing PS and SPP 2019/20	PCT	31/03/2019
	Carrying out consultation for PS and SPP 2019/20 as per Section 8	PCT	31/03/2019
	Carry out consultations for individual regulated procurements as relevant and appropriate	PCT	31/03/2019
	Contract management training sessions for departmental staff who manage regulated contracts to be held in 2018/19	PCT	31/03/2019
Complying with the statutory requirements on the payment of a living wage to persons involved in producing, providing or constructing the subject matter of regulated procurements; through contributing towards improving the social wellbeing element - in particular reducing inequality in Argyll and Bute - of our sustainable procurement duty by promoting the Living Wage and fair work practices in regulated procurements; while ensuring a proportionate approach which provides an appropriate balance between quality and cost.	We will consider at the initial stages of individual regulated procurements whether it is relevant to address living wage and fair work practices	PCT	31/03/2019
Ensuring that the Council's regulated procurements will be carried out in compliance with its duty to treat relevant economic operators equally and without discrimination by, where relevant and proportionate, considering early market engagement prior to the publication of a contract notice on Public Contracts Scotland (PCS); considering in the initial sourcing strategy stage the opportunity to break	We will publish PINs/FCOs on PCS for all appropriate regulated procurements in 2018/19	PCT	31/03/2019
	We will consider lotting all regulated contracts in 2018/19 within their initial Commodity Sourcing Strategies	PCT	31/03/2019

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requirements into smaller lots; and by using clear and precise language preventing broad interpretation as well as offering alternative language formats if requested.	We will offer alternative language formats when requested	PCT/ Communications Team	31/03/2019
Complying with the Council's Sustainable Procurement Policy (Appendix 4) in relation to the use of community benefit requirements.	Community Benefits Clauses will be included in regulated procurements as outlined in the Sustainable Procurement Policy 2018/19	PCT	31/03/2019
Complying with the Council's Corporate Health and Safety Policy on promoting compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 (c.37) and any provision made under that Act, through assessing the potential health and safety risks arising from regulated contracts and considering this throughout the procurement process; and through ensuring that our requirements for individual contracts meet current legislation as a minimum.	Health and Safety considerations will be included at all stages of regulated procurement processes in 2018/19	PCT	31/03/2019
	All regulated works procurements in 2018/19 will include reference to the current CDM regulations	PCT	31/03/2019
Complying with the Council's Sustainable Procurement Policy (Appendix 4) in relation to the procurement of fairly and ethically traded goods and services.	The procurement of fairly and ethically traded goods and services will be considered at the initial Commodity Sourcing Strategy stage of all regulated procurements in 2018/19	PCT	31/03/2019
Complying with the statutory requirements on how we intend our approach to regulated procurements involving the provision of food to: (i) improve the health, wellbeing and education of communities in the authority's area, and (ii) promote the highest standards of animal welfare, by considering relevant national guidance.	Any regulated Catering contracts carried out in 2018/19 will consider the following national guidance throughout the procurement process: 'Better Eating, Better Learning'; 'Beyond the School Gate'; 'Soil Association Food for Life Catering Mark'; 'Catering for Change: Buying Food Sustainably in the Public Sector'; and 'Becoming a Good Food Nation'	PCT	31/03/2019
Following the Council's standard practice on consulting and engaging with those affected by its individual regulated procurements including, where appropriate and proportional: consulting and engaging with relevant stakeholder groups at the commodity sourcing strategy stage of individual regulated procurements; considering the	Consultations with relevant stakeholder groups will be carried out at the Commodity Sourcing Strategy stage of regulated procurements in 2018/19, where relevant and proportionate.	PCT	31/03/2019

National Standards for Community Engagement during this process; and ensuring the outcomes of any consultations will be taken account of within our regulated procurements.			
Ensuring that the Council's regulated procurements will be carried out in compliance with the sustainable procurement duty, through embedding sustainable procurement as business as usual – ensuring that sustainability issues are considered at all stages of individual procurement exercises; considering how individual procurement exercises can assist the Council to improve the economic, social, and environmental wellbeing of Argyll and Bute; facilitating the involvement of small and medium enterprises, third sector bodies, minority groups and supported business in the procurement process; and by promoting innovation at the initial stage of regulated procurements.	Consideration of Sustainability issues will be embedded throughout the procurement process for regulated procurements in 2018/19	PCT	31/03/2019

APPENDIX 2: Key Performance Indicators

Year	Procurement Commercial Improvement Programme (PCIP) Score	Procurement spend with contracted suppliers (%)	Contracts awarded to local businesses (%)	Contracts awarded to SMEs (%)	Local suppliers bidding for business with the Council (% of bids received)	Tenders won by a local supplier where a local supplier has placed a bid (%)	Invoices paid within 30 days (%)
12/13	-	85	41	-	-	-	90
13/14	-	89	37	87	-	-	92
14/15	-	88	34	85	23	-	91.52
15/16	-	89	39	83	31	75	93.74
16/17	70	90	25	79	16	68	94.10
17/18 Target	-	90	-	70	16	-	94.50
18/19 Target*	75	90	-	70	16	-	94.50

* Figures as known at August 2017, subject to change prior to commencement of financial year 2018/19

The Procurement and Commercial Improvement Programme (PCIP)
The Procurement and Commercial Improvement Programme (PCIP) replaces the previous Procurement Capability Assessment (PCA) focusing on the policies and procedures driving procurement performance and, more importantly, the results they deliver are derived from the Scottish Model of Procurement.
The full version of the assessment took place in June 2016. A score of 70% was achieved which is within the highest banding possible for the assessment.

Procurement spend with contracted suppliers (%)
This measure indicates the level of Council spend made within an existing contract. Best Practice requires that this figure is as high as possible. Argyll and Bute Council seek to maintain a figure of 90% or greater in order to ensure that best value is achieved and that relationships with suppliers are clearly documented for legal and monitoring purposes. In addition, the Council recognises the importance of transparency in relation to spend reporting and publishes spend data via Spotlight on Spend.

Contracts awarded to local businesses and SMES (% of successful suppliers)
The Council monitors the percentage of contracts awarded to local suppliers and SMEs. The Council is a member of the Supplier Development Programme which provides free advice and training to local SMEs. Alongside this the Procurement function is continually reviewing its processes to ensure that local SMEs are not at a disadvantage when bidding for contracts.

Local suppliers bidding for business
The Council monitor the type of contracts that local suppliers are bidding for and which contracts are subsequently awarded to them as well as endeavouring to

capture information on potential sub-contracting opportunities for local contractors to highlight the local economic impact of the contracts awarded. The team continues to provide local SMEs accessible training and access to tender opportunities through the method by which we tender.

Invoices paid within 30 days
This is a national measure for which there is a sector wide target of 90% aiming to minimise delay in paying suppliers. The Council aims to exceed this and has set a target of 94.5%.

APPENDIX 3: Procurement Strategy by Function

COMMUNITY SERVICES

Scope/Key Spend Areas

Community Services consists of the following areas:
➢ Education

Community & Culture will be dissolved by the creation of the Leisure and Libraries Trust in October 2017. The Procurement and Commissioning Team will continue to provide support to the new Trust; however this will no longer be subject to internal requirements.

Analysis of the existing spend profile across Community Services has identified priority areas of focus, including:
- Education Purchasing – support schools to purchase goods and services from available National and Local contracts where possible. This includes ensuring catalogues and suppliers on Pecos are up to date and available to for use. Provision of sourcing support will also be available for purchases >£1k which are not available on contract.

Short/Medium Term Strategy

The short term strategy for the procurement of goods and services within Community Services is:
- Provide procurement support to the Leisure and Libraries Trust.

Longer Term Strategy

The longer term strategy for the procurement of goods and services within Community Services includes:
- For Early Years' Service Provision - The Scottish Government's commitment to increase the entitlement for early learning and childcare hours from 600 per year to 1140 by 2020 will have an impact on service provision. The Procurement and Commissioning Team will work with the service to ensure cooperation and a collaborative approach with current suppliers to build on their current capacity to ensure the commitment to increased hours is met. This will include developing a skilled workforce to help retain and recruit staff; use of Council infrastructure and to stimulate the market by encouraging new suppliers to the area. The Procurement and Commissioning Team will work with the Service to ensure the transformation agenda is met and explore with the Service how the commitment can be met, efficiencies are made and a high quality innovative service is delivered

DEVELOPMENT AND INFRASTRUCTURE SERVICES

Scope/Key Spend Areas

Development and Infrastructure Services consists of the following areas:
➢ Roads and Amenity Services
➢ Economic Development
➢ Planning & Regulatory Services

An analysis of the existing spend profile within Development and Infrastructure has identified a number of priority areas of focus. These key areas include:

- Procurement of all goods and low value services within Development and Infrastructure Services routed through the Construction Purchasing Team via dandipurchasing@argyll-bute.gov.uk. Using PECOS the team promote the use of local and collaborative contracts across the service to achieve maximum savings. In addition, the team will also source non contracted items to achieve best value;
- Implementation of key strategic framework agreements;
- CHORD – Procurement support will be provided to ongoing and upcoming projects, including the Helensburgh Waterfront Development project and Oban projects;
- Housing Services contracts;
- Increased insourcing of contracts as per Transformation Board objectives

Short/Medium Term Strategy

The short term strategy for the procurement of goods and services within Development and Infrastructure Services is:

- Put in place framework agreements to cover core areas of spend, including haulage and PPE;
- Continue to ensure adequate resource to support CHORD & TIF programme procurement;
- Increase volume of Quick Quotes raised via Construction Purchasing Team for the purposes of operation efficiency and achievement of savings;
- Roll out of process for Corporate purchases and T&A requests via Pecos to D&I services;
- Assist Services to achieve the objectives of the Fleet Management Review, in relation to the procurement of vehicles to ensure compliance with Council procedures.
- The new Public Contract (Scotland) Regulations 2015 will impact on the procurement of Housing Services via the Light Touch Regime (LTR). The LTR allows consideration of wider issues when sourcing Health, Social Care and Education services and legitimises their influence in decision making. It is important to note, however, that the LTR does not absolve public authorities of the need to comply with treaty principles of transparency and equal treatment. In order to ensure transparency, a contract award notice must be published for services commissioned at OJEU level regardless of whether appointed via a competitive process;
- Work will be undertaken, alongside Property Services, to include the requirements for maintenance of temporary tenancies within the General Maintenance Term Contracts. This should provide best value to Housing Services, along with improved service provision, and an assurance that all contractors working on behalf of the Council have been fully assessed and approved;

Longer Term Strategy

The longer term strategy for the procurement of goods and services within Development and Infrastructure Services includes:

- Greater engagement with potential partnerships with consideration to more collaborative working; shared services and outsourcing opportunities;
- With regards to Waste Management, change in legislation by 2020 will bring new requirements for the Council within the next two years (construction of new processing, sorting facilities on the islands, covering landfill sites etc.) to be confirmed by the department;
- Assist Services in increasing their commercial awareness in terms of opportunities on Public Contracts Scotland, subject to availability of adequate resource in the service.

- Assist Services to achieve the agreed Transformation Board objectives.

CUSTOMER SERVICES and CHIEF EXECUTIVE'S UNIT

Scope/Key Spend Areas

Customer Services consists of the following areas:
- Governance & Law
- Customer & Support Services
- Improvement & HR
- Facility Services

The Chief Executive's Unit has few areas of spend, none of which are significant therefore no separate strategy has been provided for this unit and their spend processes will be dealt with along with Customer Services' spend.

An analysis of the existing spend profile within Customer Services has identified a number of priority areas of focus. These key areas include:
- Statutory Maintenance Contracts
- General Maintenance Term Contracts
- Consultancy Services

Short/Medium Term Strategy

The short term strategy for the procurement of goods and services within Customer Services is:
- Continue use of Vendor Rating System, now for relevant capital works contracts up to £2m in value, and increase awareness of this method through a Future Contract Opportunity Notice on PCS to add further contractors to the system.
- **General Maintenance Term Contracts:** The Procurement Team is currently working with Property Services, as well as Housing Services and NHS Highland, on the second generation General Maintenance Term Contracts – these tenders will consist of 3 separate contracts each including 3 separate geographical lots, with a single contractor for each area. This approach aims to maintain the current structure of 9 geographical areas, whilst minimizing business continuity risks and time required to carry out the procurement processes.
- **Statutory Maintenance Term Contracts:** The Procurement Team are currently working with Property Services to introduce new Term Contracts to cover the Council's statutory requirements in relation to property maintenance. This is an ongoing process with separate unique contracts and specialist suppliers involved. Collaborative frameworks will be utilised where possible.
- **Consultancy Services:** In addition to the consultancy services provided via the Scotland Excel frameworks, there are requirements to provide more economical services suited to our requirements – where possible these should be created using methods to encourage local SMEs to submit tenders. New or revised frameworks could include M&E Engineers, CDM Advisors, Civil/Structural Engineers, Ecologists and QS Services.
- **Catering Contracts:** Currently there is a process in place to upgrade our Purchasing Cards system to enable more schools to use the cards. This would bring feasible benefits in terms of order processing efficiency and money rebates from the bank. Continue to utilise national frameworks available through Scotland Excel and Yorkshire Purchasing Organisation, where appropriate, for certain types of services

including catering equipment repairs.

- **Cleaning Contracts:** Continue to utilise Scotland Excel frameworks in order to achieve best value and process efficiency.
- **HR contracts:** The Procurement and Commissioning Team will work with the Service to consider ways of improving and streamlining the delivery of HR function to include upgrading existing systems to improve self-service options and transformation objectives to provide services externally. Consideration of business case to replace the Resourcelink system to ensure modern fit for purpose service.
- **ICT:** The Procurement and Commissioning Team will work with the Service to review asset register and ensure current relevant arrangements are in place to maintain and review available systems and where appropriate to upgrade if business case allows. To include engaging with the Scottish Government in procurement of a single source Scotland wide contract to facilitate the procurement of commercial off the shelf software;– examples include ICT Discoverer replacement, mobile voice and data contract and telephone services.

Longer Term Strategy

The longer term strategy for the procurement of goods and services within Customer Services includes:

- Provide procurement support to assist the Property Services team with increasing levels of contracted maintenance spend from the current levels;
- Provide procurement support for Cleaning and Catering Innovation programme and closer collaboration potential development for working with NHS

HEALTH AND SOCIAL CARE PARTNERSHIP (HSCP)

Scope/Key Spend Areas

The Health and Social Care Partnership (HSCP) consists of the following areas:
- ➢ Adult Services
- ➢ Children & Families and Criminal Justice
- ➢ Strategic Planning & Performance

Please note that HSCP spend referred in this strategy is for services commissioned by what was formerly the Council's Adult Care and Children and Families services only.

An analysis of the existing spend profile within the HSCP has identified of the following priority areas of focus. These key areas include:
- ➢ Care at Home and Supported Living are 2 of the highest spend areas, it is hoped that during the term of this strategy there will be more information available on the viability of Dynamic Purchasing Systems (DPS) for care services following ongoing engagement with Scotland Excel colleagues which will enable the council to commission these services more effectively and efficiently in line with the Light Touch Regime.
- ➢ Older People's Care Homes, currently under National Care Home Contract, however there is a risk that negotiations will fail in 2018. If this is the case, priority will have to be given to locally negotiated contracts/collaborative arrangements with other partnerships.
- ➢ Aids and Adaptations Equipment, review required of existing contract situation and potential requirement for a procurement process.

Short/Medium Term Strategy

The short term strategy for the procurement of goods and services within the HSCP is:

- Significant aggregated spend is captured as part of the nationally negotiated care home contract. The Council's continued participation in national care home contract is expected and recommended. Scotland Excel are now actively involved in the negotiation process with COSLA however reaching agreement with providers was particularly challenging in 2017. As the settlement agreed was for one year only, it is expected to be a difficult process in 2018. Consideration must be given to the possibility of local negotiations/collaborative arrangements with other Partnerships. Sourcing Strategy to be developed which considers this.
- Scotland Excel have contracts in place for Fostering, Care Homes for Adults with Learning Disabilities and Children's Residential Services – continued use of these is expected.
- Annual breaks have been incorporated into existing contracts in order to ensure contracts are flexible enough for the partnership to be in a position to take advantage of any national developments being led by Scotland Excel.
- A number of reviews are underway of current locally commissioned services and early procurement involvement in these will be key to ensure that resulting action is compliant with EU Procurement Regulations and the Council's Standing Orders.
- The Public Contract (Scotland) Regulations 2015 will have an impact on the procurement of Social Care Services via the Light Touch Regime (LTR). The LTR allows consideration of wider issues when sourcing Health, Social Care and Education services and legitimises their influence in decision making. It is important to note, however, that the LTR does not absolve public authorities of the need to comply with treaty principles of transparency and equal treatment. In order to ensure transparency, a contract award notice must be published for services commissioned at OJEU level regardless of whether appointed via a competitive process.
- Comply fully with Guidance on the Procurement of Care and Support Services 2016 (Best Practice).
- Continue to undertake contract and supplier management meetings with key suppliers.
- Improve communication of contract updates by developing and promoting user guides.
- Further explore possibilities to work collaboratively on contracts at sourcing strategy stage.
- A greater focus required during contract management on Community Benefits required to ensure that more of the provider's efforts are captured and formally recorded.
- Continue to review and revise the terms and conditions for care services as required and following feedback from providers
- Ensure comprehensive and clear process in place for new suppliers selected under Option 2 Self Directed Support SDS, allowing people to choose their care provider, contracted via HSCP.
- Ensure that suppliers providing services on behalf of the Council to vulnerable clients manage health and safety risks appropriately and implement the work control measures identified in their own risk assessments.
- The Procurement and Commissioning Team have developed the Care Service Monitoring Tool to gather information on ongoing contract compliance and performance. Procurement and Commissioning will continue to work with the service to embed this process into operational activities and ensure maximum benefits are realised from the contract.
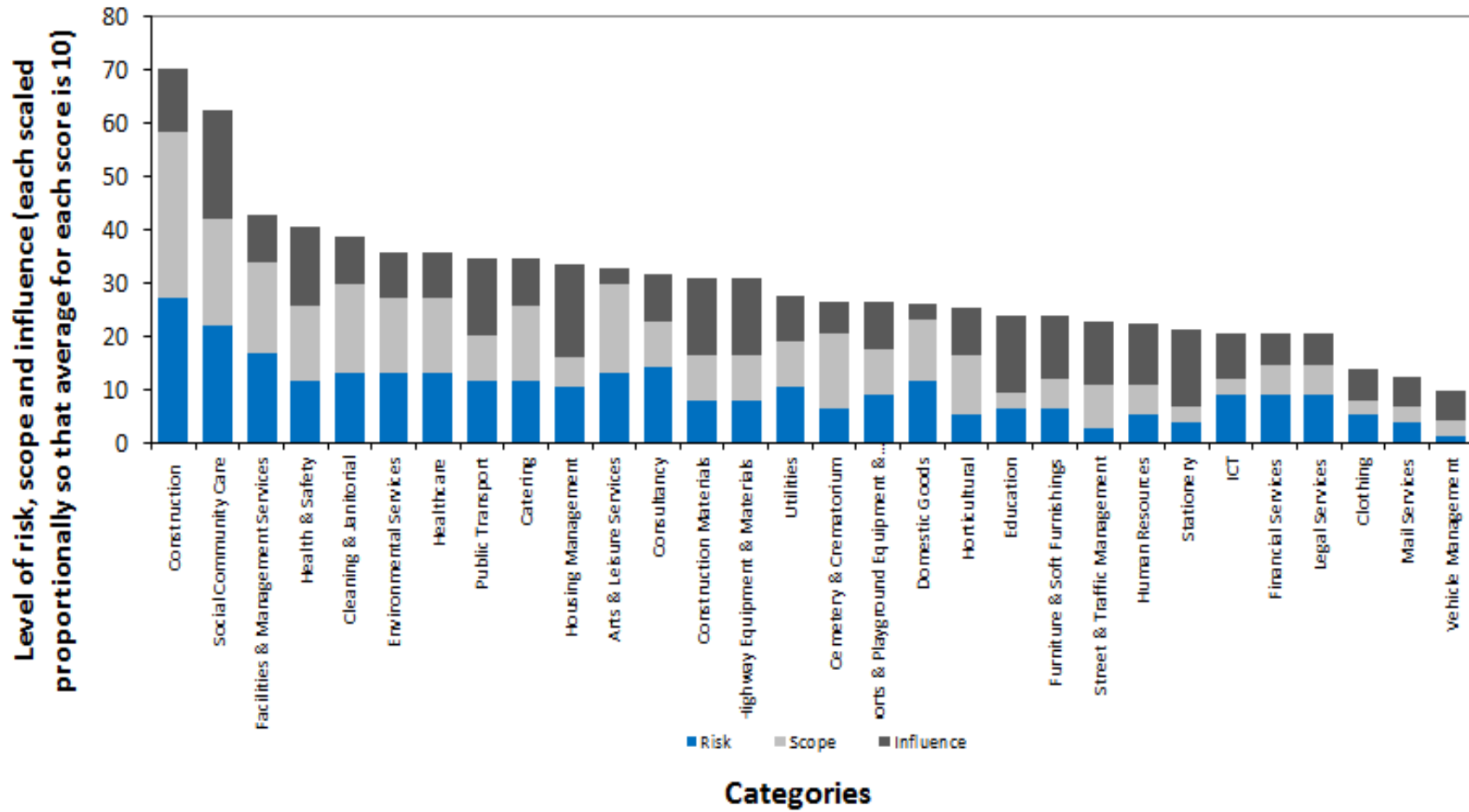
Longer Term Strategy

The longer term strategy for the procurement of goods and services within the HSCP includes:

- Develop and continue to review Sourcing Strategy coverage for all high value/high risk social care procurements
- Continue active involvement in national activity lead by Scotland Excel and other relevant bodies
- Continue to seek innovative solutions for compliant procurement processes for Services to the Person, e.g. DPS
- The team will continue to provide procurement support advice and assistance to the Health and Social Care Integration Partnership in order to ensure that the Partnership is receiving Best value quality services from its suppliers, delivered safely and without unacceptable risks to health.

APPENDIX 4: Prioritisation Tool Outcome

Overall Priority Categories

Level of risk, scope and influence (each scaled proportionally so that average for each score is 10)

Categories: Construction, Social Community Care, Facilities & Management Services, Health & Safety, Cleaning & Janitorial, Environmental Services, Healthcare, Public Transport, Catering, Housing Management, Arts & Leisure Services, Consultancy, Construction Materials, Highway Equipment & Materials, Utilities, Cemetery & Crematorium, Sports & Playground Equipment &..., Domestic Goods, Horticultural, Education, Furniture & Soft Furnishings, Street & Traffic Management, Human Resources, Stationery, ICT, Financial Services, Legal Services, Clothing, Mail Services, Vehicle Management

Legend: ■ Risk ■ Scope ■ Influence

Categories

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This outcome from the Prioritisation Tool assists the Council to prioritise and focus on those categories of spend within the upcoming regulated procurements for 2018/19 that offer the greatest potential sustainable outcomes. The graph above highlights the initial results of prioritisation of procurement categories across the council.

This output is used to assist the Council with informing priorities for:

(a)   a focus on sustainability within commodity sourcing strategies;
(b)   market engagement strategies; and
(c)   making sure that those responsible have relevant understanding and capability to apply sustainable procurement in these priority commodities.

The Prioritisation Tool analysis will be updated annually to reflect changes in expenditure, commodities and other relevant material changes and will allow the council to manage its procurement resources more effectively to ensure these are targeted to the appropriate categories of spend.

APPENDIX 5: Sustainable Procurement Policy 2018/19

ARGYLL AND BUTE COUNCIL

SUSTAINABLE PROCUREMENT POLICY 2018/19

"Argyll and Bute Council recognises the significant corporate responsibilities it has as one of the area's major purchasers and the positive social, economic and environmental influence it can have through its purchasing decisions. Argyll and Bute is a unique area that is rich in natural resources, vibrant and diverse communities and we hold those assets in our trust now and for generations to come. As a Council we are committed to sustainable procurement, and our procurement activities are not solely based on the economic factors, but aim to achieve the best value based on the whole life cost, the associated risks, measures of success and implications for society and the environment. We will also use our Sustainable Procurement Policy to help achieve population growth through the development of our local economies."

Cleland Sneddon
Chief Executive

Date	Update / Section	By Whom
27/06/2017	V0.1	Elaine Appleby
04/10/2017	V0.2	Elaine Appleby

CONTENTS

1: INTRODUCTION

1.1 Sustainable procurement is defined in the Scottish Government's "Sustainable Procurement Action Plan for Scotland" (2009) as the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation, but also to society, the economy and the environment.

1.2 In recent years, Sustainable Procurement has become an increasingly important item on the Scottish political agenda. Procuring sustainably involves understanding the potential environmental, social and economic impacts that are a result of our purchasing decisions.

1.3 Argyll and Bute Council's Sustainable Procurement Policy sets out the direction for the Council and builds on existing sustainability practice. The Policy covers the three strands of sustainability: environmental, social and economic and aims to meet the substantial challenges of balancing the complexities of sustainable procurement within today's economic climate and continued drive for best value.

1.4 Argyll and Bute Council is one of the region's major purchasers, with a total spend in 2016/17 of £132 million, on a diverse range of goods, services and works from third parties, and recognises that its purchasing decisions have social, economic and environmental implications, both locally and nationally, now and in generations to come. It is important that this enormous spending power is used to support key Council objectives.

1.5 This Sustainable Procurement Policy has been developed to help the Council deliver its key strategic objectives and to meet a range of duties relating to sustainable development and climate change. This policy expands on the commitment to sustainable procurement which is set out in the Council's Procurement Strategy 2018/19. It is intended that it will apply to all contracts for works, goods or services in which the Council has an interest. From writing sourcing strategies to evaluating bids, the Council should seek to integrate relevant sustainability issues into its everyday procurement activity.

2: POLICY STATEMENT

2.1 The aim of this Sustainable Procurement Policy is to ensure that Argyll and Bute Council embeds the principles of sustainability within its procurement activities to ensure that only products and services which can be described as 'best value' are selected and that in all cases a balanced consideration of economic, social, and environmental impacts are undertaken throughout the procurement process.

2.2 This Policy also aims to ensure that Argyll and Bute Council's employees, contractors and suppliers are aware of the Council's commitment to long-term economic, social, and environmental sustainability.

2.3 Adoption of this policy shall contribute to the Council's Best Value obligations, towards the Procurement & Commercial Improvement Programme (PCIP), Best Practice Indicators (BPIs) and towards Climate Change targets [the national carbon reduction target is 42% by 2020].

2.4 Sustainable Procurement also contributes to the Scottish Government's 7 Purpose Targets of Economic Growth, Productivity, Participation, Population, Solidarity, Cohesion and Sustainability.

2.5 Council Commitment

The Council will strive where appropriate and possible, to ensure that decisions on the procurement of resources and/or in relation to the provision of grant funding or financial assistance to any organisation or individual are undertaken in line with our sustainability commitments and that commercial relationships are formed and nurtured with supplier and partnering organisations who share our values on sustainability.

3: PUBLIC SECTOR PROCUREMENT LANDSCAPE AND SUSTAINABLE PROCUREMENT

There are various pieces of legislation/Scottish Government tools/best practice which impact on the Council's Sustainable Procurement Policy:

3.1   Revised Flexible Framework

3.2   The Public Contracts (Scotland) Regulations 2015

3.3   Procurement Reform (Scotland) Act 2014 (including the Sustainable Procurement Duty)

3.4   Zero Waste (Scotland) Regulations 2011

3.5   Equality Act 2010 and the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012

3.6   Climate Change (Scotland) Act 2009 and the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015

3.7   Local Government in Scotland Act 2003

4: LOCAL LANDSCAPE AND SUSTAINABLE PROCUREMENT

There are also various internal policy documents and strategies which impact on the Council's Sustainable Procurement Policy:

4.1   Single Outcome Agreement for Argyll and Bute

4.2   Argyll and Bute Council Corporate Plan for 2015-2017

4.3   Argyll and Bute Council Procurement Strategy 2018/19

4.4   Argyll and Bute Council Procurement Manual

4.5   Argyll and Bute Council Community Benefits in Procurement Guide

4.6   Carbon Management Plan (2011)

5: SUSTAINABLE PROCUREMENT METHODOLOGY

5.1   Priorities:

The Council's Sustainable Procurement Policy will give guidance and direction, whilst remaining flexible to change as the Council continues to embed sustainability into the procurement process. This policy outlines the key sustainable procurement commitments which will be applied to all procurement activity carried out by the Council. Compliance with this policy and other linked policies set out in this document is mandatory. This will be achieved by a focus on the following priorities within the structure of the revised Flexible Framework:

> **1   People**
>
> a) We will use organisational development opportunities, and e-learning to share knowledge and ensure annual refresher training on the latest sustainable procurement principles for key procurement staff, to meet any knowledge gaps.
> b) We will establish clear leadership to drive the embedding and continuous improvement of sustainable procurement within the Council, through having a Sustainable Procurement Champion within the Council.
> c) We will publicise our commitment and successes in Sustainable Procurement.

> **2   Objectives, Strategy & Communications**
>
> a) We will carry out sustainable procurement whilst complying with national and EU procurement regulations that protect and encourage open and transparent public procurement.
> b) We will ensure our Sustainable Procurement Policy continues to meet all external requirements, as well as complementing the Council's internal Strategies.
> c) We will ensure relevant communications strategies are developed and actioned as required, in relation to Sustainable Procurement outcomes.
> d) We will communicate this policy and accompanying guidance to all Council staff and elected members.

> **3   Process**
>
> a) We will consider sustainability issues in relation to the economic, social and environmental wellbeing of our area throughout the procurement process, including within strategy documents and

contract conditions and specifications.

b) We will use Community Benefits Clauses where appropriate, in line with the Council's Community Benefits Clauses in Procurement Guide, reporting on achievements to the Council's Procurement Board on a quarterly basis.

c) In relation to economic considerations, our priorities will be:
- To use mandatory sub-contracting clauses in all proportionate and relevant contracts;
- To lot contracts where appropriate to encourage Small and Medium size organisations to bid, and to ensure that tender documents are proportional to the requirement to remove unnecessary obstacles.

d) In relation to social considerations, our priorities will be:
- To ensure there is no intentional discrimination against specific groups of people when undertaking procurements - Equalities and Diversity considerations will be embedded throughout the procurement process;
- To ensure that our contract terms require suppliers to support the health, safety, welfare and rights of their employees and supply chain;
- To promote fair trade options throughout the Council;
- To promote the use of Supported Businesses, where their prices and capacity to deliver is comparable to the rest of the market.

e) In relation to environmental considerations, our priorities will be:
- To ensure that our procurements minimise our contribution to climate change and support goods, services and works that are well-adapted to the consequences of a changing climate;
- To ensure that our procurements are necessary – where appropriate re-using, repairing or refurbishing existing goods;
- To specify fresh, seasonal, nutritious, and where possible, organic food, and to not knowingly purchase genetically modified food or food with genetically modified ingredients;
- To specify minimum packaging, reusable packaging and packaging take-back;
- To minimise any negative impacts of our procurements on biodiversity;
- To use recycled paper throughout the Council where there are no compatibility issues with existing equipment;
- To consider animal welfare when procuring; and wherever possible to not purchase goods developed using animal testing.

4   Engaging Stakeholders

a) We will engage with our suppliers and stakeholders to remove barriers to participation in procurement and maximise impact of sustainable opportunities.
b) We will support local and regional small and medium sized enterprises, voluntary and community groups, social enterprises, charities and cooperatives, businesses involving minority individuals and groups, and individuals and groups with protected characteristics, to participate in procurement opportunities.
c) Where appropriate, we will consult with the people whose needs we aim to meet through our procurement to ensure that we procure goods, services and works that actually meet their needs.
d) We will work with suppliers to educate them on sustainable procurement and our policy, to encourage them to use more sustainable goods, processes and working practices in their own business operations and encourage them to engage in sustainable procurement activities within their own supply chain.
e) We will consult with stakeholders, including suppliers and Third Sector agencies, to ensure views are considered on sustainable outcomes sought.

5   Monitoring & Reporting

a) The Council's ongoing programme of reviewing and improving our procurement processes will seek to ensure they remain transparent and open to the whole of the supplier community.
b) We will ensure suppliers comply with their commitments to the sustainability criteria within our specifications and their tender submissions by building in proportionate, effective monitoring and management into contract arrangements.
c) We will measure and report on our progress in embedding and continuously improving sustainable procurement and its contribution to delivering sustainable development annually.
d) We will continue to ensure that reporting requirements relating to Sustainable Procurement are met, including Climate Change Reporting requirements, Equality reporting requirements, and internal reporting of Community Benefits achieved
e) We will continue to self-assess the Council's progress against each theme of the Flexible Framework annually, and report on our progress.

5.2   Implementation:

5.2.1 All Services of the Council will be expected to support the implementation of this Policy.

5.2.2 To ensure the successful implementation of this policy, all procurement staff will receive training on the contents.

5.3   Monitoring:

5.3.1 All progress against the stated priorities within this Policy will be reported on an annual basis.

5.4   Review:

5.4.1 This Policy will be reviewed by the Procurement and Commissioning Team annually to ensure that it remains up to date in terms of any relevant new legislation or guidance, and to ensure that it continues to deal with the issues it was designed to address.

5.4.2 The Council will ensure that when the Policy is reviewed, key stakeholders are consulted by seeking their views on the content of the policy.

6: SUMMARY

Argyll and Bute Council is committed to the ongoing development and delivery of sustainable procurement for all three strands of sustainability: environmental, social and economic. By adopting the approach detailed above, this Sustainable Procurement Policy will help deliver local and national objectives which, in turn ensures a more sustainable outcome to our procurement activity.

For Further information please contact:
Elaine Appleby, Sustainability Lead Officer, Procurement and Commissioning Team – Elaine.appleby@argyll-bute.gov.uk

ARGYLL AND BUTE COUNCIL

PROCUREMENT & COMMISSIONING STRATEGY 2018/19 & SUSTAINABLE PROCUREMENT POLICY 2018/19

STAKEHOLDER CONSULTATION REPORT

CONTENTS

1   INTRODUCTION

Argyll and Bute Council's Procurement and Commissioning Team (PCT) would like to begin this report by thanking all stakeholders who took the time to respond to our consultation in relation to the Procurement and Commissioning Strategy 2018/19 and the Sustainable Procurement Policy 2018/19. It is important for us to ensure that our key documents and the priorities they contain reflect the concerns of our key stakeholder groups, both internal and external.

2   BACKGROUND

2.1   **Procurement Strategy**
The Argyll and Bute Council Procurement Strategy 2018/19 sets out a framework which is designed to enable the Council to continue on its journey of change and innovation through:

- Building capacity and skills within the Council to continue to improve commissioning and procurement activity;
- Increasing the level of collaboration both internally, between service areas, and externally with other partner organisations;
- Engaging proactively with key suppliers through contract and supplier relationship management to ensure that we extract maximum value and innovation from our supply base;
- Focusing our commissioning and procurement activity on delivering improvements for the people and communities in Argyll and Bute;
- Working cooperatively in everything we do to support SMEs and the third sector.
- Ensuring procurement activity contributes towards the Council's general Equality Duty towards all stakeholders in Argyll and Bute and beyond.

2.2   **Sustainable Procurement Policy**
The Argyll and Bute Council Sustainable Procurement Policy 2018/19 sets out the direction for the Council and builds on existing sustainability practice. The Policy covers the three strands of sustainability: environmental, social and economic and aims to meet the substantial challenges of balancing the complexities of sustainable procurement within today's economic climate and continued drive for best value.

2.3   The Council has a statutory requirement to update and publish both its Procurement Strategy and its Sustainable Procurement Policy on an annual basis following the key changes introduced by the Procurement Reform (Scotland) Act 2014 and the Procurement (Scotland) Regulations 2016.

2.4   The Council also has a requirement to consult with key stakeholder groups for both of these documents. The aims of the consultation were:

- To increase awareness of the Council's Procurement & Commissioning Strategy and Sustainable Procurement Policy and engage meaningfully with key stakeholder groups;
- To make sure the links between the strategy and policy and other relevant strategies and plans are clear; and
- To enable a diverse range of stakeholder groups to take part and thereby influence the strategy and policy.

2.5 The consultation was completed in September 2017, via a web-based survey on the Council's website. The consultation was publicised via emails to key internal and external stakeholders, as well as being available to the general public through the consultations section on the Council's website. Appendix 1 details the consultation questions asked and Appendix 2 details the responses received.

3   CONSULTATION OUTCOMES

3.1 28 responses were received, nearly two thirds of which were from Council staff and just 5 from suppliers. This was a big reduction from the 55 responses received for the similar consultation undertaken in 2016. In general, respondents found the strategy easy to read, easy to follow, comprehensive and with clear priorities appropriate for the Council. This also applied to the Sustainable Procurement Policy. In addition we received some valuable free format comments which are all listed in Appendix 2 along with the Council's response to each. As a result of the consultation we have amended the policy documents to make them easier to read.

3.2 The majority of responses to the open-ended questions within the consultation were received from internal stakeholders, and the feedback provided covered queries in relation to areas already covered in the documents or in more operational documents, as well as feedback on the structure and content of the key priorities. Procurement comments on these responses have been provided, and the team will consider the application of improvements where relevant.

3.3 Overall, the responses to the consultation have been very positive about the content of the new Procurement & Commissioning Strategy and Sustainable Procurement Policy.

3.4 The responses outlined in Appendix 2 have been taken into account through revisals to the draft documents in the following ways:

3.4.1 Within the Sustainable Procurement Policy, Parts 3 (Public Sector Procurement Landscape and Sustainable Procurement) and 4 (Local Landscape and sustainable Procurement) have been streamlined to simply list the influences on this policy rather than providing explanatory details for each item;

3.4.2 Also within the Sustainable Procurement Policy, Part 5 (Sustainable Procurement Methodology), the priorities within section 3 – Processes have been restructured and streamlined to increase understanding of how the priorities relate to the three elements of Sustainability – Economic, Social and Environmental.

3.5 The Procurement and Commissioning team has also taken account of the outcomes of this consultation in the following ways:

3.5.1 The process for future consultation exercises will be developed taking into consideration feedback received for this consultation, as well as the approached used by other local authorities. The team will aim for continuous improvement in this area to reflect best practice.

3.5.2 The standard template documents will be reviewed to ensure they reflect the feedback received in this consultation, to meet the needs of all stakeholders.

4   CONCLUSION

4.1 Although only limited stakeholder responses were received, these included well-considered comments which we have found very valuable. The policy has been simplified in response to the comments and we have ensured that all matters highlighted by stakeholders have been included in the strategy.

APPENDIX 1 - SURVEY QUESTIONS

1. Please advise which key stakeholder group(s) you belong to:

- Argyll and Bute Council employees
- Argyll and Bute Councillors
- Local MSPs, MP, and MEPs
- Suppliers to Argyll and Bute Council
- Community Planning Partners
- Community Councils
- Other interested parties (please state)
- General public

PROCUREMENT & COMMISSIONING STRATEGY 2018/19

General:

2. How informative or otherwise did you find the Strategy?

- Very informative
- Informative
- Neutral
- Uninformative
- Very uninformative

3. To what extent do you agree or disagree with the following statements in relation to the Strategy?

   a. The strategy was easy to read
- Strongly agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly disagree

   b. The format made it easy to follow
- Strongly agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly disagree

   c. The strategy is comprehensive
- Strongly agree
- Agree

- Neither Agree or Disagree
- Disagree
- Strongly disagree

d. The key priorities are clear
  - Strongly agree
  - Agree
  - Neither Agree or Disagree
  - Disagree
  - Strongly disagree

Strategic Context:

4. Are there any strategic issues which the Strategy has not considered? If yes, please identify them below and give details of how the Procurement & Commissioning Strategy should address them.

Priority Themes:

Four key priority areas have been identified in the Strategy:

- Improve procurement processes and policies;
- Increase expertise, capacity and effectiveness;
- Ensure compliance with complex European Union Procurement Legislation, and with Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014 and associated mandatory guidance.
- Supporting the Council's transformational changes

5. Do you consider these key priority areas to be appropriate for the Council?

- Yes
- No

6. Would you propose an additional or alternative key priority area(s)?

Key Priorities:

7. Within the four key priority areas we have listed various specific priorities in relation to our regulated procurements; do you consider these to be the right priorities for procurement within the Council?

- Yes
- No

8. Are there any additional priorities we should include in relation to regulated procurements?

SUSTAINABLE PROCUREMENT POLICY 2018/19

General:

9. How informative or otherwise did you find the Sustainable Procurement Policy?

- Very informative
- Informative
- Neutral
- Uninformative
- Very uninformative

10. To what extent do you agree or disagree with the following statements in relation to the Policy?

a. The policy was easy to read
- Strongly agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly disagree

b. The format made it easy to follow
- Strongly agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly disagree

c. The policy is comprehensive
- Strongly agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly disagree

d. The priorities are clear
- Strongly agree
- Agree
- Neither Agree or Disagree
- Disagree
- Strongly disagree

Priorities:

11. Within the 5 priority areas identified within the Sustainable Procurement Policy (People; Objectives, Strategy & Communications; Process; Stakeholders; and Monitoring & Reporting) we have identified various specific priorities, do you consider these to be the right priorities for Sustainable Procurement within the Council?

- Yes
- No

12. Are there any additional priorities we should include in relation to Sustainable Procurement?

COMMENTS

13. Are there any other comments you would like to make about the draft Procurement & Commissioning Strategy 2018/19 and Sustainable Procurement Policy 2018/19?

14. Please provide your contact details here if you would like to receive feedback on the outcome of this consultation exercise, and the final versions of the Procurement & Commissioning Strategy 2018/19 and the Sustainable Procurement Policy 2018/19:

- Name
- Organisation
- Email address
- Tel

APPENDIX 2 - SURVEY RESPONSES

28 responses were received to the consultation survey. Last year's consultation received 55 responses to the consultation survey, and an additional 4 items of feedback in relation to the documents were received via email.

1. **Please advise which key stakeholder group(s) you belong to:**

Stakeholder Groups	2016 Respondents (%)	2017 Respondents (%)
Argyll and Bute Council employees	71	61
Argyll and Bute Councillors	2	11
Local MSPs, MP, and MEPs	0	0
Suppliers to Argyll and Bute Council	15	18
Community Planning Partners	0	0
Community Councils	7	0
Other interested parties	2	4
General public	4	0
No response to question	-	7
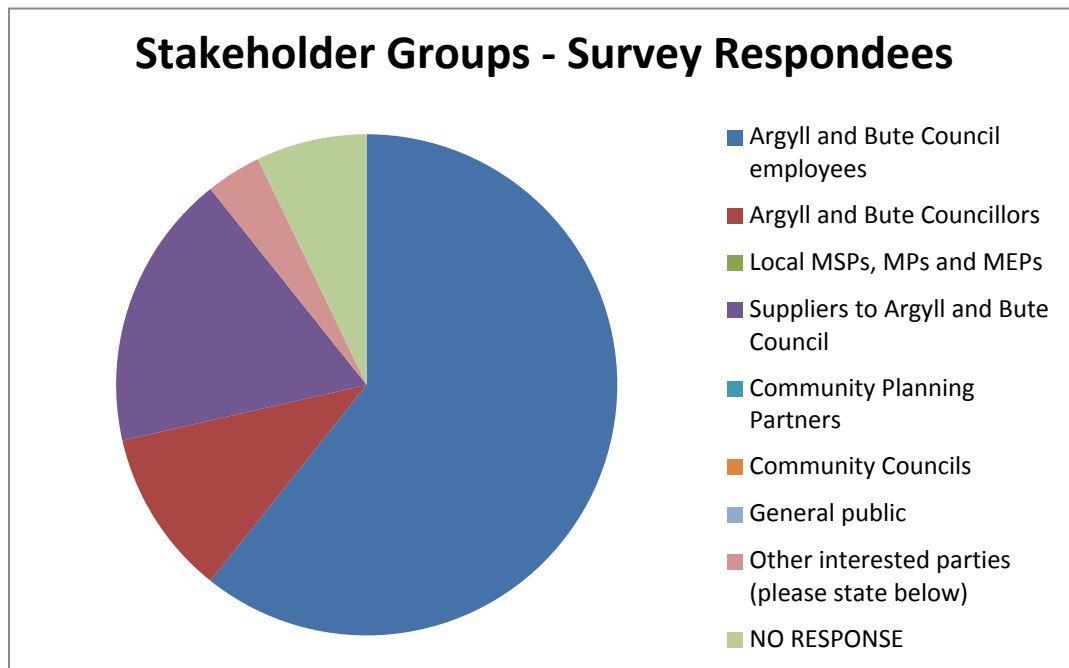
Stakeholder Groups - Survey Respondees

- Argyll and Bute Council employees
- Argyll and Bute Councillors
- Local MSPs, MPs and MEPs
- Suppliers to Argyll and Bute Council
- Community Planning Partners
- Community Councils
- General public
- Other interested parties (please state below)
- NO RESPONSE

PROCUREMENT & COMMISSIONING STRATEGY 2018/19

General:

2.   **How informative or otherwise did you find the Strategy?**

96% of respondents found the Procurement & Commissioning Strategy to be either Informative or Very Informative, with no respondents stating that it was uninformative.
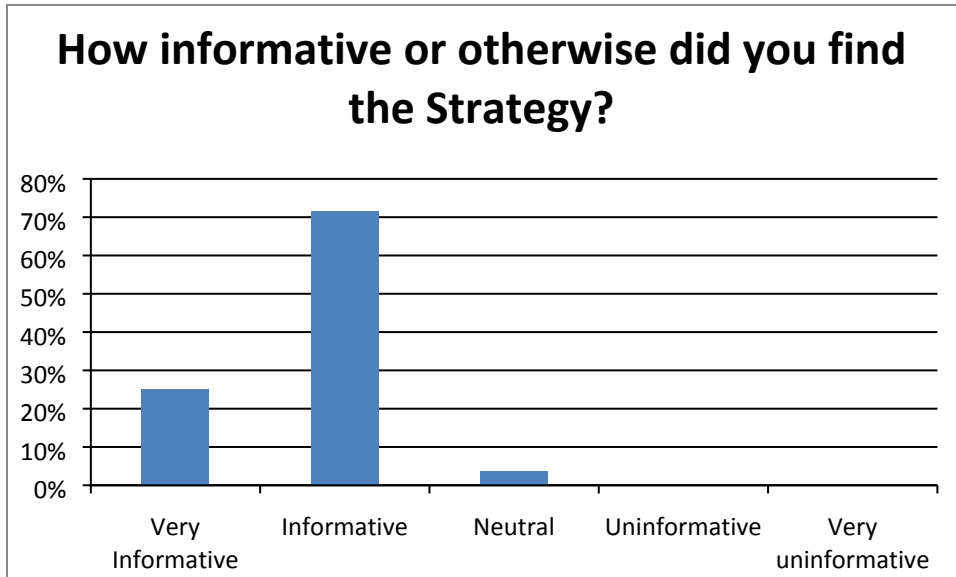
3.   **To what extent do you agree or disagree with the following statements in relation to the Strategy?**

a. **The strategy was easy to read**

89% of respondents agreed or strongly agreed that the Strategy was easy to read; only 7% disagreed.

11

The Strategy was easy to read
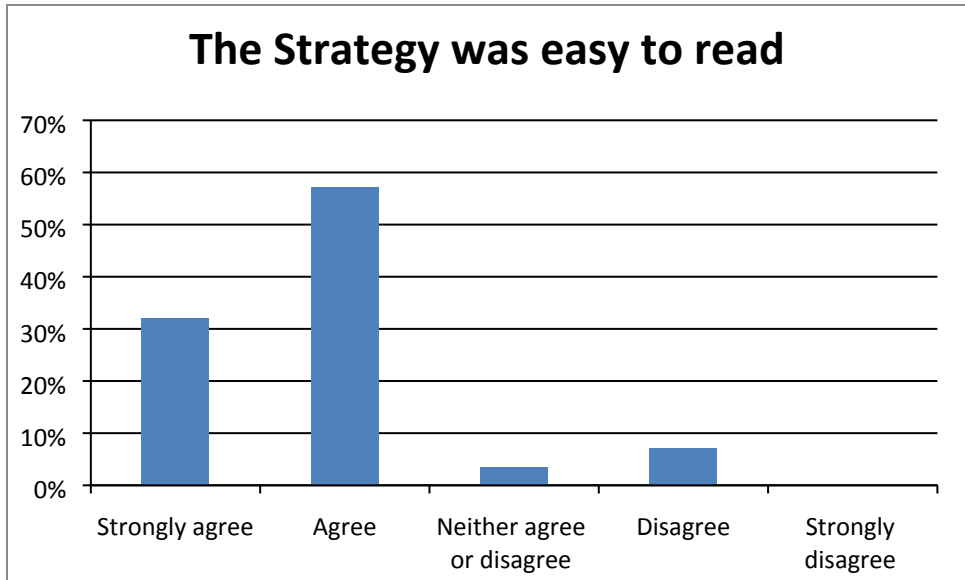
b. **The format made it easy to follow**

85% of respondents agreed or strongly agreed that the format of the Strategy made it easy to follow; no respondents disagreed, although 15% provided a neutral response.

The format made it easy to follow
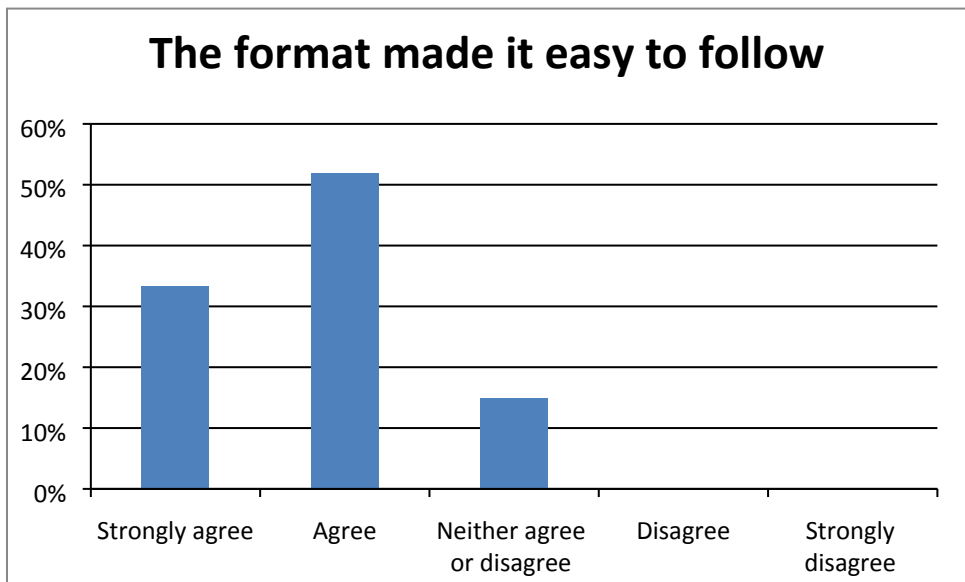
c. **The strategy is comprehensive**

89% of respondents agreed or strongly agreed that the Procurement & Commissioning Strategy is comprehensive; no respondents disagreed, although 11% provided a neutral response.

The Strategy is comprehensive

(Bar chart showing responses. Y-axis from 0% to 50% in 5% increments.)

- Strongly agree: ~45%
- Agree: ~45%
- Neither agree or disagree: ~11%
- Disagree: 0%
- Strongly disagree: 0%
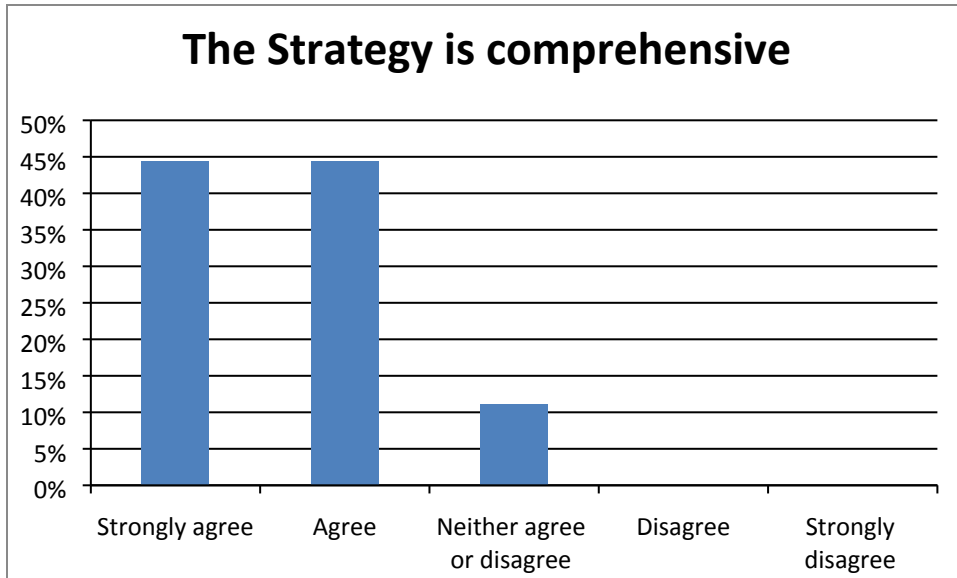
d. The key priorities are clear

92% of respondents agreed or strongly agreed that the key priorities within the Strategy are clear; only 4% of respondents disagreed.
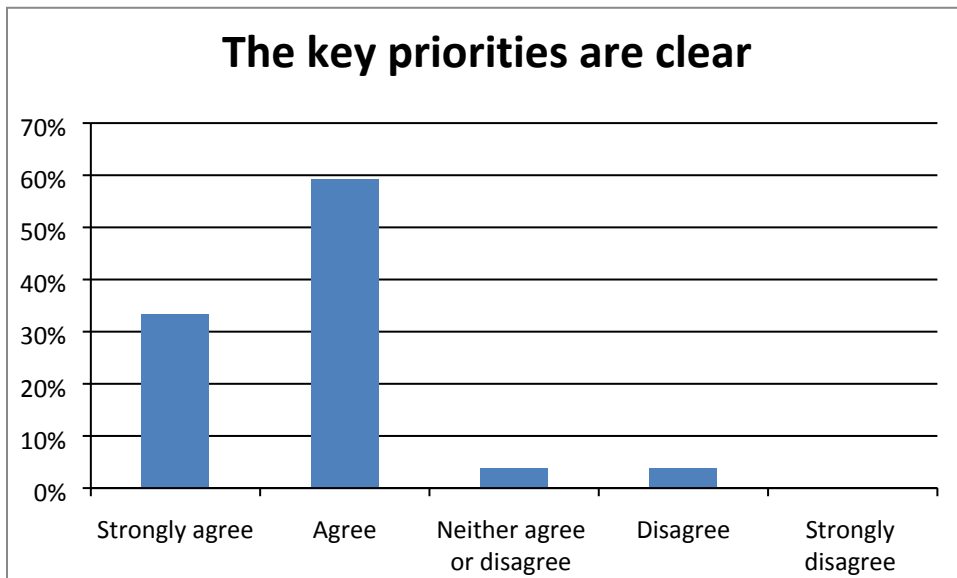
The key priorities are clear

(Bar chart showing responses. Y-axis from 0% to 70% in 10% increments.)

- Strongly agree: ~33%
- Agree: ~60%
- Neither agree or disagree: ~4%
- Disagree: ~4%
- Strongly disagree: 0%

Strategic Context:

4. **Are there any strategic issues which the Strategy has not considered? If yes, please identify them below and give details of how the Procurement & Commissioning Strategy should address them.**

Consultation Feedback	Procurement Comment
Opportunities to compare current cost of procurement and contacting out a service with possibility of in house provision - particularly in areas and services where there might not be sufficient commercial interest to be sure that bids are competitive.	This is covered by the Make or Buy Analysis as part of Commodity Sourcing Strategy for all procurements that are of a Regulated value; this is a priority within the Sustainable Procurement Policy rather than the Procurement & Commissioning Strategy.
Heavily weighted to front end procurement but very light on post contract award contract management and ensuring the council is getting everything it should. Should fostering competition be an aim e.g. West Coast Motors getting millions for transport .....are there micro local suppliers we should consider?	The Procurement and Commissioning Strategy has emphasised the importance of continuing and increasing the contract management training for staff within the departments carrying out this key function; within Key Priority area b. Increase expertise, capacity and effectiveness. Delivering competition and best value for the Council is embedded within our vision and overall Procurement Principles. In relation to our transport contracts, these all have detailed strategies in place which have included engaging with the supply market, providing sub-contracting opportunities within main contracts for local micro-suppliers, and have resulted in both savings to the Council and improved contract management which have provided the Council with further savings from these contracts.
Yes, the issue of the amount of 'single use plastics' that the Council uses on a daily basis. This Council culture must be transformed to a more environmentally friendly one.	Your feedback is noted, and will be shared with the Council's Climate Change Board, as a decision would need to be made at Council-level, we in procurement can only provide advice and assistance within our processes to ensure that Council contractors meet our sustainability requirements. Individual departments within the Council have the responsibility for creating specifications to meet their requirements and are guided by Council policy. The procurement team assist with this process to ensure compliance with all relevant legislation and internal requirements.
The strategy mentions SMEs but not the considerable value in involving social enterprises and community based charities in delivery of council services. In other words growing the circular economy of Argyll. There are examples where delivery through these types of organization will deliver tangible and greater social, environmental and economy benefits to Argyll and Bute citizens than through traditional large business routes. The strategy can address this by;	Working with and consulting the third sector, which includes social enterprises; and encouraging these organisations to become involved in public sector procurement is included within various priorities within the Procurement Strategy and Sustainable Procurement Policy. 1 - Although we do not have access to a list of this nature, the Council does consider whether there are third sector suppliers within the supply market when developing strategies for individual procurements. 2 - The Council is unable to favour third sector and local suppliers in this manner. The Council's

1. Ensuring there is a list of third sector organisations and their services that is promoted to all those responsible for procuring services in the council 2. Identifying services and goods that Argyll based third sector organisations might be able to supply and promoting these to the third sector organisations 3. Targeting tender adverts specifically to third sector organizations and communication channels. 4. Providing training and capacity building for Argyll third sector organisations to ensure they have the capacity to meet the council's tendering requirements 5. Ensuring procurement scoring exercises recognize and reward bidders who include third sector organisations in their bids.	contract plan is published on our website and is freely available to all interested suppliers. 3 - All tenders are advertised using the Public Contracts Scotland website, which is free for suppliers to register with. In addition, Ready for Business extracts tender opportunities that third sector organisations may be interested in and shares this with their contacts. 4 - The Council already works with the Supplier Development Programme to offer training opportunities for potential suppliers within Argyll and Bute, and has regular Meet the Buyer events across Argyll and Bute that are available to third sector organisations. 5 - The Council is unable to favour third sector suppliers within the procurement process, our evaluation methodology must be open, fair and transparent.

Priority Themes:

Four key priority areas have been identified in the Strategy:

- Improve procurement processes and policies;
- Increase expertise, capacity and effectiveness;
- Ensure compliance with complex European Union Procurement Legislation, and with Public Contracts (Scotland) Regulations 2015 and the Procurement Reform (Scotland) Act 2014 and associated mandatory guidance.
- Supporting the Council's transformational changes

5.   Do you consider these key priority areas to be appropriate for the Council?

89% of respondents agreed that the key priority areas are appropriate for the Council; 11% of respondents disagreed.

Do you consider these key priority areas to be appropriate for the Council?

- Yes
- No
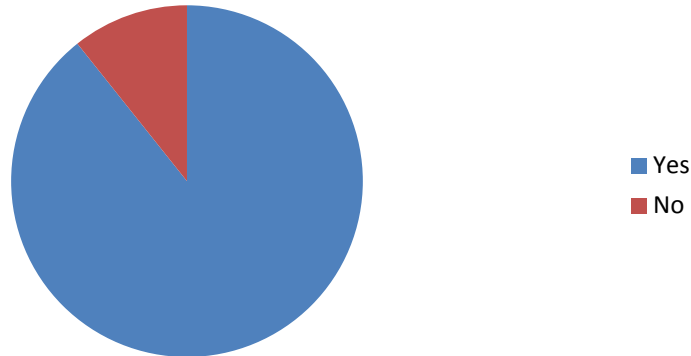
6.   Would you propose an additional or alternative key priority area(s)?

Consultation Feedback	Procurement Comment
Support the Council to achieve Best Value and Value for Money	The importance of achieving Best Value is embedded within the Council's overall Procurement Vision and Principles, which apply to all procurements within the Council. It is also within our strategic aims which apply to all procurements, rather than being a key priority area for regulated procurements.
Improve transparency over contract award process and outcomes.	Transparency throughout the procurement process is covered both within our Procurement Principles, and within the key priority area a - Improve procurement processes and policies.
Argyll and Bute Council's Sustainable Procurement Policy sets out the direction for the Council and builds on existing sustainability practice. However, there is an urgent need to reduce our use of 'single use plastics' across the Council. A key priority area must include environmental sustainability.	Please see our response in relation to this feedback provided for the Sustainable Procurement Policy below.
The ultimate aim of procurement is to deliver best value services to citizens, therefore I think that effectively and efficiently managing existing contracts to deliver positive outcomes (in order to avoid costly procurement processes) should also be considered as a priority area.	Key priority b. Increase expertise, capacity and effectiveness - states that we will do this by: Developing and professionalising contract and supplier management practices to ensure that we are getting the most value and innovation from our contractual relationships while maintaining appropriate standards.

Additional priority to include; Increase the circular economy of Argyll and Bute by reducing barriers to third sector organisations bidding for council contracts.	This has been covered through priorities within the Sustainable Procurement Policy - section 4 Engaging Stakeholders: a) We will engage with our suppliers and stakeholders to remove barriers to participation in procurement and maximise impact of sustainable opportunities. b) We will support local and regional small and medium sized enterprises, voluntary and community groups, social enterprises, charities and cooperatives, businesses involving minority individuals and groups, and individuals and groups with protected characteristics, to participate in procurement opportunities.

Key Priorities:

7. Within the four key priority areas we have listed various specific priorities in relation to our regulated procurements; do you consider these to be the right priorities for procurement within the Council?

93% of respondents agreed that the priorities listed are the right priorities for procurement within the Council; only 7% of respondents disagreed.
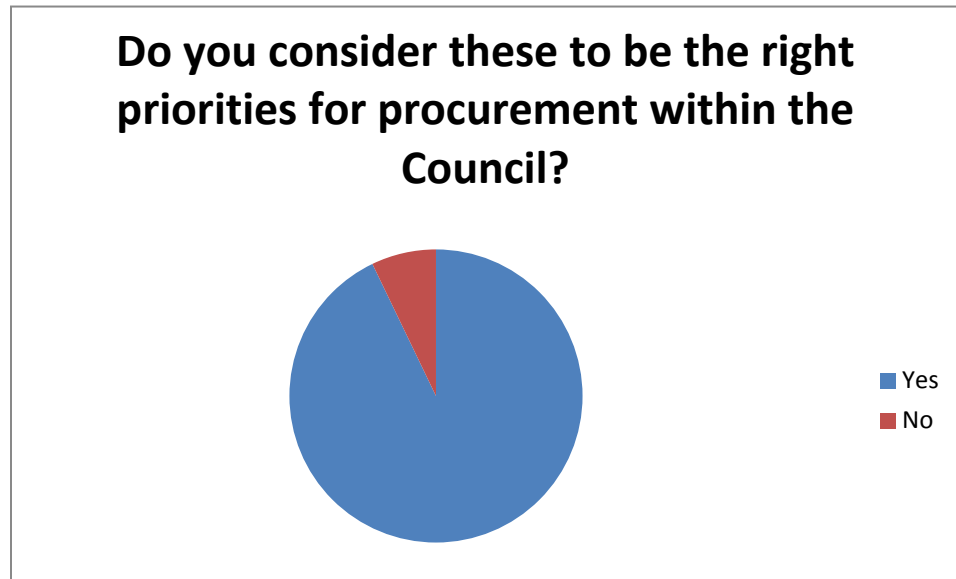
Do you consider these to be the right priorities for procurement within the Council?

■ Yes
■ No

8. **Are there any additional priorities we should include in relation to regulated procurements?**

Consultation Feedback	Procurement Comment
There must be more emphasis on the Council being more environmentally responsible and lead by example. The Council should be using 100% recyclable, biodegradable materials, this would reduce annual land-fill costs to the Council. The Council needs to engage more proactively with key suppliers in starting to deliver a transformational change.	Your feedback is noted, and will be shared with the Council's Climate Change Board, as a decision would need to be made at Council-level, we in procurement can only provide advice and assistance within our processes to ensure that Council contractors meet our sustainability requirements. Individual departments within the Council have the responsibility for creating specifications to meet their requirements and are guided by Council policy. The procurement team assist with this process to ensure compliance with all relevant legislation and internal requirements.
It would be helpful for suppliers to know in advance the timetable of planned commissioning in order to prepare for commissioning processes: it often seems (to the supplier) that tender processes begin suddenly when - of course - these will have been well planned and scheduled by the procurement and commissioning team. If suppliers were aware of the timetable then their improved preparation would lead to improved tender submissions and hence improved outcomes for the Council.	A contract plan is available on the Council's website which is updated regularly to provide information to the extent that it is made available to the Procurement & Commissioning Team by individual departments within the Council, in relation to upcoming regulated procurements. These regulated procurements are also included within the Annual Procurement Report, to the extent that they are known at time of publication.

SUSTAINABLE PROCUREMENT POLICY 2018/19

General:

9. **How informative or otherwise did you find the Sustainable Procurement Policy?**

86% of respondents found the Sustainable Procurement Policy to be either informative or very informative; only 4% disagreed, and found it to be uninformative.
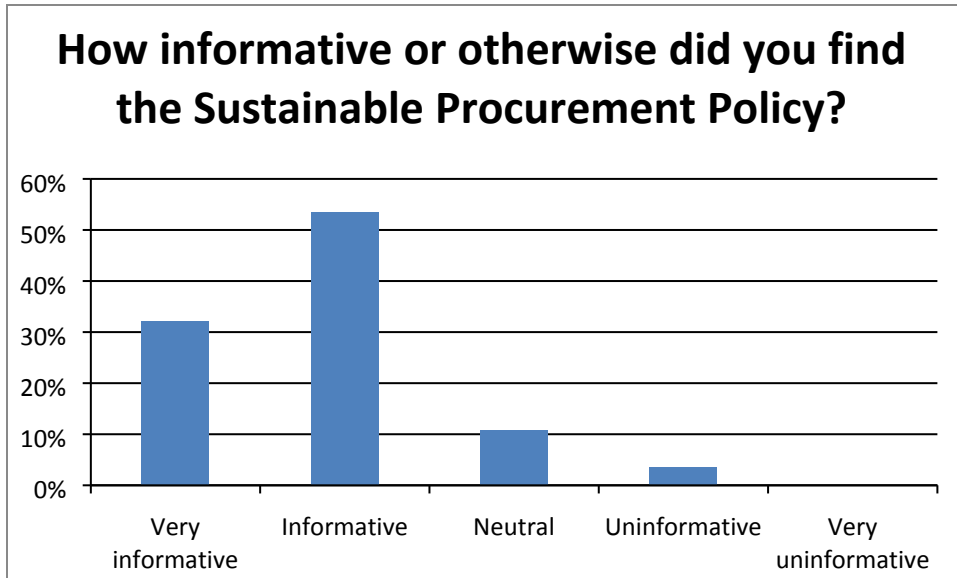
How informative or otherwise did you find the Sustainable Procurement Policy?

A bar chart titled "How informative or otherwise did you find the Sustainable Procurement Policy?" with the y-axis ranging from 0% to 60% in 10% increments. The bars show: Very informative ~32%, Informative ~54%, Neutral ~11%, Uninformative ~4%, Very uninformative 0%.

**10.** **To what extent do you agree or disagree with the following statements in relation to the Policy?**

a. The policy was easy to read

86% of respondents indicated that they either strongly agreed or agreed that the Sustainable Procurement Policy was easy to read; only 4% disagreed.

The policy was easy to read

A bar chart titled "The policy was easy to read" with the y-axis ranging from 0% to 70% in 10% increments. The bars show: Strongly agree ~25%, Agree ~61%, Neither agree or disagree ~11%, Disagree ~4%, Strongly disagree 0%.
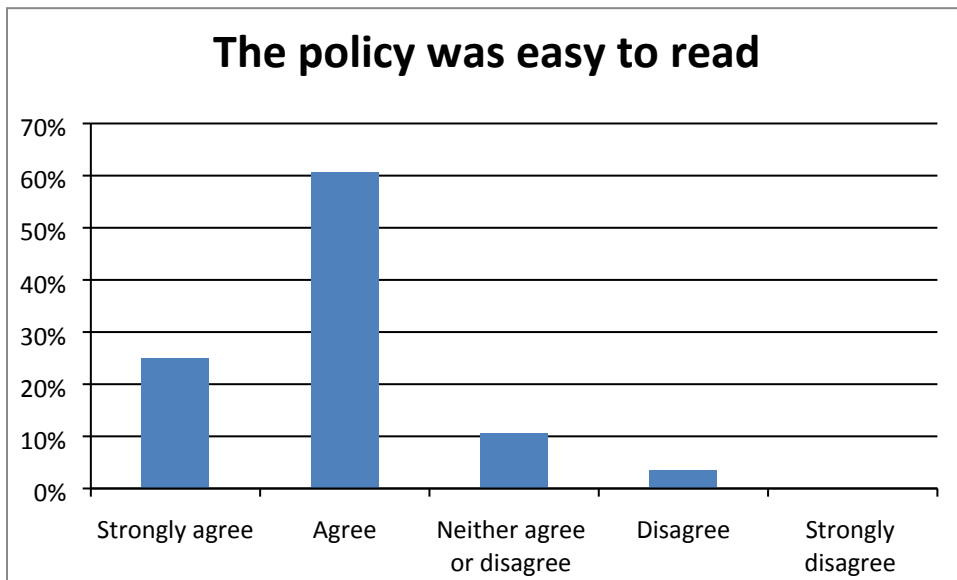
b. The format made it easy to follow

82% of respondents indicated that they either strongly agreed or agreed that the format of the Sustainable Procurement Policy made it easy to follow; only 7% disagreed.

19

The format made it easy to follow

Strongly agree · Agree · Neither agree or disagree · Disagree · Strongly disagree
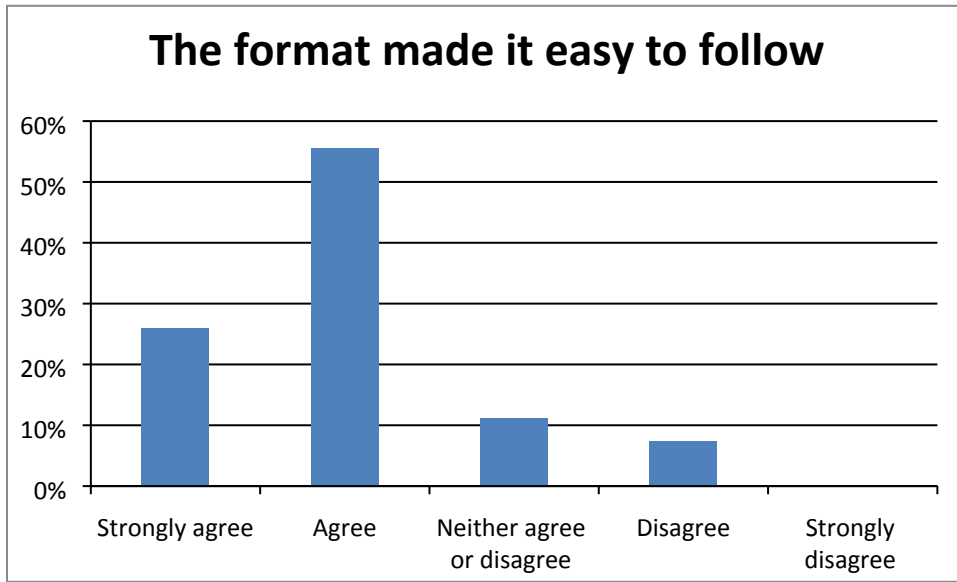
c. The policy is comprehensive

85% of respondents indicated that they either strongly agreed or agreed that the Sustainable Procurement Policy is comprehensive, only 7% disagreed.

The policy is comprehensive

Strongly agree · Agree · Neither agree or disagree · Disagree · Strongly disagree
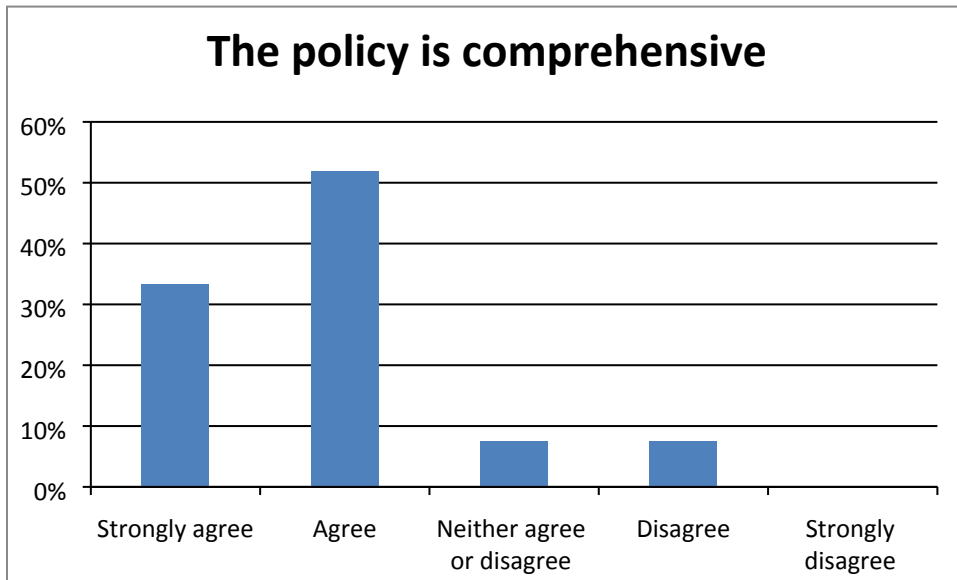
d. The priorities are clear

89% of respondents indicated that they either strongly agreed or agreed that the priorities included in the Sustainable Procurement Policy were clear, only 4% disagreed.
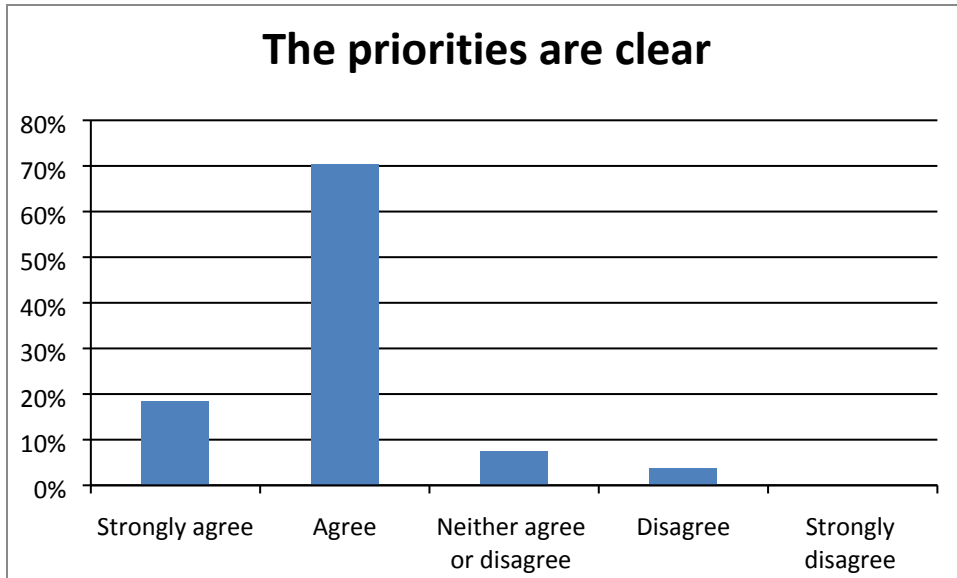
The priorities are clear

Priorities:

11. **Within the 5 priority areas identified within the Sustainable Procurement Policy (People; Objectives, Strategy & Communications; Process; Stakeholders; and Monitoring & Reporting) we have identified various specific priorities, do you consider these to be the right priorities for Sustainable Procurement within the Council?**

    86% of respondents indicated that they consider the current priorities to be the right priorities for the Council, 11% disagreed.
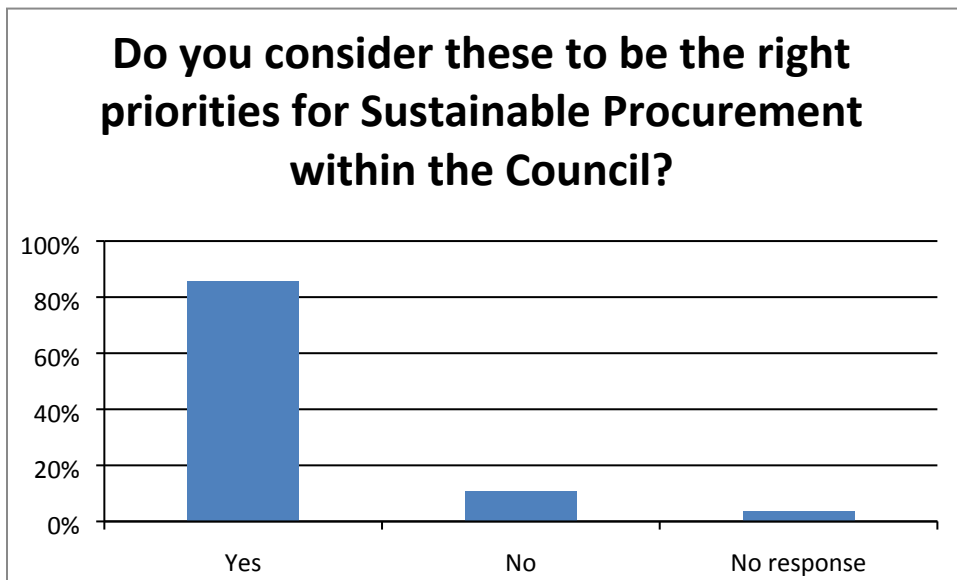
Do you consider these to be the right priorities for Sustainable Procurement within the Council?

12. Are there any additional priorities we should include in relation to Sustainable Procurement?

Consultation Feedback	Procurement Comment
However there were many.many subpriorities listed and I doubt if these can all be prioritised - need whittling down or they are not priorities.	The priorities identified within the Sustainable Procurement Policy under section 3 - Process have been restructured and streamlined to take account of this feedback.
As mentioned above, the Council must revise it's Objectives to include and implement it's waste management responsibilities. Priorities must contribute to the Council's Best Value obligations, towards the Procurement & Commercial Improvement Programme (PCIP), Best Practice Indicators (BPIs) and towards Climate Change targets. If these priorities and targets are to be met by 2020, action needs to be taken across all Council departments. The Marine & Coastal Development department, Planning Policy, is already engaging with KIMO International for a regional wide reduction of single use plastics. Argyll and Bute already has a huge marine and coastal plastics problem; action is needed. It is important for us to start internally; having environmental friendly suppliers and having a different attitude to our throw away society.	Your feedback is noted, and will be shared with the Council's Climate Change Board, as a decision would need to be made at Council-level, we in procurement can only provide advice and assistance within our processes to ensure that Council contractors meet our sustainability requirements. Individual departments within the Council have the responsibility for creating specifications to meet their requirements and are guided by Council policy. The procurement team assist with this process to ensure compliance with all relevant legislation and internal requirements.
The definition of sustainable procurement is helpful. Should there be reference to Scottish Living Wage (in terms of achieving the council's strategic priorities and the inflationary impact on commissioning)?	As the Living Wage has been referenced throughout the Procurement & Commissioning Strategy, it has not been included specifically within the Sustainable Procurement Policy to avoid duplication.
The strategy takes a narrow view of sustainability. It needs to address social, environmental as well as economic sustainability criteria.	The priorities identified within the Sustainable Procurement Policy cover all 3 elements of Sustainable Procurement - Social, Economic and Environmental. Section 3 - Process has been restructured to highlight our priorities within each element.

COMMENTS

13. **Are there any other comments you would like to make about the draft Procurement & Commissioning Strategy 2018/19 and Sustainable Procurement Policy 2018/19?**

Further comments	Procurement Comment
Do we have to have the long and turgid explanation of all the acts etc underpinning the sustainable proc policy? It is part of a Strategy doc and so needs to be high level and shortish.	This information had been included in the Sustainable Procurement Policy to assist our stakeholders in understanding the external influences on the contents of our policy, that it does not sit in isolation. We have now taken this feedback into account and streamlined this section to remove the explanatory detail for each of the Acts etc, and simply have the titles to allow stakeholders to read further if they wish to do so.
It's very long.	We are aware of the combined length of these 2 documents and had aimed to streamline them in this new version. We have accomplished this through reducing the overall document length from 61 pages for the 2016/17-2017/18 version to 46 pages for the 2018/19 version (now reduced to 44 pages after revisals based on consultation feedback). We will take this feedback into account when carrying out our update next year, to further streamline the contents where possible.
It is very long, filled with jargon and does not feel like a document that will have a wide circulation/readership outside of the council. As an internal document for procurement experts then it is very beautiful. As a supplier, I'm not sure how I should engage with the strategy or hold the procurement team to account for delivering the strategy: my focus is more on delivering innovative and impactful solutions in an evolving and dynamic environment.	Your feedback is noted, the Council has taken steps this year to remove the jargon and reduce the detail that was in previous strategies to ensure that it is more relevant and concise. We will continue to review the strategy on an ongoing basis by benchmarking this with other public sector organisations to ensure a consistent approach is taken. The consultation allows suppliers to engage with the Council and provide constructive feedback to us on the content to ensure that our key documents and the priorities they contain reflect the concerns of our key stakeholder groups, both internal and external.

14. **Please provide your contact details here if you would like to receive feedback on the outcome of this consultation exercise, and the final versions of the Procurement & Commissioning Strategy 2018/19 and the Sustainable Procurement Policy 2018/19:**

12 respondents requested feedback on the outcome of the consultation, and the final versions of the Procurement and Commissioning Strategy 2018/19 and the Sustainable Procurement Policy 2018/19. These respondents will be sent this report and the final documents once approved by Full Council.

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ARGYLL AND BUTE COUNCIL   **COUNCIL**

CUSTOMER SERVICES   **30th November 2017**

BROADCASTING COUNCIL MEETINGS - COSTS

1.0   INTRODUCTION

1.1   At the Council meeting in September 2017, Members agreed that officers should bring back to a future meeting of the Council details of the costs involved in the live broadcasting of meetings held in the chamber, and expanding this functionality to all venues used by area committees. This report provides an outline of the costs to deliver the service using the UK's leading Council Chamber broadcast service from Public-I.

2.0   RECOMMENDATIONS

2.1   Members are requested to consider the costs for broadcasting meetings as outlined in appendix 1 and how they wish to progress this matter.

3.0   DETAIL

3.1   The Council chamber in Kilmory is already equipped with audio and video technology to allow a range of connectivity options such as Video Conferencing, Skype Conferencing, audio conferencing and presentations. The chamber contains a number of HD wall mounted cameras and a microphone system capable of focusing on and identifying each speaker. The system was designed to provide a feed to a webcasting solution should the Council decide this was an option they wished to pursue in the future.

3.2   Public-I are based in Hove in East Sussex and they broadcast live and recorded meetings for 110 local authorities in the UK including 10 in Scotland. They offer a hosted service which connects to Council websites, all familiar social media platforms, and is fully integrated with the Modern.gov committee document management system which the Council already uses for all committee meetings.

3.3   Representatives from Public-I have completed a survey of the Kilmory chamber and have confirmed they can install a fixed encoder in the chamber and take a feed from the existing cameras and audio system. They have provided an outline budgetary proposal for the system as detailed in **appendix 1** and range from £15900 for a 1 year contract to £49800 for 5 years.

The system offers a basic 50 hours of webcasting, hosted and streamed over a 12 month period with access to six months' worth of archived material. Additional hours of material can be hosted and streamed at a cost of £46.50 per hour per annum. The Head of Governance and Law has indicated that there are currently 33 scheduled Council and committee meetings in the chamber in a calendar year. In practice there will also be additional special meetings, the number of which cannot be predicted. Taking the scheduled 33 meetings, if the average meeting time was say 3 hours then that would be 99 hours of broadcast per annum, or if the average was 4 then closer to 120 hours for broadcast costings, with the time for additional meetings having to be added to that. As noted above each hour of broadcast time over the basic 50 would be at an additional cost of £46.50.

3.4   In terms of broadcasting Area Committee meetings, this offer also includes access to Public-I's "Connect Anywhere" portable streaming software. The software can be downloaded to a windows laptop or tablet and will give the flexibility to stream from other locations connected to the council's network using basic one camera setups. Any content captured using Connect Anywhere would be available alongside other Council meetings in the library listings on the Council's website. Alternatively Public-I can provide a more complete mobile solution which can have up to 4 cameras with an additional encoder. Either area solution will not offer the quality of broadcast which could be provided from the Council Chamber.

The number of hours required to broadcast area meetings has not been estimated at this stage but as a general indicator the same costs for hosting and streaming meetings from the Council Chamber can be assumed - £46.50 per hour.

3.5   The advice from the supplier and from research undertaken by IT staff is that the broadcast presentation is best undertaken with manual intervention to tag contributions from each speaker. This is a function we don't currently undertake and would require an additional staff resource requirement within Governance and Law of approximately 40 days per annum which could not be absorbed into the service's delivery model given the recent reductions in staff within the Governance teams. It is also unlikely that it would be possible to simply add a member of staff for 1 day a week as few people would wish to work such a pattern.

3.6   Any adoption of broadcasting would also require a revision to the protocol in the Standing Orders. It is recommended that if the scheme is adopted, then the IT service should make provision to retain recordings for a further 6 months after the external provider has ceased to hold them i.e. after the initial one year period.

3.7   Any adoption of broadcasting should not include hearings under the Civic Government Scotland Act as the publication of personal information that can

arise at such hearings can give rise to issues around ECHR and GDPR compliance. Such meetings have not been included into the estimates for broadcast hours above.

3.8   If the system is adopted then Members will be required to sit in the same seat in the Council Chamber on each occasion that they attend a meeting. Name badges would be produced and laid out at the start of each meeting. This is to ensure that pre-configured automatic settings for the cameras and microphones correctly identify individual members when they are speaking.

3.9   The broadcasting of meetings will not replace the primacy of the formal committee minute in determining and recording the decisions reached. It is an optional addition to the formal record of the minute.

4.0   IMPLICATIONS

5.1 Policy	The broadcasting of meetings is an optional extra and will not replace the primacy of the formal committee minute in determining and recording the decisions reached
5.2 Financial	Additional costs as outlined in appendix 1 plus administrative costs for Governance administrative support
5.3 Legal	None
5.4 HR	None
5.5 Equalities	None
5.6 Risk	None
5.7 Customer Service	Possible positive impact should more customers engage in the Council's public meetings

Executive Director of Customer Services

For further information contact: Gerry Wilson/Judy Orr/Charles Reppke

Policy Lead: Rory Colville

Attachments
Appendix 1 – Outline Costs

Pricing for HD Lease for 12 months. Item	Description	Cost
Leased hardware	1 fixed encoder in the Council Chamber with Just in Time Slides and tablet	£1,325
Public-i Software Licence	Public-i Software Licence	£6,500
Data Storage	50 hours webcasting hosting and streaming, 6 months archive	£1,350
Live Support	Monitoring (helpdesk support for each meeting)	£975
Annual Support	Maintenance & Hardware Software Upgrades	£1,150
Installation Project Management and training	Delivery, installation, commissioning, project management and training	£4,600
Total 1 year contract	*Cost for 1 year lease and streaming* *Installation* *Total Costs*	*£11,300* *£ 4,600* *£15,900*
2 year contract	Cost for 2 years lease and streaming Installation Total Costs	£20,566 £ 4,600 £25,166
3 year contract	Cost for 3 years lease and streaming Installation Total Costs	£28,137 £ 4,600 £32,737
4 year contract	Cost for 4 years lease and streaming Installation Total Costs	£36,612 £ 4,600 £41,212
5 year contract	Cost for 5 years lease and streaming Installation Total Costs	£45,200 £ 4,600 £49,800

Appendix 1

ARGYLL AND BUTE COUNCIL   **COUNCIL**

COMMUNITY SERVICES   **30 NOVEMBER 2017**

Year 2 Evaluation Of The Argyll and Bute Refugee Resettlement Programme

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1.0   EXECUTIVE SUMMARY

Argyll and Bute Council was one of the first local authorities in Scotland to respond to the humanitarian crisis developing in Syria by agreeing to resettle Syrian refugee families through the Home Office's Syrian Vulnerable Persons Relocation Scheme. This year we have repeated the self-evaluation exercise first carried out last October to seek the views of the families who have been resettled on the island on the support they receive. The report provides a comprehensive analysis against the following headings; housing, education, welfare and employability, health and integration into the community. The model of care we deliver is constantly reviewed to ensure that it best meets the needs of the families living on the Isle of Bute as they integrate into the community. The strength of the partnership working, support from the local community and the commitment to improve the lives of our Syrian families by everyone involved has driven the success of the programme.

It is recommended that the Council:

Notes the continued good work of the Refugee Resettlement Group and the local community in resettling Syrian refugees on the Isle of Bute.

ARGYLL AND BUTE COUNCIL   **COUNCIL**

COMMUNITY SERVICES   **30 NOVEMBER 2017**

Year 2 Evaluation Of The Argyll and Bute Refugee Resettlement Programme

2.0 INTRODUCTION

2.1 In September 2015 Argyll and Bute Council became one of the first local authorities in Scotland to respond to the humanitarian crisis developing in Syria by agreeing to resettle Syrian refugee families through the Home Office's Syrian Vulnerable Persons Relocation Scheme. This scheme had been relaunched by the Home Office to meet the commitment of the then prime minister to resettle 20,000 Syrian refugees.

2.2 At the September 2015 Council meeting elected members agreed that we would resettle 20 families in the first instance with the possibility of more in the future. The Refugee Resettlement Group was formed under the banner of the Community Planning Partnership with membership from both Council services and partner agencies. Members include housing, education, adult learning, benefits, health and social work, Business Gateway, communications, ACHA, Fyne Homes, Police Scotland, Department for Work and Pensions (DWP) and from the third sector Bute Advice Centre.

2.3 The Refugee Resettlement Group agreed that Bute best met the criteria drawn up to support refugee families having available property, capacity in schools and ability to access health care. Other considerations were also taken into account but these three were the primary factors.

2.4 The first 10 families were resettled on Bute on 3 December 2015 followed by 5 families on 15 February 2016. Moving forward it was agreed that we would look to resettle relatives of those we had already brought to the island, having submitted a number of family reunion requests to the United Nations High Commission for Refugees (UHNCR). We have now brought in 9 families through this route and reuniting families has had a hugely positive effect on our families and makes the delivery of support significantly easier.

2.5 To date we have resettled 24 families in total on Bute, 5 families have since moved from the island to join relatives elsewhere in the UK and we currently have 19 families living in Rothesay. A 20th family is expected in November 2017.

2.6 The project has been running for just over two years and many of our families are reaching the end of their second year of the 5 year programme. Last year we prepared an evaluation report based on feedback from the families which was presented to elected members at Council on 24 November 2016. We have repeated this self-evaluation exercise this year to help inform the

programme and support required moving forward and to update elected members and partner agencies on progress.

2.7   In November 2016 elected members noted the success of the programme and agreed to the resettlement of further families on Bute beyond the initial 20 family commitment. This reflected both the success of the support programme and the clear desire of the families to be joined by their extended family living as refugees in the countries surrounding Syria.

3.0   RECOMMENDATIONS

3.1   It is recommended that the Council:

a) Notes the continued good work of the Refugee Resettlement Group and the local community in resettling Syrian refugees on the Isle of Bute.

4.0   DETAIL

4.1   Refugees arriving in the UK under the Syrian Vulnerable Persons Relocation (VPR) Scheme are entitled to a 5 year humanitarian visa which allows them access to benefits and the ability to work in the UK. Families are matched to their local authorities by the Home Office and prior to our first families arriving council staff put considerable time in advising the Home Office about Argyll and Bute and our geography, our communities and our labour market.

4.2   Each family is supported by a range of agencies who work with them. Bute Advice Centre are commissioned to provide a support worker for each family who provides welfare and budgeting advice. The Council has appointed an Arabic speaking community interpreter, an Arabic speaking refugee support worker and recently a resettlement coordinator to provide support for day to day living and to coordinate the work of all of the agencies. These services are all funded by the grant provided by the Home Office.

4.3   At 31 October 2017 there are 19 refugee families resettled on Bute under the VPR scheme. This equates to 70 individuals in total; 18 men, 19 women, 20 boys and 17 girls and 4 babies born since arriving in the UK. There are more babies due to be born in the next few months. Babies born in Scotland are granted the refugee status of their parents and we do not receive funding for them under the scheme.

4.4   Families are free to leave the local authority area they have been resettled in and should they move to another location their funding would cease to our authority, it does not however follow them. Five families have moved out with Argyll and Bute choosing to join friends and family in England.

4.5   The Syrian VPR scheme provides funding over a five year period for each

individual. Local authorities receive the following unit costs from the Home Office in year 1:

Children under the age of 3	Unit cost = £8,520
Children aged 3-4	Unit cost = £10,770
Children aged 5-18	Unit cost = £13,020
Adults in receipt of mainstream benefits	Unit cost = £8,520
Other adults	Unit cost = £8,520

Age is taken at date of arrival in the UK and year 1 costs commence at that date. Additional monies are paid direct to the local Health Boards to cover both primary and secondary care. Year 2 to 5 funding is allocated on a tariff basis over four years, tapering from £5,000 per person in year 2 to £1,000 per person in year 5. The total funding received from the Home Office as of 31 October 2017 is £1.04 million.

4.6   In 2016 we evaluated our Refugee Resettlement Programme to the Scottish Government's New Scot's - Integrating Refugees in Scotland's Communities Strategy which provides a framework and an indicator set which not only reflects the support we provide but also the needs of our families from day 1 of their arrival. The strategy promotes a model similar to that of our own with partnership approaches, joined up working and early intervention to support refugees to rebuild their lives in Scotland. The three areas within the strategy are to support refugees to

- Build a new life in Scotland and realise their potential;
- Access mainstream services, employment and training; and
- Develop social relations to support their integration

4.7   Inviting refugee families to evaluate their support enables us to review the resettlement programme in relation to the support and advice provided under the following headings; housing, education, welfare and employability, health and integration into the community. We are also able to compare scores from last year and ensure we develop strategies to meet the needs of the families as they become more independent and integrated into their new communities.

4.8   Each of our families were invited to be interviewed and asked to score the support that they have received from all agencies and volunteers on a scale of 0 to 7, with 1 being the lowest score and 7 the highest and a score of 0 not relevant. The refugee resettlement group also self-scored as a comparator. Repeating the exercise completed last year. The scores given by each family is illustrated in appendix 1. The support that has been provided for each heading is detailed below along with the key learning points.

5.0   Welfare and employability

5.1   On arrival all of the families are supported to make benefits claims. Support is provided by the Job Centre and a support worker from Bute Advice Centre. The majority of families are on Job Seekers Allowance, with a small number receiving Employment and Support Allowance (ESA). Families also receive

housing benefit, council tax benefit and family tax credits. In addition to ensuring benefits are in place Bute Advice also provide support with budgeting and energy efficiency. As families health needs are better understood some individuals have been supported to apply for Personal Independence Payments (PIP).

5.2 The families were asked to score their support and understanding of benefits system and welfare support over the course of the last year or since arrival. For our earliest arrivals the focus has been on preparing these families to be more independent and manage their own affairs so considerable time is spent explaining processes to them to increase their understanding. That said benefits is a complex subject and we have had mixed success with this approach which is reflected in the scoring. The average score given this year was 4.95 with scores ranging from 1 to 7. The average score last year was 6.17. However, this also reflects a less positive approach to the overall self-evaluation exercise by some families this year and the scores given haven't always matched the comments the families gave during their interviews. Moving forward we will continue to support families to become more independent and to take ownership of their own benefits claims and any subsequent changes to them.

5.3 Families were next asked about their understanding and knowledge of the labour market and the potential job opportunities for them on Bute. There is an obvious tie in to language skills here and this was highlighted. Interestingly there was a range of scores from 1 to 7 with the average score being 4.29 showing a more positive outlook than last year when the average score was 3.7. Interestingly three families scored this measure a maximum 7 feeling that they are ready to embrace the job opportunities available to them.

5.4 The value of volunteering as a move into employment continues to be promoted and this year we have had significant uptake in volunteering opportunities by our women with 5 now volunteering in the community on a weekly basis. The women are volunteering in care and childcare settings where they are developing skills which will lead to employment in the future. The women do not appear to have the same barriers with language to volunteering as some of the men do. However that said many of the men once again volunteered at this summer's Butefest and several have volunteered at a local charity. The benefits of volunteering are huge and the we are always looking out for more opportunities as not only does this improve English and support integration but it allows them to pay back the community that have welcomed and supported them. Volunteering scored an average of 5.44 with an acknowledgment that the opportunities that have been identified so far have not suited everyone's skill set.

5.5 There is a very clear link between competency at English and employment. One individual with excellent English has been supported to apply for jobs but to date unfortunately hasn't yet been successful. Support is being provided by the Job Centre, Adult Learning and the support team. Another individual has been

supported by the Scottish Fire and Rescue Service to develop new skills and it is hopeful that this to will lead to employment. We are currently running classes in employability and digital skills though not everyone is able to attend these.

5.6　Once again we are working with Argyll College who are currently running a Skills for Work programme made up of elements from Skills for Work: Construction Crafts National 4 with the emphasis being on learning new skills and how these skills are applied in the UK, learning technical language and health and safety. There are 8 individuals attending the 10 week course and on completion, if possible, students can be assessed for the CSCS card, a requirement if they are to work in the construction industry in the UK.

5.7　In September 10 Syrians took the opportunity to sit their Food Hygiene Certificate. The course was delivered over a day and 8 individuals successfully passed. Having a food hygiene certificate allows families to give consideration to and explore opportunities to open up businesses buying and selling food.

5.8　Moving forward the Council's Resettlement Coordinator will be preparing and implementing an employment strategy in partnership with all of the agencies involved and most importantly local employers. We will continue to help those closest to the job market to prepare CVs and complete job applications. Employability support received a mixed score with scores ranging from 1 to 7, the average score was 4.08 which is down from last year's score of 5.0.   All partners acknowledge that more work is required to support the families into employment and the employment strategy will support this.

5.9　We continue to be successful in supporting entrepreneurship and in May this year one of the refugees opened his own business, a barber shop. He had been supported throughout the process by Business Gateway and was able to successfully apply for funding from the Kilfinnan and Noble Trusts. The business is proving to be very popular with locals and visitors to the island and attracted a significant amount of media attention. Our other start up business a patisserie and coffee shop has also successfully secured funding and the family hope to open their business in the new year.

5.10　Not all families have asked for or received this support but all who have, are realising that the bureaucracy in the UK is significantly greater than in Syria. Not all the business cases which were being prepared have been seen to be viable however all families should be aware that should they have a start-up business idea they would like to explore support is available. The average score for entrepreneurial support was 4.88 reflecting business ideas that weren't able to be taken forward.

6.0　Housing

6.1   The Registered Social Landlords on Bute, ACHA and Fyne Homes, have been able to provide appropriate housing for all of our families. Each family has signed a Scottish Secure Tenancy agreement with the RSL's which offers greater degree of security for the families than a private tenancy. Void costs are covered by the Home Office as part of the funding package and the RSLs were able to decorate and modernise their properties, whilst the council's housing team oversees the carpeting and furnishing. Each family's property is finished to a high standard and in addition to new furniture, "starter packs" with bedding, towels, crockery, cutlery, pots and pans are provided by the Pass It On project and each child was welcomed to their new bedroom by a toy box full of donated toys to help them to settle in.

6.2   Televisions and TV licences are purchased for each family on arrival, TV is a very useful way of helping to learn a new language and a year's broadband is also provided again to help with the learning of language but also as a means to stay in touch with family back home through Skype etc. Families who have now been here for over a year have arranged their own television licenses and broadband.

6.3   When our first two cohorts of families arrived, volunteers on Bute helped to sort out all of the many donations that had been sent to them. For all subsequent arrivals we have asked the refugee families here, and in particular their excited relatives to help us to prepare the property and to purchase a small amount of appropriate food ready to welcome new families.

6.4   There have been several low key housing issues which our RSL's have responded to with support from Bute Advice and the support team. For those families who have indicated a preference to move to alternative accommodation in Rothesay we support the family with their housing application form, ensuring that we can maximise the number of points available to them.   Three families have now moved within Rothesay from the properties originally allocated to them.   For those looking to leave Argyll and Bute we can provide advice but it is up to the individual families to secure their own accommodation. Once they have found accommodation and signed leases we are able to help them arrange their move.   The average score for housing needs being met is 5.63, up on last year's score of 5.08, nine families scored "housing needs are met" the maximum score of 7.

6.5   Managing the expectations of those looking to move is sometimes a challenge and an appreciation of timescales and process can sometimes lead to frustration. Support to fully understand the housing options available to the families reflected their satisfaction with their current housing and the birth of new babies will in time mean that more families will be looking for larger accommodation.   The average housing options score is 3.75 with once again a full range of scores being given and up on last year's score of 3.36.

7.0   Education and ESOL

7.1   All of the families are supported to learn English and for the adults attendance at class forms part of their claimant commitment by the Department of Work and Pensions (DWP). The VPR scheme requires us to deliver 8 hours per week of English for Speakers of Other Languages (ESOL) provision for each adult refugee in their first year of arrival. In Rothesay we exceed that requirement and deliver 8 hours of ESOL to all refugees. ESOL is delivered for SCQF levels 1 to 4 by the Council's Adult Learning Service, with qualified tutors teaching each class. During 2018 we increased the number of tutors from two to four. Our level 5 class will be being delivered by Argyll College at their Rothesay campus however many of this group are hopefully moving into employment. Our level 1 and 2 classes are gender segregated as we have relatively high numbers in these classes and this allows families to manage childcare. We are actively promoting fathers to look after their young children and attendance from women is very good. All other classes are mixed.

7.2   In addition to ESOL lessons the adult learning service delivers employability and computer literacy classes for those closest to the job market. We also have a fantastic group of volunteers who support families with their language either tailoring this to a specific need, addressing isolation or helping with ESOL homework. The combination of formal ESOL with our volunteer programme has seen a huge improvement in the language skills for those most able to take advantage of these opportunities.

7.3   Managing expectations and keeping up motivation are the key challenges for those learning English. The ESOL programme has been specifically designed to ensure the needs of all learners are met.   However with numerous health appointments and other commitments attendance isn't always as high as it could be. This is often coupled with the frustrations of learning a new language and the Adult Learning team regularly assess the learning needs and level of attainment and provision and class material is tailored accordingly.

7.4   Over the course of the last year students have reached SCQF accreditation with five, all women, successfully passing ESOL in Everyday Life Reading and Writing & Speaking and Listening National 2, two passing the National 3 assessment, three passing National 4 with one student passing the Speaking and Listening assessment (he is yet to sit the Reading and Writing assessment). During the last academic year four students attended West College Scotland's Greenock campus to study ESOL with the refugees from Inverclyde Council. The group of men who did this found the travel challenging but did all successfully pass their National 2 ESOL for Everyday Life Reading and Writing.

7.5   In the evaluation, support to achieve English language skills scored an average of 5.03, with scores ranging from 1 to 7. Low scores reflect an overall approach to this year's evaluation exercise across most indicators by a very small number of families and a difference in the learning styles by others. Some families wanted more of a focus on grammar in class, others less, some wanted books

and others preferred to learn in a more supported way with an emphasis on conversation. All of the families indicated their appreciation that over the course of the last year we had been able to increase the number of hours of ESOL available to them.   The families who are putting in the most effort to attend class, do their homework, work with the volunteers and practice their English in the community scored the highest with six families giving ESOL the maximum score of 7.

7.6   All Syrian children over the age of 3 attend Rothesay Joint Campus. At time of writing there are 28 Syrian pupils at the school with 6 in the pre-5 unit, 13 in the primary and 9 in the secondary. The involvement of the school has very much been at the heart of the response and the support to the families, reflecting the school's role in the community and acknowledging that the decisions our families made to come to the UK were to afford their children a safer and better life.

7.7   Additional resources have been put in place to support learning at the campus. These include additional staffing and the purchase of appropriate materials. All children have a Universal Child's Plan which identifies their support requirements, outlines targets and necessary actions. Educational Psychology have and will continue to provide additional support as and when required. The scale of work undertaken to support pupils arriving with English as an Additional Language (EAL) has strengthened the overall provision. It has enabled the school to develop a focused strategy and to implement effective systematic processes to engage and support children and young people with EAL, not only the Syrian pupils but those who speak other languages too. Progress of all new pupils is continually monitored to ensure that each child is working to their full potential.

7.8   In the last year we have worked with Rothesay Playgroup after successfully receiving additional ESOL childcare funding from the Home Office. We now have 9 children attending the playgroup with 5 in receipt of two year old provision and 4 accessing childcare whilst their parents are at their ESOL class. Having Rothesay Playgroup included in the overall support programme and introducing younger children to their peers through play has been very beneficial to all and is supporting language development for both children and parents.

7.9   The education opportunities and support at Rothesay Joint Campus and Rothesay Playgroup scored very highly in the evaluation with an average score of 6.69 an increase on last year's score of 6.63. Fifteen families scored the support the highest possible score of 7.

7.10   The support given to families to consider and access further education opportunities was also evaluated. This measure was not relevant to all families so several score it a zero. For several refugees studying higher education in Syria their studies were abruptly brought to an end when they had to flee the country. Several have spoken about picking up their education again now that they are in the UK and one has applied for university having narrowly missed

out on gaining entry this year due to his level of English not meeting the requirement. In addition one young person is studying ESOL on the mainland with a view to applying to study engineering. All those applying for further and higher education are being supported to do so by Skills Development Scotland.

7.11   Argyll College are working in partnership with the programme and provided the Skills for Work programme on construction which should hopefully lead on to enrolment in other technical course at the college for those who would like to do this.

7.12   Acknowledging that access to further education is not something that is relevant to all of our families scores ranged from 0 to 6, with the average being 4.13. Those that had been offered information have been appreciative of it however it has been challenging to determine equivalencies for qualifications received in Syria and we are still waiting for guidance from Scottish Government and Education Scotland about this. There is also a lack of available places to study advanced ESOL full time especially within commuting distance from Rothesay. For those who have wanted to move into further and higher education they have had to explore the opportunities themselves and moving forward the partners need to improve this support both locally and nationally.

8.0   Health

8.1   The model of health care in the UK is very different to that experienced by our families in Syria, where private health care was prevalent.   Whilst families were living in the countries surrounding Syria as refugees it was very difficult to access any health treatment. Developing an understanding and managing the expectations of the health service in the UK has been a key issue for health colleagues working with the Syrian families. This coupled with a need for an interpreter at all appointments has meant that responding to health needs has been both challenging, a steep learning curve and resource intensive.

8.2   To help our first families understand the model of health care and the care pathways health colleagues held awareness sessions on Friday afternoons over a number of weeks on a huge range of topics. Sessions were led by the relevant health professional supported by an interpreter and plenty of time was allowed to ask questions. For those that have arrived subsequently and as a result of family reunion requests we had relied on family to explain health care to their relatives and after reviewing the comments from those families that have arrived here recently we may need to revise that approach. The average score was 5.26 down from last year's score of 5.58 and a full range of scores given.

8.3   Many of the families are in poor health when they arrive with us. All members of the family were given a full medical assessment by the International Organisation of Migration prior to leaving for the UK and this information is shared with us and passed on in turn to the relevant health professionals.   This allows for a degree of preparation to be made in advance. Many of the adult males smoke and nearly everyone arriving requires dental treatment and this

coupled with injuries when incarcerated has meant that the families have received a significant amount of health care, both primary care delivered on island and secondary care the majority of which has been provided off island in the Greater Glasgow and Clyde area.

8.4   The score for health needs being met has shown the greatest rise across all of the indicators. Last year families awarded an average score of 4.83 and this has now risen to 6.32, with eleven families scoring the maximum 7.   This shows that families are seeing a real improvement in their health and although waiting times and distance to travel to hospital can still be frustrating the families were very complimentary about the health professionals who support them.

9.0   Integration into the community

9.1   The community on Bute continues to be welcoming and supportive. Many friendships have now developed with the local indigenous community and the new Syrian families, especially with the children. Our volunteer programme was relaunched over the course of the past year and volunteers were offered training and given background checks. Our dedicated volunteer coordinators have managed the volunteer programme since the outset and we are deeply indebted to them.   The volunteers have been invaluable in helping our families develop the confidence to integrate into the wider community and to do things for themselves.

9.2   The families were asked to score how involved and active they felt they were in the community. The average score given was 5.50, matching the score from last year. Many of the families have embraced the opportunity to become involved once again in sport and the children and young people spoke about the extra-curricular opportunities they have at the school with the local swimming pool being a particular highlight.

9.3   The families were asked to score how safe and welcoming the community was and this scored highest of all with an average of 6.84. Those interviewed said the island was their home now and they are very grateful for all the support the local community gives them.

9.4   Over the past year the emphasis has moved from supporting bespoke events for the Syrian families on the island to which they could invite the local community to promoting local events to the families. This has been very successful for our children and young people and less so for the adults. Our young people have been able to participate in a range of programmes and activities with local organisations such as Achievement Bute and our Youth Services summer programme.

9.5   This summer to replace our classroom based ESOL our volunteers helped us to run an activity programme with trips and activities on and off the island which had a focus on learning English in a fun way. Trips included visits to Mount

Stuart, Colintraive, Ettrick Bay and the Transport Museum in Glasgow and activities included pitch and put and puppet making and were funded by an additional donation we received.

9.6   Many of the families, particularly the women, participated in the summer's programme of Sunday markets and the families embraced this opportunity taking one stall the first month and by the last Sunday market of the season the Syrian families had 3 stalls and were regularly selling out of all the food stuffs they had prepared. The men and young people very much enjoyed being involved in this year's Butefest despite the weather and the visiting funfair on the promenade also proved to be a big hit.

9.7   Families were finally asked to assess whether they have been able to engage in cultural and social activities which have helped them to integrate into the community and reflect the diversity of life in Scotland. The families agreed that they have been offered opportunities, however they noted that the opportunities to participate in cultural activities from their own religion were much less having to travel to Glasgow to mark the significant Islamic festivals. The average score was 5.50 lower than last year's score of 6.25 and moving forward the support team need to get better at helping families to become confident enough to attend and arrange events and activities for themselves.

10.0   Other issues

10.1   Having to leave behind relatives in the Middle East has been a huge challenge for our families. Syrians tend to have large, close knit extended families living close by one another and often the extended group has fled from Syria together. We have been supporting families by helping them to prepare and submit family reunion requests to UNHCR with the hope that this will strengthen the case for their relatives to be resettled in the UK. This process only applies to those relatives that are already registered with UNHCR as refugees.

10.2   We had some initial success with family reunion and nine families have been successfully reunited with their relatives. However despite all families on Bute submitting a family reunion request not all have been successful and the number of families being resettled into Scotland in this way appears to have slowed down significantly. Many of the families have been deeply frustrated by the apparent lack of progress of applications by the UNHCR and despite explaining the process repeatedly and explaining that we will not be informed until an application is successful the support team and manager have borne the brunt of this frustration.

10.3   For the Syrian families foreign travel can be very costly as they hope to visit their families who have been resettled elsewhere in Europe and to return to visit relatives back in the Middle East. The cost of travel documents was high, however in the last few months the Home Office has allowed refugees to apply to change their status from their humanitarian visa to refugee status. This means that the families can now purchase the cheaper travel documents which

are also more widely accepted. Many of our families have opted to change their status with our support and this will have no other impact on their entitlements in the UK.

10.4 The attention of the media has significantly reduced over the last few months however the photographs that were taken by the press when the families first arrived are still being used to illustrate stories affecting refugee resettlement in the UK. The families have chosen to participate in two documentaries over the course of the last year which are still to be aired. The first follows one of our families as they rebuild their lives on Bute and the second was made by a team of Australian documentary makers as they looked to showcase the best resettlement programmes across the world.

10.5 The law in Scotland, especially around families, child protection and domestic assault is different and, even though this is not widely acceptable in Syria, unfortunately a culture does still exist where children are sometimes physically disciplined and wives assaulted. When dealing with these issues we have to be mindful of the cultural background and the emotional trauma that the families have been subjected to. The support team have however ensured that they have explained the zero tolerance approach that we have in Scotland and we have once again repeated the session we delivered last year where local police and social work managers gave a very informative presentation to the families. Information on this topic has also been provided in the families welcome packs.

10.6 This summer the families were taught CPR skills at an event run by the Scottish Fire and Rescue Service. The families, including many of the children, had the opportunity to learn valuable lifesaving skills as well has having lots of fun and learning about fire safety at the local fire station.

10.7 There are no mosques in Argyll and Bute and the families have leased a local hall on Friday afternoons to allow them to hold Friday prayers and to come together as a community. The families have been able to use the hall for many different purposes from celebrations to Arabic classes.

10.8 Local shops are now beginning to stock Arabic food products and the families still travel to Glasgow to buy in bulk from the Asian supermarkets. A number of the men have now passed their driving test and have been able to purchase cars making travel to the mainland to shop much easier.

10.9 Forthcoming changes to the benefits system will provide a challenge to our families with Rothesay Job Centre preparing to transition to Universal Credit in spring 2018. Over the next few months the support team, Advice Centre and DWP will support families to understand what this means for them and with the help of Adult Learning families will be supported to develop their digital literacy. The switch to Universal Credit will be a challenge for our most vulnerable families and the support team will liaise, through COSLA, with other local authorities to determine how best to support this.

10.10 We are continually reviewing and tweaking the model of care we provide to our families.   For those moving into their third year of provision we need to ensure that the families are more independent and to reduce their dependency on the support team and advice services.   We encourage the families to be as ambitious as possible, but also to problem solve for themselves and our emerging employment strategy will help with this.

10.11 In October we recruited a resettlement coordinator funded by the Home Office to work on the island coordinating all of the support and sharing the information and learning between all of the partner agencies. The post holder will assume the operational responsibility for the programme from the Business Improvement Manager over the next few months.   The community interpreter and Arabic speaking support worker both report to the resettlement coordinator and this ensures that there is an overview on all of the support provided and flexibility so that resource can be targeted and early intervention ensures that simple problems do not become a crisis.

11.0   CONCLUSION

11.1 In conclusion the evaluation of the support provides us with an opportunity to evaluate the support programme and to ensure the support we provide moving forward meets both the needs and aspirations of our families. We operate a person centred model of care acknowledging that no two family's needs are the same.

11.2 The success of the refugee programme on Bute should be built on and as needs change the partners and services working with the families will change. It is very important when providing such a comprehensive programme of support that we do not create dependency and all of our families are encouraged and supported to be as independent as possible as ultimately the support will be time limited.

11.3 The Bute model has caught the attention of other authorities and agencies working with refugees. Last year we were one of only three Scottish authorities to be evaluated by UNHCR, we were also visited by Education Scotland and a delegation from the Finnish Education Evaluation Centre who both highlighted the good practice at Rothesay Joint Campus in their written reports. The resettlement programme was selected as one of the top finalists in the APSE Service Awards 2017. And this year we have participated in an evaluation by Deloittes and are preparing for a visit by Clackmannanshire Council in the next few weeks.

11.4 The support team continue to receive support from COSLA who have taken on the role of Strategic Migration Partnership for Scotland. The advice and support the team at COSLA provide and the opportunity to meet up with the local authorities participating in the scheme on a 6 weekly basis has been invaluable.

11.5 The strength of partnership working in Argyll and Bute has been integral to the success of this programme which would never have achieved what it has without the support of the community on Bute and the commitment of the Syrian

families to rebuild their lives on the island.

12.0 IMPLICATIONS

12.1 Policy – No implications

12.2 Financial – Funding is received from the Home Office and the budget is fully committed with a contingency in place to deal with unexpected costs

12.3 Legal – No implications

12.4 HR – A number of posts have been created on a temporary basis to support the refugee programme and funded by the Home Office grant

12.5 Equalities – No implications

12.6 Risk – No implications

12.7 Customer Service – Translating material into Arabic has been an important consideration to ensure refugees can access information and use local services.

Appendix 1   Evaluation interview scores

Ann Marie Knowles
Acting Executive Director Community Services

Cllr Aileen Morton
Council Leader

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30 October 2017

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Appendix 1 – Summary of refugee evaluation scores

All of the Syrian families participated in the self-evaluation process. The majority of the families chose to participate as a family group many bring their children along to, a small number of men chose to attend alone. Summary scores are shown below for each family who were asked to score the support that they had received from day 1 from all agencies and volunteers. The lowest score awardable was 1 and the highest score was 7, though some families did opt to score 0 for something they felt was not relevant to them or their family. The questions asked are based on the indicator set in the Scottish Government's New Scots: Integrating Refugees in Scotland's Communities 2014-2017 Strategy.

The questions asked were:

1. Do you feel that you have been fully supported to understand your rights to welfare support and the benefits that you receive?
2. Do you feel that you have been supported to gain an awareness of the labour market and local job opportunities?
3. Do you feel that you have been made aware of and supported to participate in volunteering opportunities should you wish to?
4. Do you feel you have been supported to access the labour market or have an awareness of the support that is available for this locally?
5. Do you feel that you have had the opportunity to develop entrepreneurial skills and set up business in Scotland?
6. Do you feel that your family's housing needs have been met?
7. Do you feel that you have been supported to develop an understanding of the housing options that are available to your family in the UK?
8. Do the adults in your family feel that you have been given the opportunity to learn English?
9. Do you feel that the children in your family have been given the opportunity to and are supported to learn at school and to reach their potential?
10. Do you feel that you have been supported to or have an understanding of how your pre-existing qualifications and or knowledge and experience can help you to access further education in the UK?
11. Have you been supported to develop an understanding of the model of health care in Scotland?
12. Do you feel that your health needs have been met?
13. Do you feel that you are involved and active in the community?
14. Do you feel that the community is safe and welcoming?
15. Do you feel that you are able to engage in social and cultural activities which reflects the diversity of Scotland?

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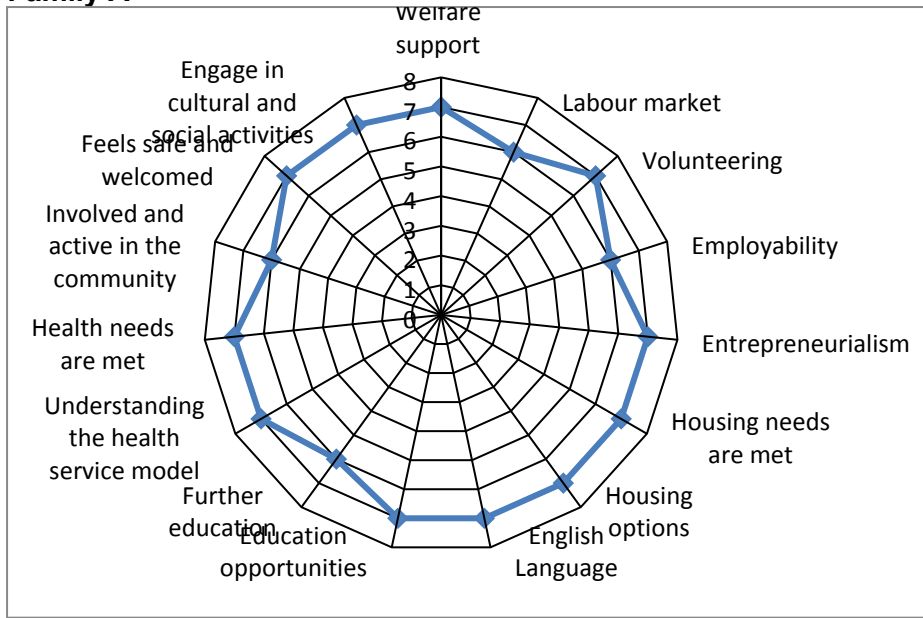
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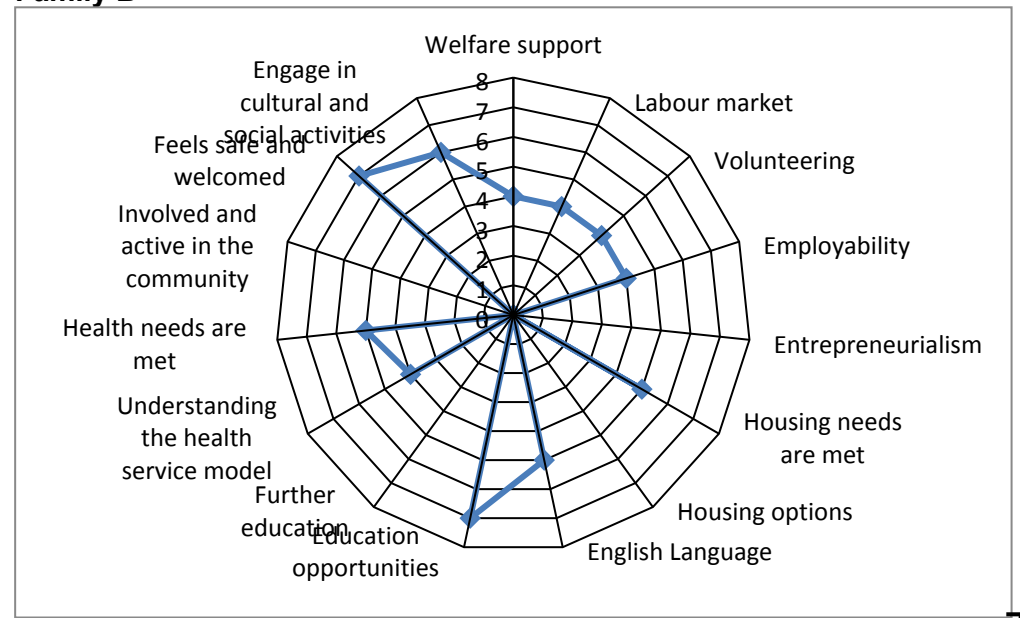
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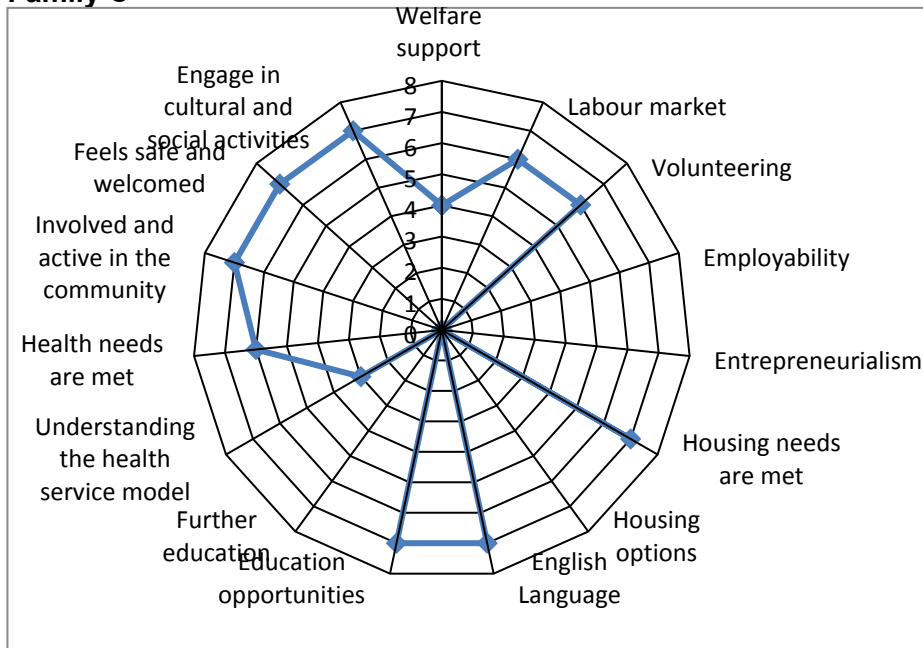
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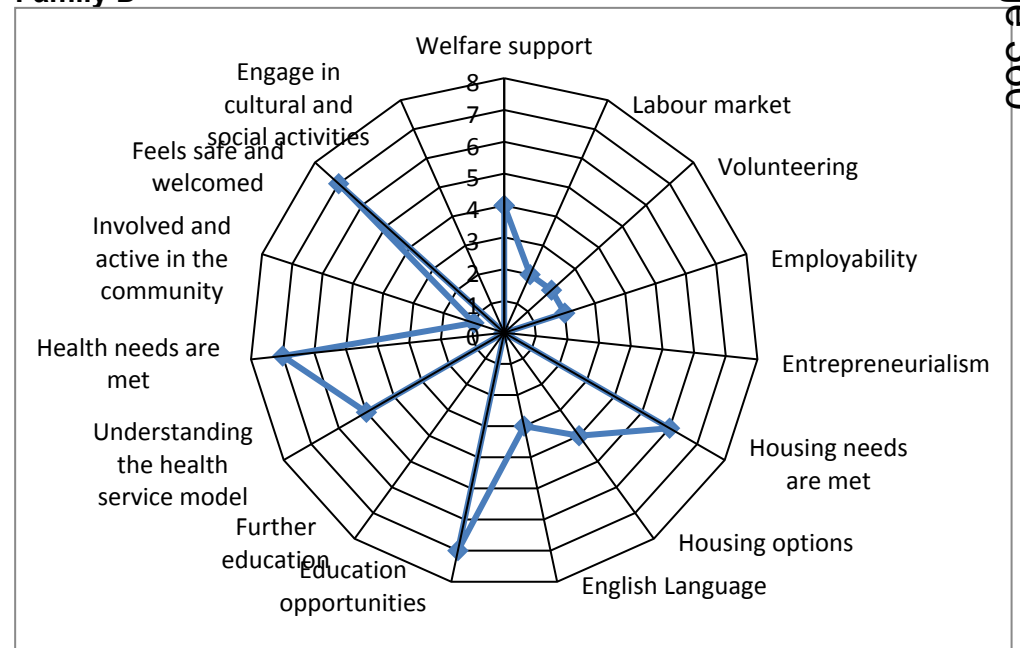
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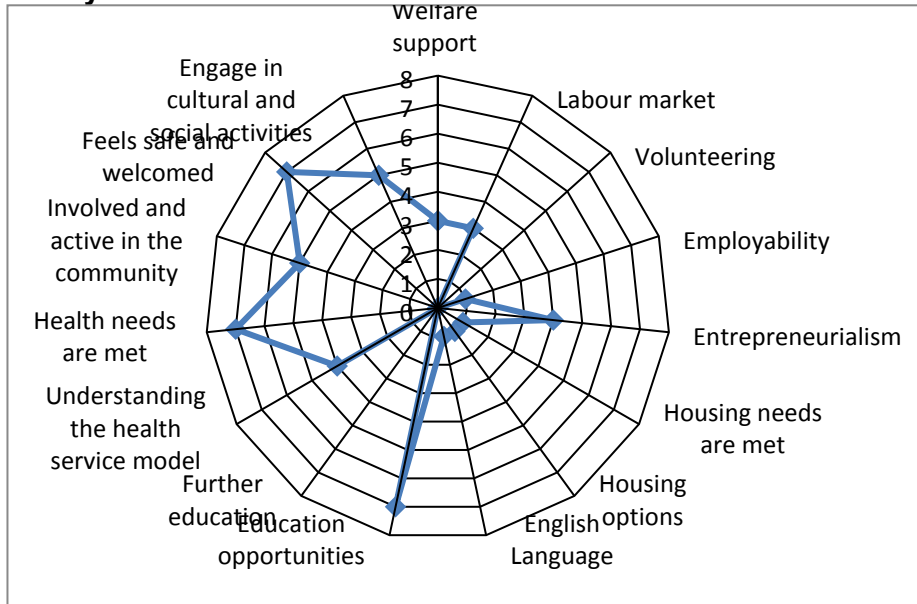
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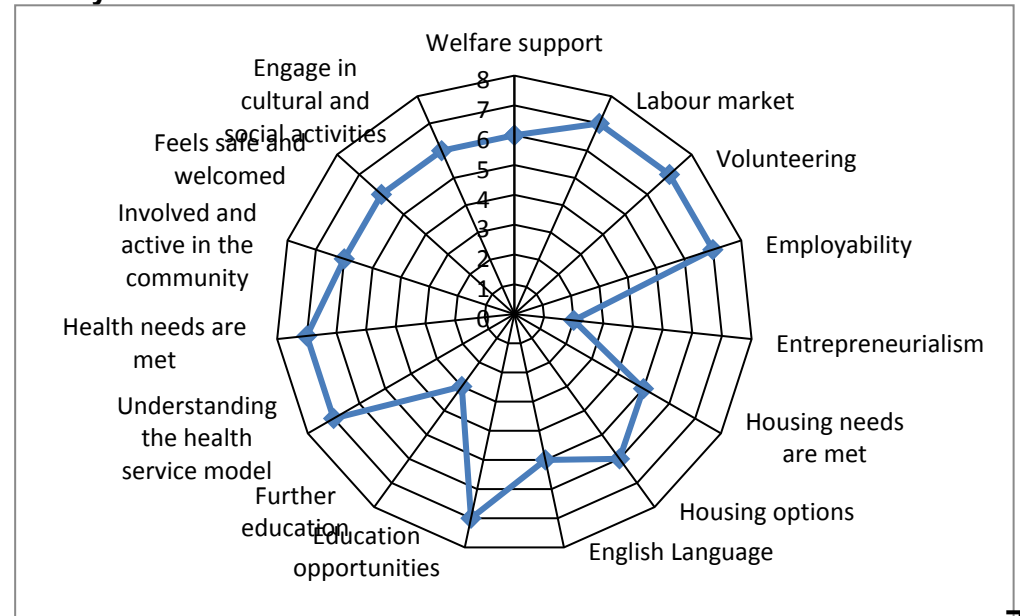
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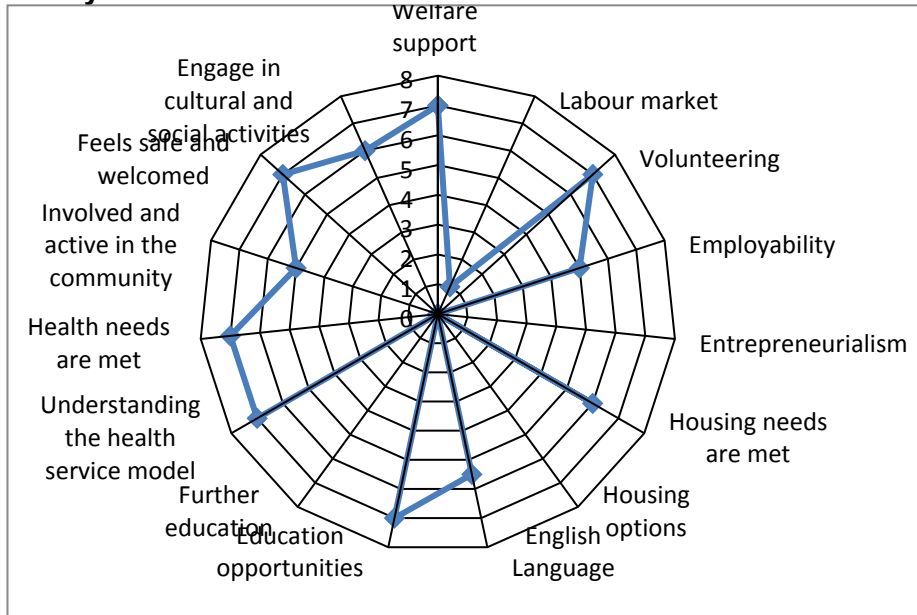
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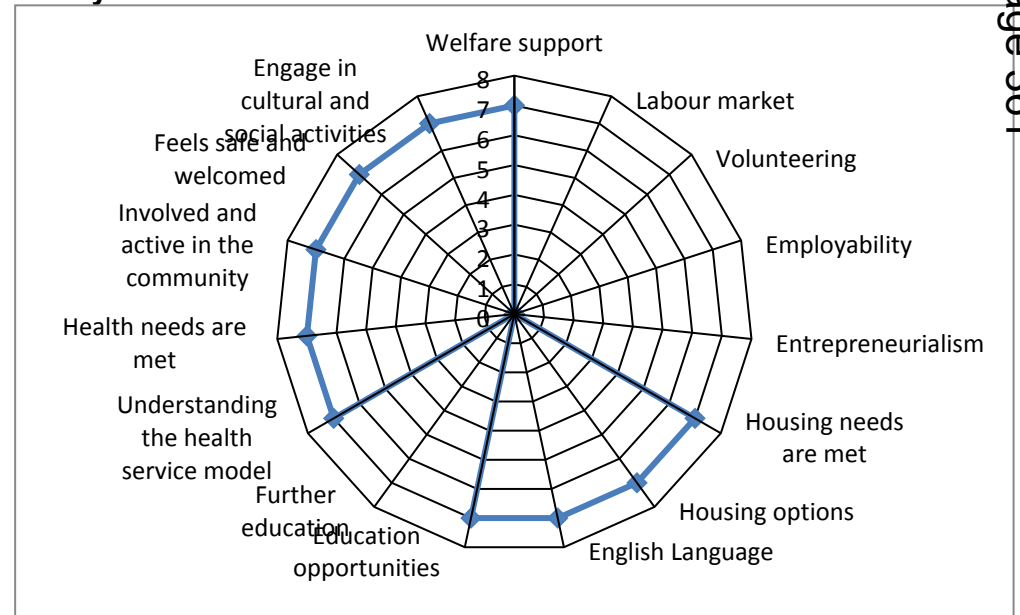
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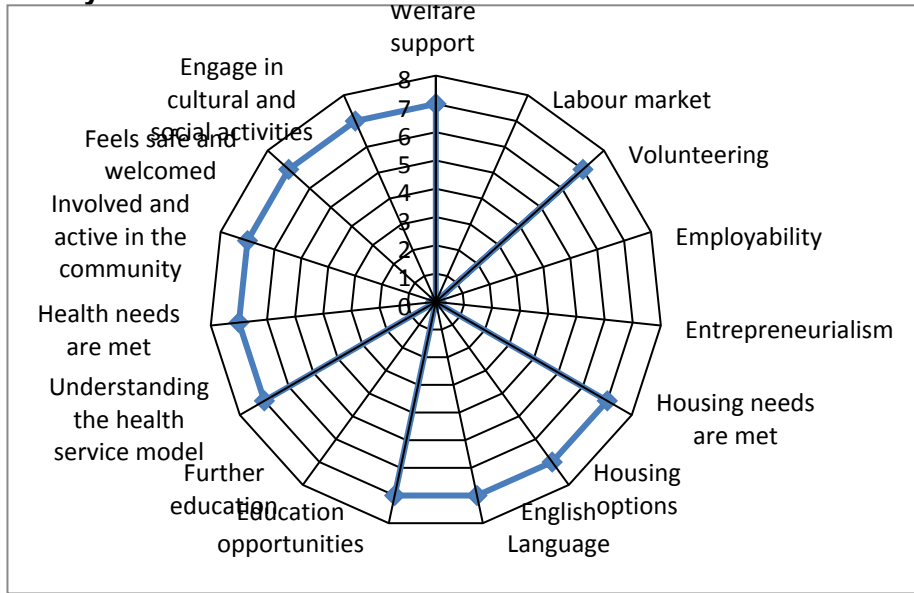
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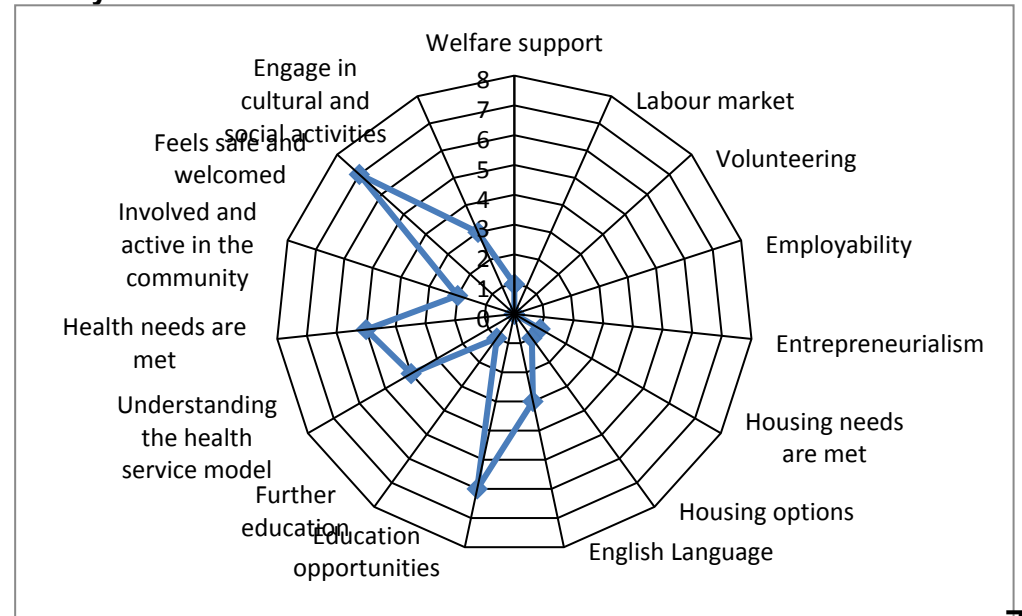
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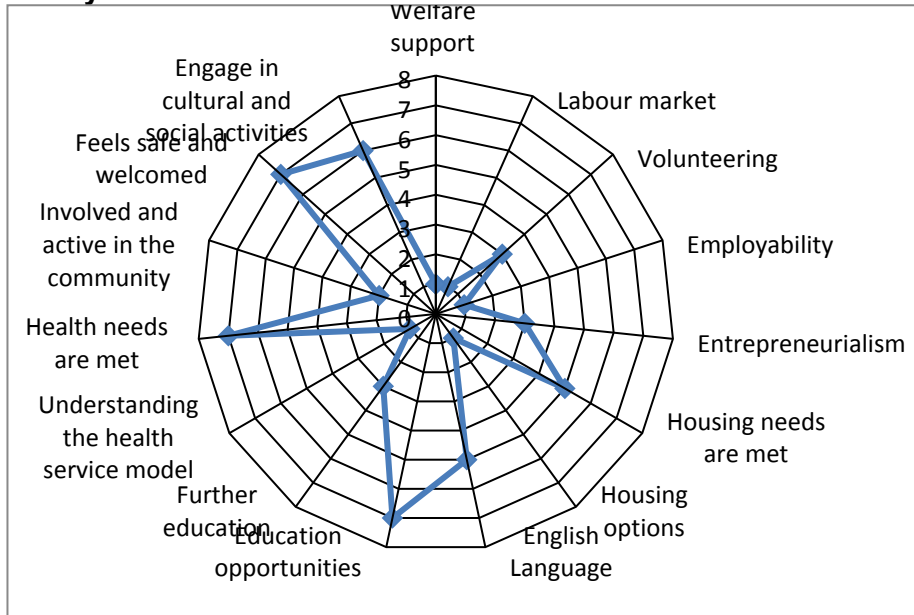
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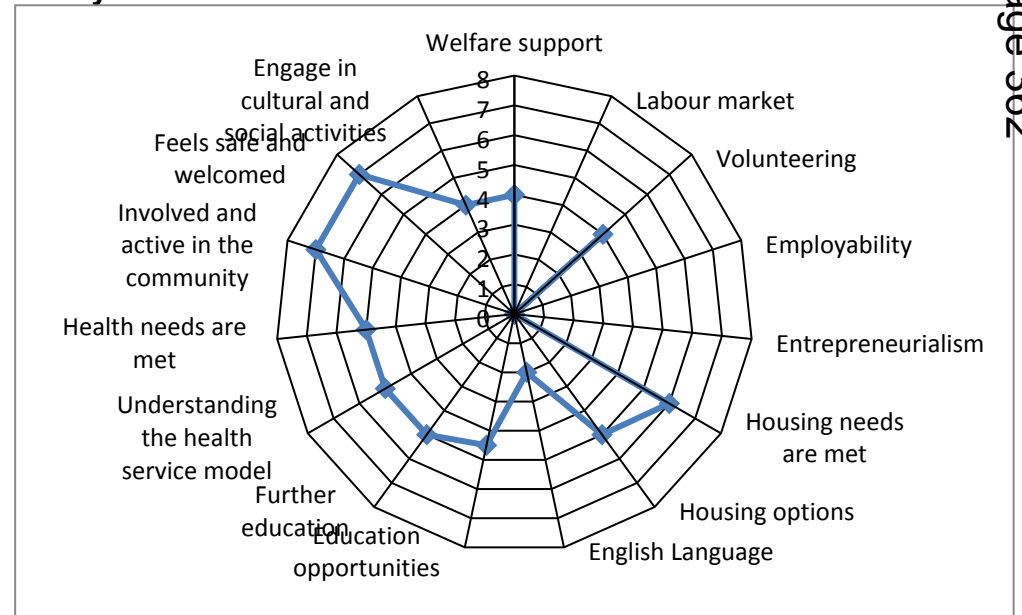
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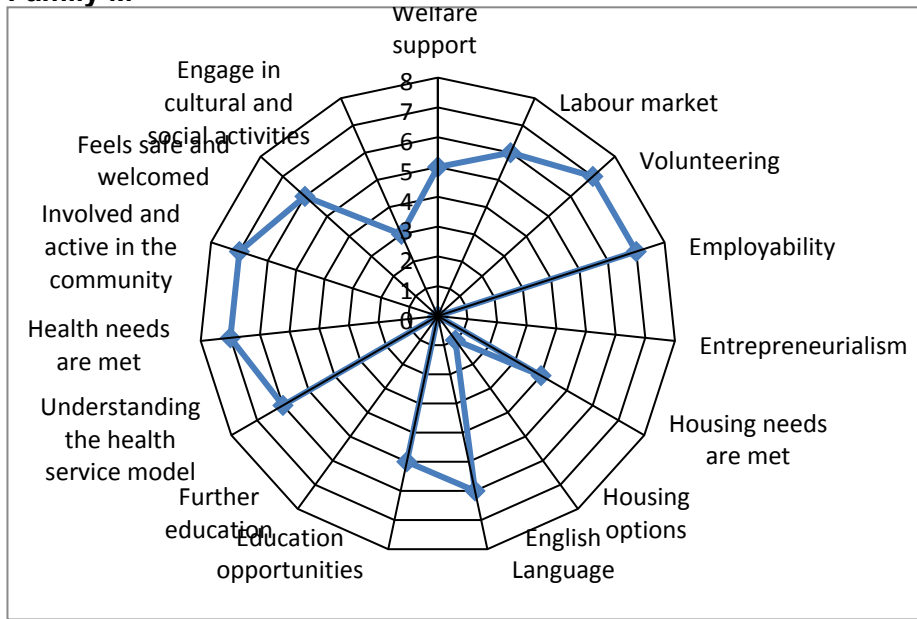
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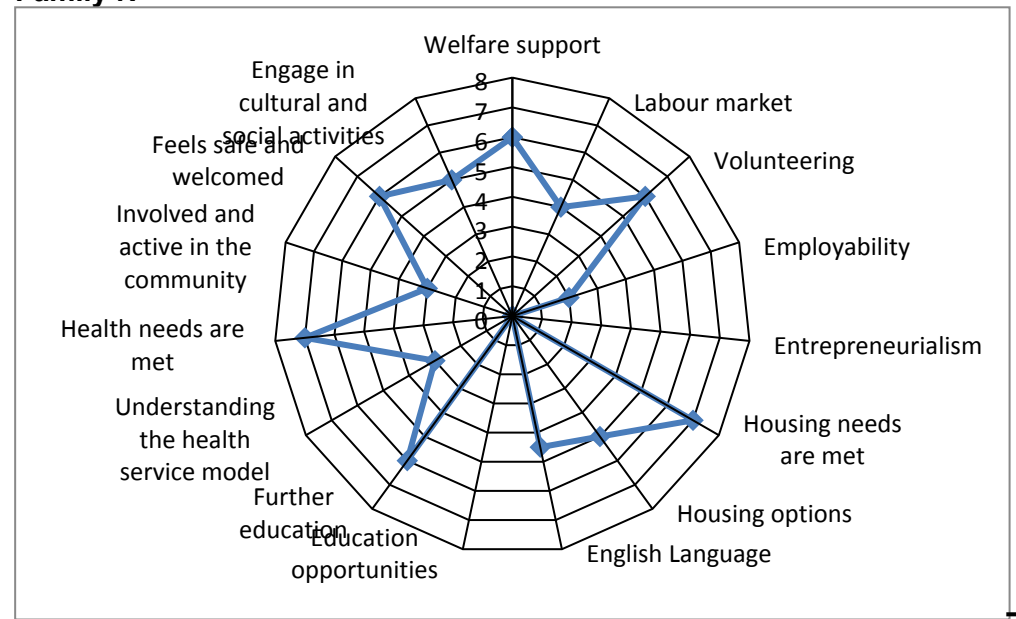
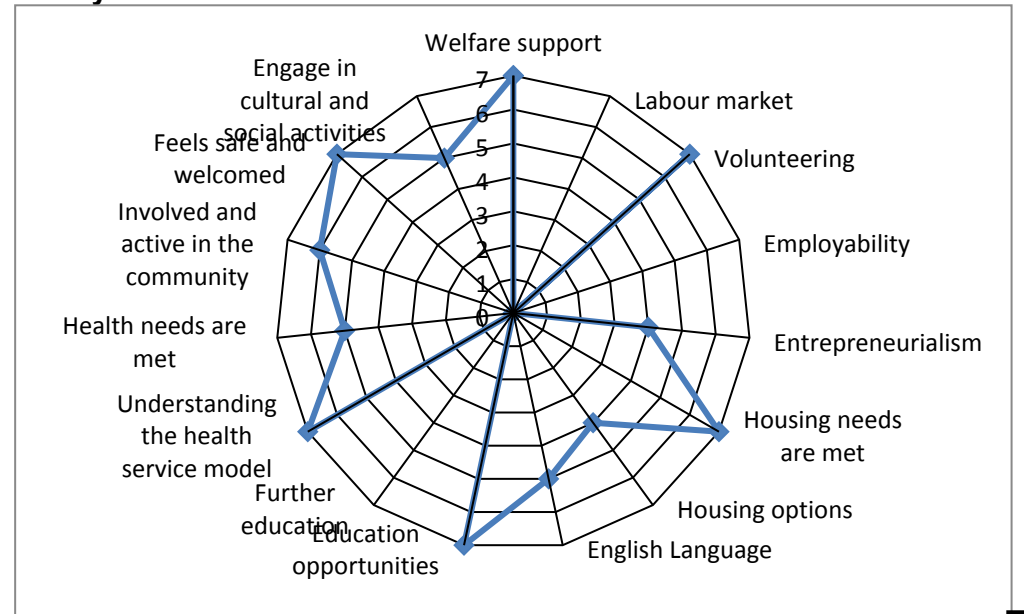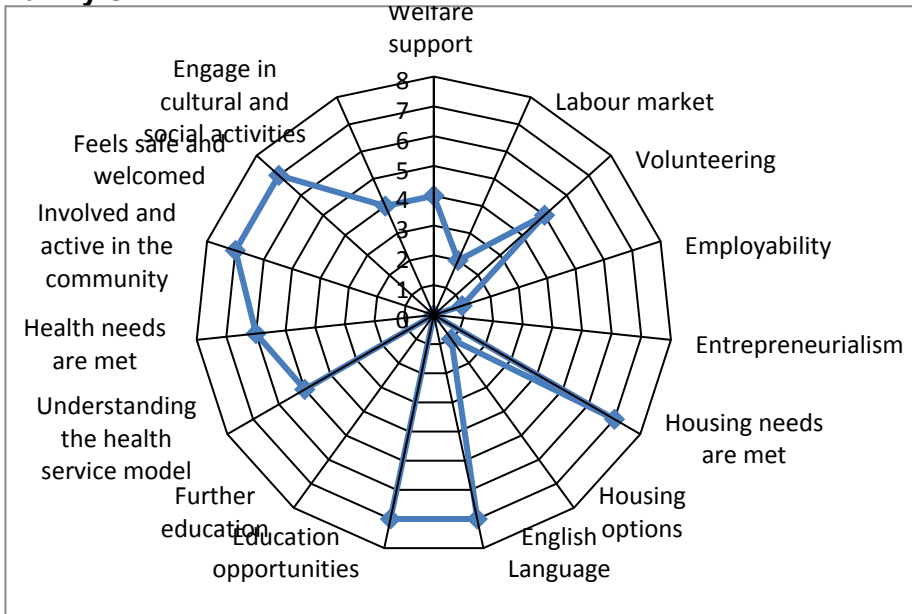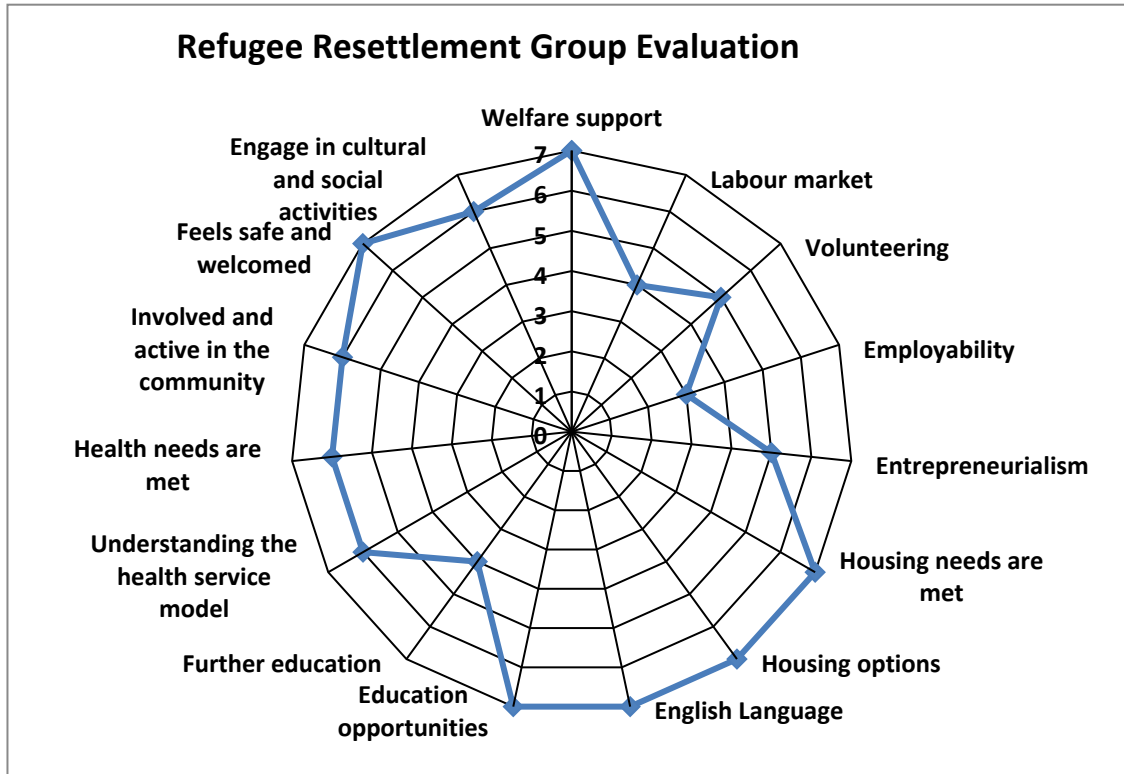**Family O**
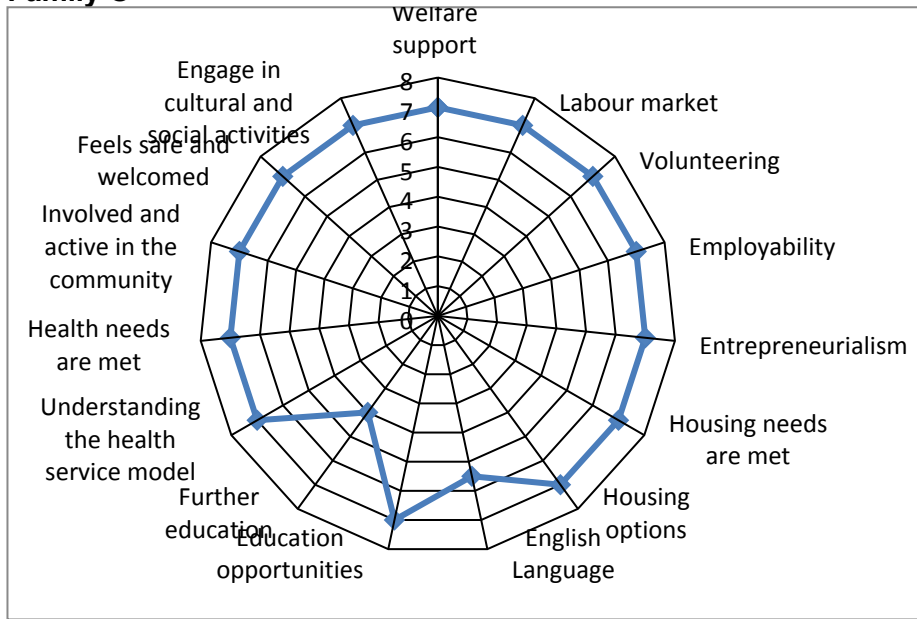
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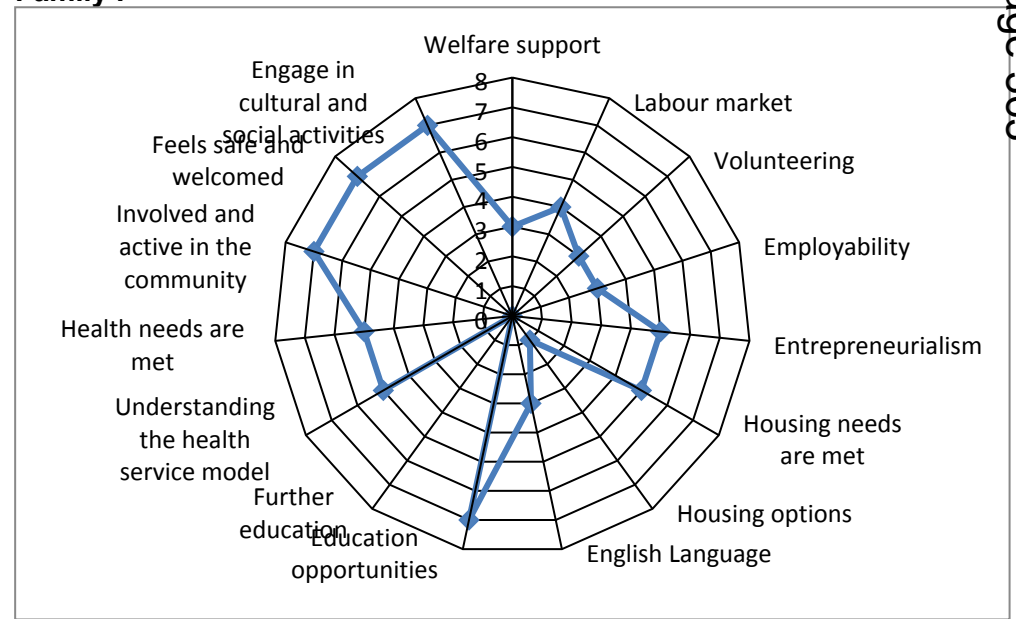
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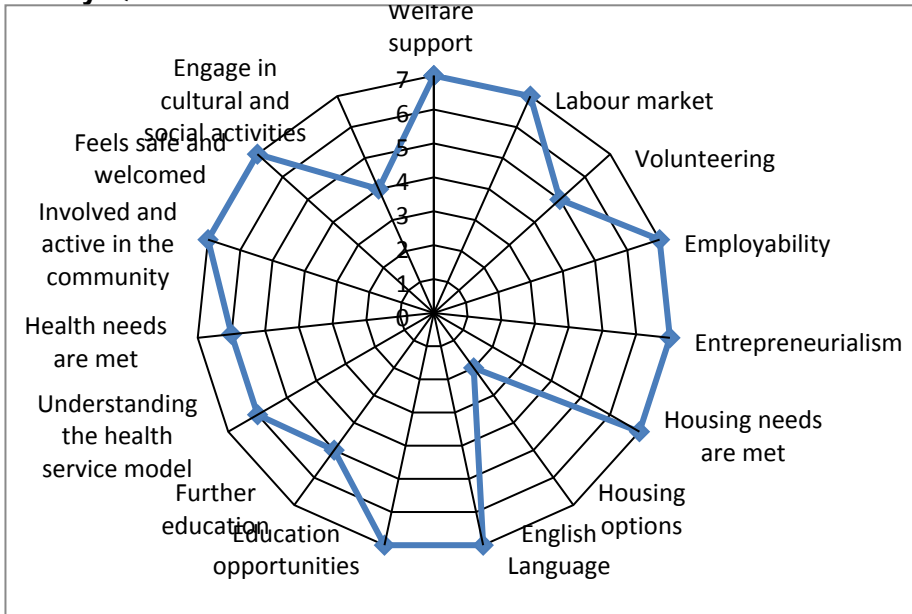
Family R

Family S

The Refugee Resettlement Group also carried out a self-evaluation of the support that had been provided to date and this provides a helpful comparator to the families' own scores.

Refugee Resettlement Group Evaluation

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