

**Argyll and Bute Council**  
**Comhairle Earra-Ghàidheal Agus Bhòid**

*Customer Services*  
*Executive Director: Douglas Hendry*



*Kilmory, Lochgilphead, PA31 8RT*  
*Tel: 01546 602127 Fax: 01546 604435*  
*DX 599700 LOCHGILPHEAD*  
*e.mail –douglas.hendry@argyll-bute.gov.uk*

20 April 2018

**NOTICE OF MEETING**

A meeting of **ARGYLL AND BUTE COUNCIL** will be held in the **COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD** on **THURSDAY, 26 APRIL 2018** 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. MINUTES**

(a) Special Argyll and Bute Council held on 22 February 2018 (Pages 5 - 6)

(b) Argyll and Bute Council held on 22 February 2018 (Pages 7 - 18)

**4. MINUTES OF COMMITTEES**

\* (a) Environment, Development and Infrastructure Committee held on 8 March 2018 (Pages 19 - 24)

\* (b) Community Services Committee held on 15 March 2018 (Pages 25 - 32)

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

**5. LEADER'S REPORT**

Report by Leader of the Council (Pages 33 - 46)

**6. POLICY LEADS REPORT**

Report by Policy Leads (Pages 47 - 68)

**7. POLITICAL MANAGEMENT ARRANGEMENTS**

Report by Executive Director – Customer Services (Pages 69 - 72)

**8. COUNCIL CONSTITUTION REVIEW**

Report by Executive Director - Customer Services (Pages 73 - 78)

**9. STRATEGIC WORKFORCE PLAN**

Report by Executive Director – Customer Services (Pages 79 - 124)

**10. SCOTLAND EXCEL - NEW BUILD HOUSING FRAMEWORK - INVESTMENT OPPORTUNITY**

Report by Executive Director of Customer Services (Pages 125 - 130)

**11. CIVIC GOVERNMENT (SCOTLAND) ACT 1982: LICENSING CONDITIONS, LICENSING FEES AND PREPARATION FOR LICENCE RENEWALS**

Recommendation from Planning, Protective Services and Licensing Committee held on 21 March 2018 (Pages 131 - 142)

**12. ARGYLL AND BUTE COUNCIL RESPONSE TO THE INQUIRY INTO EUROPEAN STRUCTURAL AND INVESTMENT FUNDS**

Report by Executive Director of Development and Infrastructure Services (Pages 143 - 160)

**13. NOTICE OF MOTION UNDER STANDING ORDER 13**

The Council:

1. Notes the Budget decisions made at March meeting of Argyll & Bute Health and Social Care Partnership's Integrated Joint Board meeting, which result in a need for further savings in excess of £2million to be identified
2. Notes that the 2017/18 overspend by the H&SCP, as reported in January, amounts to £2.9million with loan support now required from both the Council and NHS Highland. This is in the context of a national reported overspend of circa £67million with 23 partnerships across Scotland forecasting an overspend
3. Acknowledges the support and protection given by the Council to social work services - while the budget for social work services has increased overall by 1.08% since 2014/15, there has been a 4.27% overall reduction in the budget for all other council services
4. Notes that Argyll & Bute H&SCP faces significant challenges, including:
  - a. a shrinking and aging population which increases demand while creating difficulties in the recruitment and retention of staff;
  - b. delivery across a huge geographic area, including 23 inhabited islands;
  - c. a substantial proportion of their budget that is outwith their direct control (such as GP contracts, and recharges from other health boards);
  - d. maintaining core local hospital, acute and GP out of hours services delivered in multiple rural hospitals with unique recruitment challenges and cost burdens
5. Agrees that the Council Leader should write to the Cabinet Secretary for Health and Sport:
  - a. regarding the impact of current finances on the delivery of local services
  - b. highlighting the unique position the challenges detailed above create for the H&SCP
  - c. recognising that the budget pressures being faced by the H&SCP **right now** are preventing the timescales needed for community-driven transformation, and welcoming the commitment from the Cabinet Secretary to provide support for the H&SCP
  - d. acknowledging that the Council and NHS Highland currently face their own financial pressures and are not in a position to provide additional funding, and asking the Scottish Government to consider reassessing the funding levels provided for Health and Social Care in Argyll & Bute, alongside support for transformation.

Proposed: Cllr Aileen Morton

Seconded: Cllr Kieron Green

## **REPORTS FOR NOTING**

### **14. NPDO SCHOOLS AFFORDABILITY REPORT**

Report by Executive Director – Customer Services (Pages 161 - 166)

Contact: Sandra Campbell Tel: 01546 604401

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**MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held in the COUNCIL CHAMBER,  
KILMORY, LOCHGILPHEAD  
on THURSDAY, 22 FEBRUARY 2018**

**Present:** Councillor Len Scoullar (Chair)

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

**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  
Charles Reppke, Head of Governance and Law  
Kirsty Flanagan, Head of Strategic Finance

**1. APOLOGIES FOR ABSENCE**

Apologies were intimated from Councillors McCuish, McGrigor and McKenzie.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest intimated.

**3. AMENDMENT TO THE HEALTH AND SOCIAL CARE INTEGRATION SCHEME**

A report was submitted which advised that every local authority was required to revise their Integration Scheme to comply with regulations set out in the Public Bodies (Joint Working) (Prescribed Local Authority Functions etc) (Scotland) Amendment Regulations 2017. The Council considered the report and the revisions to the Integration Scheme prior to its submission to the Scottish Government.

**Decision**

The Council:

a) Noted and agreed the submission of the revised Integration Scheme in Appendix A to the Scottish Government by 2nd March 2018 as required by The Carers (Scotland) Act 2016;

b) Noted the expectation by the Scottish Government of “shifting the balance of where care and support is delivered from hospital to community care settings, and to individual homes” (Health and Social Care Delivery Plan December 2016, paragraph 13);

c) Recognised the need for a further formal review of the full Integration Scheme to ensure that this continues to meet Scottish Government policy expectations, and that this must include how budget underspends or overspends are written back to the parent organisations;

d) Requested that the Chief Executive engage with NHS Highland and the Health and Social Care Partnership Integration Joint Board to initiate a formal review of the Integration Scheme.

(Ref: Report by the Acting Head of Community Services dated 22 February 2018, submitted)

#### **4. REVIEW FOR THE SCHEME FOR THE ESTABLISHMENT OF COMMUNITY COUNCILS - STAGE 2 FEEDBACK**

A report was submitted which advised of Stage 2 of the consultation on the Review of the Scheme for the Establishment of Community Councils and the Council considered the report and the amended Scheme.

##### **Decision**

The Council:-

1. Noted the proposed amendment to remove section 13 from the draft final amended Scheme and, for the reasons set out in Appendix 1, agreed not to remove this section from the final amended Scheme, and
2. Passed a resolution, that the Scheme and associated documents attached at Appendix 2 be formally endorsed, as of 26 April 2018, as the final amended 4 year Scheme for the Establishment of Community Councils in Argyll and Bute.

(Ref: Report by the Executive Director of Customer Services dated 13 February 2017, submitted)

**MINUTES of MEETING of ARGYLL AND BUTE COUNCIL held in the COUNCIL CHAMBER,  
KILMORY, LOCHGILPHEAD  
on THURSDAY, 22 FEBRUARY 2018**

**Present:** Councillor Len Scoullar (Chair)

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

**Also Present:** Alison Palmer, Teacher Representative  
Willie Hamilton, Teacher Representative

**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  
Charles Reppke, Head of Governance and Law  
Kirsty Flanagan, Head of Strategic Finance  
Christina West, Chief Officer, Health and Social Care

Councillor Rory Colville presented a Petition to the Council in relation to the Budget and the proposed closure of public toilets in Campbeltown. This Petition was accepted by the Provost and it was confirmed that it would be passed to the appropriate department.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were intimated from Councillors McCuish, McGrigor, McKenzie and William Stewart Shaw, Religious Representative.

**2. DECLARATIONS OF INTEREST**

Councillors Anderson, Lynch and Hardie each declared a non financial interest in relation to the report on Budgeting Pack 2018/2019 which is dealt with at item 5 of the Minute due to them being on Live Argyll. Councillor Anderson also advised of a similar issue with the IJB. The Councillors claimed the benefit of the dispensation contained at Section 5.16 of the Standard Commission's Guidance and Dispensations Note dated December 2010 to

enable them to speak and vote. Councillor Anderson also advised of a non financial appointment to Interloch which he regarded as insignificant in respect of the budget item.

### **3. MINUTES**

#### **(a) Argyll and Bute Council held on 30 November 2017**

The Minutes of the Meeting of Argyll and Bute Council held on 30 November 2017 were approved as a correct record.

#### **(b) Special Argyll and Bute Council held on 25 January 2018**

The Minutes of the Meeting of Argyll and Bute Council held on 25 January 2018 were approved as a correct record.

### **4. MINUTES OF COMMITTEES**

#### **(a) Environment, Development and Infrastructure Committee held on 7 December 2017**

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

#### **(b) Policy and Resources Committee held on 8 December 2017**

The Minutes of the Policy and Resources Committee held on 8 December 2017 were noted.

#### **(c) Community Services Committee held on 14 December 2017**

The Minute of the Community Services Committee held on 14 December 2017 were noted.

Arising under Item 15 (ACHA Stock Restructuring Proposals) the Council:-

1. Agreed ACHA's proposals to remove 89 units from the affordable rented stock by means of sale or demolition by a formal amendment to the Transfer Agreement.
2. Supports ACHA's request to the Scottish Government to exclude any disposals undertaken as part of these proposals from the tripartite Disposal Clawback Agreement.
3. Advise ACHA that the proposed demolitions will require to be the subject of separate approvals from the Council as the Planning and Building Control Authority. ACHA also to be reminded that they will remain responsible for the maintenance of the areas of land detailed in this report; and
4. Advise ACHA that any future proposals to dispose of any of the land freed up by the demolitions will be subject to approval from Argyll and Bute Council.

#### **(d) Policy and Resources Committee held on 15 February 2018**

The Minutes of the Policy and Resources Committee held on 15 February 2018



were noted.

Arising from Item 5 (Financial Report Monitoring Pack – December 2017), the Council agreed that:-

1. The 2017-18 Live Argyll management fee is increased from £1.728m to £1.776m in line with the analysis carried out by Strategic Finance.
2. Providing that there is no impact on the Council's bottom line position, delegation is given to the Head of Strategic Finance to vary the management fee to reflect any accounting adjustments required at year end.
3. The payment to the Health and Social Care Partnership in 2017-18 is increased by £0.044m to transfer over the budget required for auto enrolment.

Arising from Item 6 (Budgeting Pack 2018/2019), the Policy and Resources Committee had referred the Budgeting Pack for consideration to the Council without recommendation. It was noted that this would be considered under Item 5 of the Agenda (Budgeting Pack).

Arising from Item 7 (Treasury Management Strategy Statement and Annual Investment Strategy), the Council agreed that this would be dealt with under Item 6 of the Agenda.

Arising from Item 8 (One Council Property Approach), the Council agreed that this would be dealt with under Item 5 of the Agenda.

Arising from Item 9 (Corporate Plan 2018-2022), the Council agreed that this would be dealt with under Item 7 of the Agenda.

## **5. BUDGETING PACK 2018/2019**

The Council considered the Revenue Budget and Capital Budget papers as contained within the budgeting pack, considered such other appropriate resolutions in relation to these papers and fixed the Council Tax for the year to 31 March 2019 which had been referred without recommendation by the Policy and Resources Committee held on 15 February 2018.

### **Decision**

The Council:

1. Approves the revenue estimates for 2018/19 and that consequently the local tax requirement estimated at £47.674m is funded from Council Tax and confirms the following rates, charges and flexibility in payment terms for the year 2018/19:
  - a) Council tax to be paid in respect of a chargeable dwelling in band D of £1,249 representing a 3% increase;
  - b) Council tax to be paid in respect of a chargeable dwelling in each of the other valuation bands in accordance with section 74(1) of the Local Government Finance Act 1992 as amended;
  - c) Business rates as determined by Scottish Ministers;Further, to provide more flexibility and support effective money management by households, extends on request the option to pay by direct debit either over 12 months or over 10 months.

2. Notes and approves the detail provided in the Head of Strategic Finance's Revenue Budget Overview report and the surplus of £2.949m in 2018/19, subject to the following amendments as set out below and reconciled in the Administration's Revenue Budget Model in Appendix 1:
- a) Agrees to increase the allocation to the Health and Social Care Partnership for 2018/19 to £56.400m, not accepting the £0.725m reduction to the base payment set out in the Revenue Budget Overview report section 3.7 and adding a further £0.844m to support the partnership in addressing cost pressures. Approves indicative allocations for 2019-20 and 2020-21 to be £56.400m subject to the level of Scottish Government funding and the Council's overall financial position in future years;
  - b) Approves the adjustment to the Live Argyll management fee, resulting in a management fee of £3.579m in 2018/19;
  - c) Approves a one-off budget allocation of £0.260m in support of the One Council approach to property, to be spent over financial years 2018-19 and 2019-20;
  - d) In respect of the policy savings options consulted on:
    - i. Does not take forward policy savings options listed in Appendix 2a and agrees the additional commitments set out in the comments section;
    - ii. Approves in part the policy savings options amounting to £0.343m in 2018/19, with further savings in future years, and agrees the additional commitments set out in the comments section as detailed in Appendix 2b;
    - iii. Approves in full the policy savings options amounting to £0.945m in 2018/19, with further savings in future years, as outlined in Appendix 2c.
3. Approves that, after the changes as noted in point 2 above, the remaining revenue budget surplus of £2.408m is transferred to support the capital plan.
4. Approves the capital plan and phasing, cost changes and additions as set out in Appendix 3, 4 and 5 of the Capital Plan Summary Report. Further approves the additions to the capital plan as outlined in the table below and notes that the additional funding required is met from the revenue budget surplus for 2018/19, the unallocated General Fund balance and in respect of the additional £2.8m allocation for Roads in 2019-20, this is met by not taking the full saving in loans charges from 2019-20 onwards.

<b>Administration Capital Budget – ADDITIONAL Spending</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
Shortfall as reported by Head of Strategic Finance	2,761	
Roads capital improvement works	5,500	2,800
Footpaths capital improvement works	250	250
Queens Hall (contingency)	400	
Funding to address property high risks not addressed in capital plan: Outbuilding upgrade Manse Brae District Office; Accessibility upgrade Kilmory; Accessible Parking and Footpaths Kilmory; Fabric upgrade Tobermory Area Office; External access upgrade Whitegates	170	
Funding for IT Infrastructure: Kilmory Server; Corporate PC replacement; Network switches	767	
Funding for Live Argyll properties to address highest priority works, including: asbestos and floor/toilet works at Oban Library; fire escape work at Victoria Halls, Helensburgh; maintenance works at Aqualibrium, Rothesay and Helensburgh Swimming Pools; fire safety works at Campbeltown Community Centre; cladding at Riverside Leisure Centre	450	
Health and Social Care Partnership - Digitising Telecare	50	50

<b>Funding required for Capital Plan</b>	<b>10,348</b>	<b>3,100</b>
Funded from:		
Revenue Budget Surplus 2018/19	2,408	
Revenue Budget Additional Loans Charges		2,800
Unallocated General Fund Balance	7,940	300
<b>Capital Plan Balanced Budget</b>	<b>0</b>	<b>0</b>

5. Approves the proposals for the use of the unallocated General Fund balance as outlined in the table below, and notes that this will leave a remaining unallocated General Fund balance of £0.308m prior to the year end, with an estimated £0.808m at the year end, over and above the 2% contingency;

<b>Unallocated General Fund Balance</b>	<b>£000</b>
Unallocated General Fund Balance as per budget pack	3,549
Tranche 1 of Additional Money received 2017-18	624
Release of £4m smoothing held against 2019-20	4,000
WW1 Commemorations Islay	(15)
Extend Bute Advice Centre SLA for a further year and defer loan repayment until 31 <sup>st</sup> March 2019	(22)
One-off additional payment to ABCAB and defer loan repayment until 31 <sup>st</sup> March 2019	(35)
One-off additional payment to Kintyre Recycling	(18)
Payment to MACPool of £15k (18/19) and £10k (19/20) to support delivery of expanded services through their proposed development project	(25)
Adjustment to keep 2% contingency level	(10)
Use proportion of 2017-18 estimated underspend	500
Allocated to capital plan	(8,240)
<b>Remaining Unallocated General Fund Balance</b>	<b>308</b>
Remainder of 2017-18 estimated underspend	500
<b>Estimated Unallocated General Fund Balance as at 31 March 2018</b>	<b>808</b>

6. In planning for the longer term, notes the estimated revenue budget gap in the mid-range scenario in 2019/20 of £4.124m and in 2020/21 of £6.249m as outlined within Appendix 1. Further, the Council:
- a) Endorses the proposed Transformation Board activities for 2018/19 onwards and requests reports from officers to come forward to members as appropriate;
  - b) Extends the expiring events and festivals Service Level Agreements for one year, with updated proposals for future years to come to the Policy and Resources Committee for delegated decision in May 2018;
  - c) Welcomes the Medium to Longer Term Financial Strategy agreed by Policy and Resources Committee in October 2017 and agrees that every opportunity should be taken throughout the year to identify, and present for Council approval, appropriate options for delivering budget efficiencies and savings that ensure a well-planned and secure financial future for the Council.
7. Endorses the proposed improvements to the Capital Planning process which will enable emerging requirements and risks across the Council's services to be identified and prioritised and instructs officers to bring a report to Council by June 2018 providing an update on these changes.

8. Agrees that confirmation from both UK and Scottish Government of a Rural Growth Deal for Argyll and Bute during 2018/19 is an absolute target and priority for this Council, and:
  - a) in recognition that there is a changing focus for city/rural growth deals, requests an initial report to Policy and Resources Committee in May 2018, with a final proposal reported to P&R/Council in October 2018;
  - b) confirms the suite of funds which were identified as ALIRRI (Argyll, Lomond and the Islands Rural Regeneration Initiative) will act as the Council's initial commitment to a future Deal; and an additional criteria is added to the Inward Investment Fund, requiring any approved investment to support the key aims and themes of the Argyll and Bute Rural Growth Deal.
9. Acknowledges the feedback given by local people through the budget consultation and thanks everyone who contributed. Further, welcomes the commitment from local people to help their local area and:
  - a) Requests the Chief Executive bring a report to members following the Turning Volunteer Participation Upside Down conference in March, on ways of developing enhanced opportunities for community engagement;
  - b) Instructs officers to make arrangements to ensure communities are given the fullest opportunity to contribute their views on being involved in public sector decisions, as the Scottish Government's Local Governance Review gets under way.
10. Approves all service plans, subject to updating the budget figures in line with the budget agreed for 2018/19.
11. Approves the proposals for the fees and charges inflationary increase of 3%, the two fee changes in respect of schools meals and milk previously advised as part of service choices proposals and approves the additional 3% increase over and above inflationary increase for piers and harbours to be ring-fenced to fund asset improvements.
12. Notes the revenue budget monitoring position as at 31 December 2017.
13. Notes the financial risks analysis report.
14. Accepts the Corporate Asset Management Strategy, the Corporate Asset Management Plan, the Service Asset Management Plans and ICT Group Asset Management Plan.
15. Approves the contingency level for the General Fund balance at a level of 2% of net expenditure equivalent to £4.726m and notes the report on reserves and balances.

Appendix 1 & 2 is attached to the Minutes.

The Head of Strategic Finance raised no concerns regarding the competence of the motion which presented a balanced budget.

(Ref: Report by Head of Strategic Finance, Revenue Budget and Capital Budget packs, updates to the Budgeting Pack from the P&R Committee of 15 February 2018, submitted)

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

The Council gave consideration to a report which sought approval of the proposed Treasury Management Strategy Statement and Annual Investment Strategy which set out the Council's Strategy for borrowing and investment for the forthcoming year. The report also set out the policy for the repayment of loans fund advances for 2018-19.

**Decision**

The Council agreed to:-

1. Approve the proposed Treasury Management Strategy Statement and Annual Investment Strategy and the indicators contained within.
2. Approve the use of Option 1 (statutory method) for the repayment of loan fund advances in respect of existing capital expenditure and new advances up to 31 March 2012 at an interest rate of 4.423%, with the exception of spend to save schemes where Option 4 (funding/income profile method) will be used.
3. Approve the ability to continue to use countries with a sovereign rating of AA- and above, as recommended by Link Asset Services.

(Ref: Report by Head of Strategic Finance dated 2 February 2018, submitted)

**7. CORPORATE PLAN 2018-2022**

A report which presented the Council with the new Corporate Plan 2018-2022 was given consideration. The Corporate Plan sets out the strategic context for the Service Plans and the Council Budget.

**Decision**

The Council agreed the Corporate Plan 2018-2022.

(Ref: Report by Executive Director of Customer Services dated 24 January 2018, submitted)

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**APPENDIX 1 – ADMINISTRATION BUDGET MODEL**

	<b>2018-19 £000</b>	<b>2019-20 £000</b>	<b>2020-21 £000</b>
<b>Budget Surplus/Gap as per budget pack</b>	<b>2,949</b>	<b>(4,169)</b>	<b>(10,879)</b>
Policy Options agreed in full (see Appendix 2C)	945	1,850	2,814
Policy Options agreed in part (see Appendix 2B)	343	589	911
HSCP - remove reduction to payment proposed in budget pack	(725)	(1,450)	(2,175)
HSCP – provide additional funding allocation	(844)	(844)	(844)
One Council approach to Property (over 2 years)	(260)		
Additional Loan Charges to fund £2.8m capital from 2019-20		(100)	(200)
Surplus in 2018-19 towards capital plan shortfall	(2,408)		
<b>Updated Budget Surplus/Gap - Cumulative</b>	<b>0</b>	<b>(4,124)</b>	<b>(10,373)</b>
<b>Updated Budget Surplus/Gap - Year on Year</b>	<b>0</b>	<b>(4,124)</b>	<b>(6,249)</b>

**APPENDIX 2A - POLICY SAVINGS OPTIONS NOT TAKEN AS PART OF 2018/19 BUDGET**

Template Reference	Proposed Savings						Additional commitments/comment for clarity
	2018-19 £000	Posts lost (FTE)	2019-20 £000	Posts lost (FTE)	2020-21 £000	Posts lost (FTE)	
<b>TB03-3</b> Environmental Health Re-design	0	0	0	0	0	0	
<b>TB16-3</b> Road Safety Unit	0	0	0	0	0	0	Road Safety Unit to prioritise, as part of their work plan, measures to make travel to school safer/more child friendly and to reduce congestion at school gates
<b>TB20-1</b> Central Education Team	0	0	0	0	0	0	Saving not taken. Education Service to consider central support requirements in light of changing educational landscape in Scotland, with report to Community Services Committee by Dec 2018.

**APPENDIX 2B - POLICY SAVINGS OPTIONS PART-TAKEN AS PART OF 2018/19 BUDGET**

Ref	Proposed Savings						Additional commitments/comment for clarity
	2018-19 £000	Posts lost (FTE)	2019-20 £000	Posts lost (FTE)	2020-21 £000	Posts lost (FTE)	
<b>TB04-4</b> Advice Services remodelling	0.0	0.0	57.1	1.0	105.1	2.0	No saving in 18/19. Outcome of review to come to P&R Committee in May 2018, delegate to P&R the decision on the future of advice support to local people that meets budget savings for 19/20 and 20/21; including consideration of credit union services.
<b>TB08</b> Parking charges	180.0	-1.0	345.0	-3.0	527.0	-3.0	Oban on-street and off-street changes implemented as per Area Committee decision of 13th December 2017. Helensburgh decisions deferred until after completion of current TRO processes and waterfront parking strategy complete.
<b>TB09</b> Public Conveniences	10.0	0.0	24.0	0.0	24.0	0.0	No toilets closed. Progress sustainable models including turnstiles and franchising; establish simpler asset transfer process; progress update to EDI Committee by end 2018.
<b>TB13c (incorporating TB12c)</b> Combine Roads and Amenity Services teams	82.0	2.0	82.0	2.0	164.0	4.0	Take restructuring savings (4 posts); provide additional customer care and engagement resources through provision of 2 customer liaison officers for 2-year fixed term. No savings applied to service provision. Further reports to EDI Committee on future policy approach to ensure visible improvements and equity are delivered
<b>TB19</b> Transport redesign and cost reduction	71.0	1.0	81.0	1.0	91.0	1.0	Accept management review and procurement savings only; community transport grants saving not taken at this time.
<b>TOTAL SAVINGS</b>	343.0	2.0	589.1	1.0	911.1	4.0	



**APPENDIX 2C - POLICY SAVINGS OPTIONS TAKEN AS PART OF 2018/19 BUDGET**

Ref	Proposed Savings					
	2018-19 £000	Posts lost (FTE)	2019-20 £000	Posts lost (FTE)	2020-21 £000	Posts lost (FTE)
<b>TB01</b> Review central support to D&I Services	112.5	4.0	150.0	4.0	150.0	4.0
<b>TB03-1</b> Raise environmental/animal health fees to match other councils	140.0	0.0	140.0	0.0	140.0	0.0
<b>TB04-2</b> Trading Standards re-design	27.5	0.6	80.1	1.6	80.1	1.6
<b>TB06-1</b> Charging for non-statutory planning pre-application services	55.0	0.0	60.0	0.0	65.0	0.0
<b>TB06-2</b> Planning applications displayed online and not in post offices	5.0	0.0	5.0	0.0	5.0	0.0
<b>TB06-4</b> Reduce planning team leadership posts	0.0	0.0	52.0	1.0	52.0	1.0
<b>TB06-5</b> Planning technician team reduction	35.0	1.0	88.0	2.0	88.0	2.0
<b>TB06-9</b> 3% increase in charges for street names/numbering	13.0	0.0	21.6	0.0	31.6	0.0
<b>TB07</b> Create one main depot in key areas to reduce costs	16.5	0.0	115.5	0.0	172.5	0.0
<b>TB10</b> Ferry service management and cost recovery	55.0	-1.0	85.0	-1.0	110.0	-1.0
<b>TB11</b> Commercial approach to piers and harbours charging	284.0	0.0	404.0	0.0	524.0	0.0
<b>TB12a</b> Provision of enhanced funeral and burial services	-10.0	-1.0	35.0	-1.0	50.0	-1.0
<b>TB12b</b> Review charges for stadiums to enable improvement work	10.0	0.0	20.0	0.0	30.0	0.0
<b>TB13b</b> Roads & Amenity Services charging (non-statutory services)	10.0	0.0	50.0	0.0	150.0	0.0
<b>TB14</b> Waste services - increase commercial income; reduce costs of collection and disposal	-130.0	0.0	13.0	0.0	286.0	1.0
<b>TB15</b> Review existing air service contracts and pursue more commercial opportunities	80.0	-1.0	160.0	-1.0	298.0	-1.0
<b>TB16-10</b> Redesign Economic Development Service to focus on higher impact activities	0.0	0.0	57.0	1.0	218.0	4.0
<b>TB16-12</b> Remove direct funding for Visit Scotland following their shift in delivery model	91.0	0.0	91.0	0.0	91.0	0.0
<b>TB16-14</b> Remove renewable energy budget	30.0	0.0	30.0	0.0	30.0	0.0
<b>TB16-19</b> Stop membership of CPMR (Conference of Peripheral Maritime Regions)	10.0	0.0	10.0	0.0	10.0	0.0
<b>TB17</b> Identify opportunities for office rationalisation and raising income	27.5	0.0	71.5	0.0	121.5	0.0
<b>TB21</b> Cross-departmental review and restructure of design and project management teams	36.0	1.0	36.0	1.0	36.0	1.0
<b>TB23</b> Adjust janitorial staffing deployment following roll reductions in 8 schools	47.0	2.0	75.0	2.0	75.0	2.0
<b>TOTAL SAVINGS</b>	<b>945.0</b>	<b>5.6</b>	<b>1,849.7</b>	<b>9.6</b>	<b>2,813.7</b>	<b>13.6</b>

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**MINUTES of MEETING of ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE  
COMMITTEE held in the COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD  
on THURSDAY, 8 MARCH 2018**

**Present:** Councillor Roderick McCuish (Chair)

Councillor John Armour	Councillor Jean Moffat
Councillor Gordon Blair	Councillor Ellen Morton
Councillor Donald Kelly	Councillor Alastair Redman
Councillor David Kinniburgh	Councillor Alan Reid
Councillor Jim Lynch	Councillor Andrew Vennard
Councillor Donald MacMillan	

**Also Present:** Councillor Robin Currie Councillor Elaine Robertson

**Attending:** Pippa Milne, Executive Director – Development and Infrastructure Services  
Jim Smith, Head of Roads and Amenity Services  
Patricia O’Neill, Central Governance Manager  
Fergus Murray, Head of Economic Development and Strategic Transportation  
Natasha Finlay, Technical Support Officer

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Sir Jamie McGrigor, Aileen Morton and Gary Mulvaney.

**2. DECLARATIONS OF INTEREST**

There were none intimated.

**3. MINUTES**

The Minutes of the meeting of the Environment, Development and Infrastructure Committee held on 7 December 2017 were approved as a correct record.

**4. DEVELOPMENT AND INFRASTRUCTURE SERVICES PERFORMANCE  
REPORT FQ3 2017/18**

The Committee gave consideration to a report which presented the Development and Infrastructure Services departmental performance report with associated scorecards for performance in financial quarter three 2017-18 (October to December 2017).

**Decision**

The Committee noted the Development and Infrastructure Services departmental performance report and associated scorecards for performance in financial quarter three 2017-18 (October to December 2017).

(Reference: Report by Executive Director – Development and Infrastructure Services dated March 2018, submitted)

## **5. NATIONAL ROADS STRATEGIC ACTION GROUP RESPONSE TO AUDIT SCOTLAND**

Consideration was given to a report advising the Committee on the National Roads Strategic Action Group's published response to the Audit Scotland Report – Maintaining Scotland's Roads: A follow Up Report of 2016.

### **Decision**

The Environment, Development and Infrastructure Committee -

1. Noted the significant capital investment in Argyll and Bute roads of £40m over the past six years, in the context of reducing local authority funding.
2. Acknowledged that this level of investment means that the roads network in Argyll and Bute is among the fastest improving in Scotland.
3. Welcomed the additional capital investment of almost £15m in Argyll and Bute's roads network agreed unanimously at the council budget in February 2018.
4. Noted that the Leader, as outlined in her budget speech, plans to write to the Scottish Government calling for additional investment in Argyll and Bute's trunk roads network and would ask this to include:
  - Recognition of the importance of roads to the economy of Argyll and Bute, and Scotland, with regards to the whisky, renewables, timber, marine and tourism industries.
  - The urgent requirement for funding to address the additional burden on roads budgets caused by severe weather.

(Reference: Report by Executive Director – Development and Infrastructure Services dated February 2018, submitted)

## **6. FESTIVE LIGHTING UPDATE**

Consideration was given to a report which summarised the work in relation to festive lighting following on from the previous update given in September 2017.

### **Decision**

The Environment, Development and Infrastructure Committee –

1. Noted the successful delivery of festive lighting across Argyll and Bute by the council and by community groups in 2017.

2. Agreed the draft principles/template heads of terms at Appendix One to the submitted report, and delegated authority to the Head of Roads and Amenity Services to progress agreements on that basis.
3. Agreed the draft methodology for disposal of lighting assets at Appendix Two to the submitted report and delegated authority to the Head of Roads and Amenity Services to progress matters on that basis.
4. Agreed the strategy for use of any unspent funds at the end of 2018/19 outlined at 4.3.2 of the submitted report.
5. Noted that the final accounts were yet to be settled and that final figures would be reported to the Environment, Development and Infrastructure Committee in June.
6. Noted the advice of officers at paragraph 4.4 of the submitted report and agreed that costs to provide single switch-on points were prohibitive and that no further work should be done in this area, but that any future public realm projects should consider the inclusion of the required cabling improvements to enable single switch-ons as part of their overall scope, with individual decisions to be made on a case by case basis in the context of any overall future project.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 31 January 2018, submitted)

\* **7. POLICY ON INVASIVE NON-NATIVE SPECIES AND HARMFUL NATIVE PLANTS**

A report which set out the Council's responsibilities in regard to invasive non-native species and harmful native plants was given consideration. The report asked the Committee to recommend to the Council adoption of a Policy in relation to this.

**Decision**

The Environment, Development and Infrastructure Committee agreed to recommend to the Council adoption of the Policy for Control of Invasive Non-Native Plants and Injurious Native Species.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 9 February 2018, submitted)

**8. UPDATE ON TOURISM ACTIVITIES**

A report which provided the Committee with an update on recent tourism activities and achievements was given consideration with a particular focus on Argyll and Bute Council staff working in partnership with Argyll and the Isles Tourism Co-operative Ltd (AITC).

**Decision**

The Environment, Development and Infrastructure Committee noted the content of the report.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 5 February 2018, submitted)

**9. SCREEN INDUSTRIES REPORT UPDATE**

A report which provided an overview of current screen industry activity and development in Argyll and Bute was given consideration.

**Decision**

The Environment, Development and Infrastructure Committee noted the content of the report and the positive economic impacts the screen industry has had on Argyll and Bute; and congratulated the team on such effective delivery within Argyll and Bute.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 1 February 2018, submitted)

**10. ROADS CAPITAL RECONSTRUCTION PROGRAMME 2018/19**

Consideration was given to a report which provided details of the proposed roads reconstruction programme for 2018/19.

**Decision**

The Environment, Development and Infrastructure Services Committee endorsed the proposed programme of capital works for 2018/19 and agreed that details of each Area Committees programme would be forwarded to individual elected members.

(Reference: Report by Executive Director – Development and Infrastructure Services dated March 2018, submitted)

**11. ROADS AND AMENITY SERVICES - CREATING A CULTURE OF CUSTOMER CARE**

A report which updated Members on the overall aims of, and progress with, the operational project to improve customer service within Roads and Amenity Services was before the Committee for information.

**Decision**

The Environment, Development and Infrastructure Committee noted the content of the report.

(Reference: Report by Executive Director – Development and Infrastructure Services dated February 2018, submitted)

**12. RECYCLING PERFORMANCE**

A report which provided details on the Council's recycling and landfill diversion performance along with national policy, targets and regulations which were likely to impact on future performance, was before the Committee for information.

**Decision**

The Environment, Development and Infrastructure Committee noted the details as outlined in the submitted report and the national policy drivers which would likely impact over the next few years.

(Reference: Report by Executive Director – Development and infrastructure Services dated March 2018, submitted)

**13. SUSTAINABLE COMMUNITY INITIATIVES FUND**

A report which provided detail on the grants awarded from the Sustainable Community Initiatives Fund and which detailed the progress of the projects was before the Committee for information.

**Decision**

The Environment, Development and Infrastructure Committee noted the content of the report, the progress made by funded projects and the achievements of the Environmental Wardens.

(Reference: Report by Executive Director – Development and Infrastructure Services dated February 2018, submitted)

**14. ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE WORK PLAN**

The Environment, Development and Infrastructure Committee Work Plan as at March 2018 was before the Committee for information.

**Decision**

The Environment, Development and Infrastructure Committee noted the Workplan as at March 2018.

(Reference: Environment, Development and Infrastructure Committee Work Plan as at March 2018, submitted)

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**MINUTES of MEETING of COMMUNITY SERVICES COMMITTEE held in the COUNCIL  
CHAMBERS, KILMORY, LOCHGILPHEAD  
on THURSDAY, 15 MARCH 2018**

**Present:** Councillor Yvonne McNeilly (Chair)

Councillor Jim Anderson	Councillor Barbara Morgan
Councillor Rory Colville	Councillor Alan Reid
Councillor Robin Currie	Councillor Elaine Robertson
Councillor Lorna Douglas	Councillor Richard Trail
Councillor Audrey Forrest	Councillor Andrew Vennard
Councillor Kieron Green	Margaret Anderson
Councillor Graham Archibald	William Hamilton
Hardie	
Councillor Anne Horn	

**Attending:** Cleland Sneddon, Chief Executive  
Ann Marie Knowles, Acting Executive Director of Community Services  
Anne Paterson, Acting Head of Education  
Jane Fowler, Head of Improvement and HR  
Louise Connor, Education Manager  
Stephen Whiston, Head of Strategic Planning & Performance, Argyll and Bute  
Health and Social Care Partnership  
Iain Jackson, Governance and Risk Manager  
Morag Brown, Business Improvement Manager  
Superintendent Alan Gibson, Police Scotland  
James McNeill, Local Senior Officer, Scottish Fire and Rescue  
Robert Tourish, Scottish Fire and Rescue

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Mary-Jean Devon, William Shaw, Church representative, Alison Palmer, Teacher representative and Chief Superintendent Hazel Hendren.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. MINUTE**

The Minute of the Community Services Committee meeting held on 14 December 2017 was approved as a correct record.

**4. SCOTTISH FIRE AND RESCUE SERVICE - CONSULTATION; YOUR SERVICE.....YOUR VOICE**

The Scottish Fire and Rescue Service has commenced a 90 day consultation on the safe and planned future of the Service which will run until 14 May 2018. A presentation on this consultation was given by James McNeill, Local Senior Officer.

### **Decision**

The Committee agreed to note the service transformation changes and content within the public consultation report.

(Reference: Report by Chief Executive and Scottish and Fire Rescue Service Consultation on the safe and planned future of the Service dated 13 February 2018, submitted)

#### **5. SCOTTISH FIRE AND RESCUE SERVICE - ARGYLL AND BUTE PERFORMANCE REPORT FQ3 1 OCTOBER - 31 DECEMBER 2017**

A report which highlighted the Scottish Fire and Rescue's (SFRS) third quarter review of local performance within Argyll and Bute for 2017-2018 was considered.

James McNeill, Local Senior Officer, presented the detail of the report and responded to a number of questions from the Committee.

### **Decision**

The Committee reviewed and noted the contents of the report and responses to questions asked.

(Reference: Q3 2017/18 Report by Local Senior Officer, Scottish Fire and Rescue Service, submitted)

#### **6. ARGYLL AND BUTE LOCAL POLICING PLAN 2014 - 2017 - QUARTERLY REPORT Q3 2017/18**

A report by Police Scotland which provided the third quarter update in relation to the Argyll and Bute Local Policing Plan for 2017/18 was before the Committee for consideration.

Superintendent Alan Gibson gave an overview of statistics in respect of priorities going forward in 2017/18 and responded to a number of questions from the Committee.

### **Decision**

The Committee reviewed and noted the contents of the report and responses to questions asked.

(Reference: Report by Local Police Commander for Argyll and West Dunbartonshire Division, Police Scotland dated 22 January 2018, submitted)

Councillor Rory Colville joined the meeting at this point.

#### **7. THE ELECTION OF A TEACHER REPRESENTATIVE TO THE COMMUNITY SERVICES COMMITTEE**

A report updating the Committee on the appointment of 2 non-voting teaching representatives to sit on the Community Services Committee to represent the teacher workforce was considered.

**Decision**

The Committee agreed to:-

1. note the content of the report; and
2. endorse the appointment of the representatives nominated as non-voting members of the Community Services committee.

(Reference: Report by Acting Executive Director – Community Services dated 20 February 2018, submitted)

**8. PERFORMANCE REPORT FQ3 2017/18**

A report presenting the Community Service Performance Scorecard for FQ3 2017/18 was before Members for consideration.

**Decision**

The Committee reviewed and noted the departmental performance for the quarter.

(Reference: Report by Acting Executive Director – Community Services dated 22 January 2018, submitted)

**9. THE EXPANSION OF FUNDED EARLY LEARNING AND CHILDCARE IN SCOTLAND - ARGYLL AND BUTE EARLY LEARNING AND CHILDCARE DRAFT DELIVERY PLAN**

A report providing an update for Members on the progress being made by the Education Service in preparing for the proposed expansion of Early Learning and Childcare (ELC) and the implementation of 1140 hours of funding ELC in Argyll and Bute per year by 2020 was considered.

**Decision**

The Committee agreed to:-

1. note the Early Years' Service will be supported by the National ELC Improvement Service to review the Delivery Plan and Financial Template for re-submission by 2 March 2018;
2. note the progress of the 1140 hours Trials on Tiree and Tobermory;
3. note the Phasing of Funded ELC which commenced in January 2018;
4. note the positive engagement of Argyll and Bute ELC Partners as part of National consultation to shape National Quality Standards;
5. endorse the positive steps the Service has taken in implementing the early stages of the Argyll and Bute ELC Delivery Plan; and

6. request that the Acting Executive Director - Community Services bring forward progress updates in relation to the Expansion of Early Learning and Childcare to future meetings of the Community Services Committee.

(Reference: Report by Acting Executive Director - Community Services dated 21 February 2018, submitted)

## **10. NATIONAL IMPROVEMENT FRAMEWORK FOR SCOTTISH EDUCATION**

A report providing the Committee with an update on the Scottish Government's 2018 National Improvement Framework and Improvement Plan for Scottish Education and summarising the actions undertaken by the Education Service during the course of 2017 to secure educational improvement for all children and young people within Argyll and Bute was considered. The report also provided an overview of the Primary and Secondary pupils' achievement in Literacy and Numeracy for P1, P4, P7 and S3 in Argyll and Bute published by the Scottish Government on 12 December 2017 in Achievement of Curriculum for Excellence (CFE) Levels 2016/17.

### **Decision**

The Committee agreed to:-

1. note the actions that the Education Service planned and implemented in 2017 to secure educational improvement for all children and young people within Argyll and Bute;
2. note the overview of the Primary and Secondary achievement in Literacy and Numeracy for P1, P4, P7 and S3 within Argyll and Bute;
3. endorse the actions to be undertaken by the Education Service in response to the 2018 revised National Improvement Framework and Improvement Plan for Scottish Education; and
4. request that further updates on progress in implementing the National Improvement Framework are presented to a future meeting of the Community Services Committee.

(Reference: Report by Acting Executive Director – Community Services dated 15 March 2018, submitted)

## **11. CONSULTATION DETAIL AND TIMELINE FOR ARDCHATTAN AND ASHFIELD PRIMARY SCHOOLS**

On 14 December 2017, the Community Services Committee agreed that the Education Service would undertake the required preliminary consultation for both Ardchattan and Ashfield Primary schools. A report presenting an outline of the statutory responsibilities and next steps for an Authority whilst considering the possible closure of rural schools for considered.

### **Decision**

The Committee agreed to:-

1. note the background to the detail and programme to complete the preliminary consultation requirements, undertake an options appraisal, consult and prepare a proposal paper on the closure of Ardchattan and Ashfield Primary schools;
2. continue to be aware of the legislation in respect to the proposed closure of a rural school; and
3. request further updates on the progress in taking forward the statutory processes to be presented to future meetings of the Community Services Committee.

(Reference: Report by Acting Executive Director – Community Services dated 19 February 2018, submitted)

## **12. SCOTTISH ATTAINMENT CHALLENGE - PUPIL EQUITY FUNDING**

A report providing the Committee with an update on the Scottish Government Pupil Equity Funding (PEF), introduced in 2017 as a core element of the Scottish Attainment Challenge which distributed £120 million Pupil Equity Funding to schools across Scotland was considered. The report also provided an overview of the 2018 Scottish Government Pupil Equity Funding allocations for Argyll and Bute schools eligible to receive PEF funding.

Councillor Rory Colville left the meeting at this point.

### **Decision**

The Committee agreed to:-

1. note the update on the 2018 Scottish Government Pupil Equity Funding;
2. note the provision of strategic guidance at Scottish Government and Authority levels to support the implementation of the Pupil Equity Funding; and
3. request that further updates on Pupil Equity Funding are presented to a future meeting of the Community Services Committee.

(Reference: Report by Acting Executive Director – Community Services dated 13 February 2018, submitted)

## **13. INSPECTION OF THE EDUCATION FUNCTIONS OF ARGYLL AND BUTE COUNCIL (INEA)**

A report advising the Community Services Committee of the further planned inspection of the Education functions of Argyll and Bute Council and confirming the detail of the inspection programme which will evaluate the progress being made by the Authority in addressing the main points for action contained within the initial inspection report of 21 March 2017 was considered.

### **Decision**

The Committee agreed:-

1. to note the further inspection visit which is planned by Education Scotland to commence on 14 May 2018;
2. to note the timetable associated with the inspection;
3. that Education Service will submit a further summary self-evaluation summary detailing the further progress of the Council in addressing the main points for action contained within the initial published inspection report of 21 March 2017 and the subsequent report published on 7 December 2017; and
4. to request the Acting Executive Director – Community Services to bring a report confirming the outcome of the inspection to a future meeting of the Community Services Committee.

(Reference: Report by Acting Executive Director – Community Services dated 1 March 2018, submitted)

\* **14. GAELIC LANGUAGE PLAN 2018-22**

A report updating the Community Services Committee on the public consultation responses to the Argyll and Bute Council Gaelic Language Plan 2018 – 2022 was considered.

**Decision**

The Committee agreed:-

1. to note the responses made to the public consultation of the Argyll and Bute Council Gaelic Language Plan 2018 – 2022;
2. with the recommendations contained in Appendix 1 in terms of amending the final Plan as a result of consultation;
3. to recommend the finalised Plan at Appendix 2 to Council for formal approval; and
4. to recommend to Council that the Plan is submitted to Bòrd na Gàidhlig.

(Reference: Report by Executive Director – Customer Services dated February 2018, Draft Gaelic Language Plan Consultation Responses and Recommendations, and Argyll and Bute Gaelic Language Plan 2018 – 22, submitted)

**15. ARGYLL AND BUTE HSCP - NATIONAL HEALTH AND WELLBEING OUTCOMES PERFORMANCE REPORTING FRAMEWORK AND EXCEPTION REPORTING ARRANGEMENTS**

Consideration was given to a report presenting Argyll and Bute Health & Social Care Partnership's (HSCP) performance against National Health and Wellbeing Outcomes 1, 2, 3 and 4 for FQ2 and FQ3 2017/18. The Head of Strategic Planning & Performance also responded to a number of questions from the Committee.

**Decision**

The Committee:-

1. considered the HSCP performance report in line with the current national reporting requirement; and
2. noted the content of the Integration Joint Board performance scorecards for FQ2 and FQ3 2017/18.

(Reference: Report by Head of Strategic Planning & Performance, HSCP, submitted)

**16. COMMUNITY SERVICES COMMITTEE WORK PLAN 2018-19**

Consideration was given to the work plan to facilitate forward planning of reports to the Community Services Committee.

**Decision**

The Committee agreed the contents of the work plan for 2018/19.

(Reference: Community Services Committee Work Plan 2018/19, submitted)

**17. SUMMARY STATISTICS FOR SCHOOLS IN SCOTLAND**

A report providing an overview of the Summary Statistics for Schools in Scotland No. 8: 2017 Edition published on 12 December 2017 which supercedes all previously published statistics was before the Committee for information.

**Decision**

The Committee noted the contents of the report.

(Reference: Report by Acting Executive Director – Community Services dated 26 January 2018, submitted)

The Chairman, Councillor Yvonne McNeilly presented Ann Marie Knowles with a Quaich to mark her retirement. She thanked her for all her support over the last year and wished her all the best from the Committee.

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**ARGYLL AND BUTE COUNCIL****COUNCIL**

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**26<sup>th</sup> April 2018**

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**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 16<sup>th</sup> November 2017 to 31<sup>st</sup> March 2018.

**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. ARGYLL AND BUTE PARLIAMENTARY FORUM, 21<sup>st</sup> November 2017**

- 3.1 Shortly after recess last year, we wrote to all MSPs who represent the Argyll and Bute area, whether as a constituency representative or as part of the regional lists. We had a very positive cross-party response and met with several MSPs in the Scottish Parliament on 21<sup>st</sup> November 2017.

Joining us were Rhoda Grant, Donald Cameron and John Finnie from the Highlands and Islands area, plus Ross Greer and Maurice Corry from West Scotland. Dumbarton constituency MSP Jackie Baillie was also present. Michael Russell and Maree Todd, who facilitated the event, were unable to attend due to urgent ministerial and parliamentary business. However we had an opportunity to catch up with Mr Russell by telephone early in December.

We had a very positive and constructive discussion and the session allowed us to highlight the council's priorities and introduce the Rural Growth Deal. Given the time of year, the budget outlook was a key feature of our

discussions also. Everyone agreed that engagement like this was very useful and, at the time of writing, final preparations are in hand for the second Parliamentary Forum on 18<sup>th</sup> April. We're very grateful to both Michael Russell and Jackie Baillie who are facilitating the latest meeting.

#### **4. ARGYLL AND BUTE COUNCIL EXCELLENCE AWARDS**

- 4.1** It's always a pleasure to be involved in our annual Excellence and Recognition Awards. One of the priorities we agreed last September is ensuring that Argyll and Bute Council is an employer of choice. Taking steps to recognise the successes and achievements of our staff is a key part of delivering that priority.

As always the awards categories have customer service at their heart – entries must demonstrate that their efforts and innovations make a real difference to service delivery. Being part of the judging panel is always a difficult job but it's an important task and I'm always heartened and encouraged to see at each year's awards ceremony that high standards are not only maintained but enhanced and expanded. Well done to everyone involved – both the awards winners and those who put such a lot of work into arranging this annual event. The contribution you make to life in Argyll and Bute is very much appreciated.

#### **5. MEETING WITH NHS HIGHLAND LEADERSHIP, 29<sup>th</sup> November 2017**

- 5.1** It was helpful to meet with the Chair of NHS Highland, Dr David Alston, along with Robin Creelman, Chair of the Argyll and Bute Health and Social Care Partnership Integrated Joint Board, on 29<sup>th</sup> November. Maintaining positive and productive working relationships is crucial at these times of challenge for all public sector agencies. This was a general introductory meeting but we're due to meet again as soon as possible following the recent Argyll and Bute HSCP budget meeting. As the partnership's parent bodies and in the face of considerable challenges for the HSCP we have much to discuss and I will update members in more detail when the meeting has taken place.

#### **6. VISIT FROM COSLA LEADERSHIP, 30<sup>th</sup> November 2017**

- 6.1** We were delighted to welcome a familiar face to the council chamber on 30<sup>th</sup> November in the form of Sally Loudon, our former Chief Executive and now holding the same role at COSLA. She joined Councillor Alison Evison, COSLA's President, for a presentation to all members at our council meeting.



*Sally Loudon, Cllr Aileen Morton, Cllr Alison Evison, Cleland Sneddon*

In our discussions ahead of the public session, Cllr Evison recognised the challenges we face in delivering services across such a diverse mix of communities. She said that Argyll and Bute is a ‘unique example of how important local government is in Scotland today’ and added that she’d very much enjoyed the BBC television series ‘The Country Council’ – “it’s a real credit to you and a fantastic way of showcasing the huge difference that local government makes to people every single day”.

Both Sally and Cllr Evison were clear about COSLA’s wish to engage all of Scottish local government as a strong, collective voice, particularly ahead of the national Local Democracy Review which they outlined to members during their presentation.

## **7. ARGYLL AND BUTE COMMUNITY PLANNING PARTNERSHIP – FULL PARTNERSHIP, 5<sup>th</sup> December 2018**

- 7.1** The Argyll and Bute CPP Full Partnership came together in Arrochar’s Three Villages Hall on 5<sup>th</sup> December. As always this was a really positive day with a packed programme focusing on some of the key issues that we and our public and third sector colleagues are dealing with.



*Addressing a packed Three Villages Hall for the CPP Full Partnership*

This was my first Full Partnership as council Leader. We are really good at partnership working in Argyll and Bute and it's great to see that continue even in these challenging times.

I was delighted to welcome Jamie Hepburn, Minister for Employability and Training, as the keynote speaker for the day. His input was very much appreciated – especially given that many of the programme slots focused on young people, training and employment opportunities, and how we as community planning partners can work together to develop and encourage our young people into viable career paths full of potential.

It wasn't all about the young people, though – we had a really interesting slot on intergenerational perspectives on Argyll and Bute, delivered in tandem by representatives from our Youth Forum and Gray Matters. This gave everyone a real opportunity to learn something about how others see us and our communities, no matter which generation we are.

## **8. SPECIAL COSLA LEADERS, 14<sup>th</sup> December 2018**

- 8.1** For all Scottish councils December is inevitably dominated by one matter – the local government settlement announcement. This was therefore the focus for the special COSLA Leaders meeting held on 14<sup>th</sup> December. As well as a verbal update on the national picture, there was also a discussion on teachers' pay negotiations. Both items were taken in private session, which means I cannot report on them fully here, but colleagues will be aware that both matters shifted and evolved significantly over the course of December, January and February. Pay negotiations for all local government employees remain very much in focus at the time of writing.

## **9. HIGHLANDS AND ISLANDS AIRPORTS LTD – 9<sup>th</sup> January 2018**

- 9.1** Highlands and Islands Airports Ltd (HIAL) made changes to its Air Traffic Management Strategy and, during January, its Chair and Chief Executive engaged with council Leaders to outline the strategy, the future of HIAL and to explore collective aspirations for aviation in the Highlands and Islands. We had a conference call with Lorna Jack, Chair and Inglis Lyon, CEX, on 9<sup>th</sup> January.

While the amended strategy itself is unlikely to have any significant impact on operations within Argyll and Bute, this was a useful opportunity to engage with HIAL and build relationships. We have clear ambitions for Oban airport which can play a significant role in air transport within the region and this provided a chance to highlight its strengths and the contribution it can make.

## **10. COSLA LEADERS, 26<sup>TH</sup> January 2018**

- 10.1** Before reporting in detail on the COSLA Leaders meeting of 26<sup>th</sup> January, it's worth noting that a number of planned meetings in January had to be rescheduled due to severe weather, not only here in Argyll and Bute but elsewhere in the country.

January was also dominated by budget planning, building on the settlement news received in December and responding to a very rapidly changing situation.

When COSLA Leaders met late in January we discussed the following matters:

- Planning Bill – performance of Planning Authorities
- Unaccompanied Asylum Seeking Children – National Transfer Scheme
- Local Government Pay Claims 2018/19
- Distribution
- Business Gateway Governance Board
- National Care Home Contract
- Local Government Settlement 2018/19
- Education Bill Consultation Response
- Leaders Priorities Update

The full reports, along with the briefings provided by our officers, can be read in the Leader's Report Pack.

## 11. AB AWARDS – 31<sup>st</sup> January 2018, Helensburgh

- 11.1 2018 is the Year of Young People in Scotland, and celebrating the success of our young people really was the ideal way to start that off, with the AB Awards in January. It's really important to mark the contribution that young people make to life in our communities. We really do have young people to be proud of in Argyll and Bute, and I was honoured and delighted to be asked to present one of the awards and to celebrate their hard work, commitment, achievements and success. Well done to all our young people who took part in this year's event.

## 12. MEETING WITH LORD IAN DUNCAN, 2<sup>nd</sup> February 2018

- 12.1 We have been working on a Rural Growth Deal for Argyll and Bute since 2016 and we have been clear that securing this in 2018 is an absolute priority for us. Our officers continue to engage with their civil servant counterparts at both the Scottish and UK governments and this has been backed up by political meetings too.

We were delighted to welcome Lord Ian Duncan of Springbank, the Parliamentary Under Secretary of State at the Scotland Office, to Oban on 2<sup>nd</sup> February to take forward the next steps in our discussions with the UK Government. This is the first opportunity we've had to meet with Lord Duncan since he took up post. He showed a keen interest in our ambitions and proposals to secure this potentially transformative outcome for our area, and we will be having further discussions with him later in the year as our plans progress and take shape. Momentum on this is very much stepping up apace and members will have the chance to hear more about the Rural Growth Deal at a special members seminar in May, with a report coming to Policy and Resources Committee later that month.



*With Lord Ian Duncan and Depute Leader Gary Mulvaney in Oban*

This meeting also offered an opportunity to show Lord Duncan the new pontoon facility installed in Oban bay, and it was also the first airing for the new Oban North Pier Building. This is a wonderful new facility which really complements the rest of the pier offer and cements Oban's place as one of the most important Scottish west coast sailing destinations.

### **13. ARGYLL AND BUTE COUNCIL BUDGET – February 2018**

- 13.1** The lead-up from the New Year to the council meeting on 22<sup>nd</sup> February was almost entirely focused on budget preparations.

This is hard work for everyone and this year that effort paid off with a unanimously agreed budget for the first time in a number of years. I am encouraged that, working together, we all managed to achieve this. This year's budget threatened to be very difficult, yet turned out to be perhaps not quite as bad as feared – but it was still a very, very challenging budget. We all know that there are, inevitably, greater challenges ahead.

That said, we have, with our budget, managed to secure investment in the areas which matter most to our communities, like roads; protect jobs as much as possible; and, while we could not avoid taking savings, we have looked for ways to mitigate impact as much as possible.

Following our budget decision to invest almost £15m in roads over the next two years, I have written to Humza Yousaf in relation to finding solutions to other key transport issues which affect Argyll and Bute – our significant investment will have a considerable impact but there are other matters to be addressed in keeping Argyll and Bute connected, viable and thriving. These include the need for investment in the lifeline A83, A82 and A85 trunk routes, rail and ferry services. Investment in our transport systems is vital to stimulate further growth in Argyll and Bute especially given our contribution to the national tourism and high value food and drink export economy. I am pressing for a meeting with Mr Yousaf in the very near future to discuss these issues.

### **14. COSLA LEADERS, 23<sup>rd</sup> February 2018**

- 14.1** It doesn't take long to get back to business after the budget and this year has been no exception with a COSLA Leaders meeting the very next day.

The agenda items are noted below and, as usual, all reports and related briefings can be viewed in the Leader's Report Pack:

- Local Taxation
- Electoral Reform
- Planning Update

- COSLA Communications Strategy Update
- Equal Pay
- National Care Home Contract
- Local Government Settlement 18/19
- National Performance Framework

## **15. CONVENTION OF THE HIGHLANDS AND ISLANDS, 12<sup>th</sup> March 2018**

**15.1** It was the turn of North Ayrshire Council to host the Spring COHI, with this session taking place in Millport, Isle of Cumbrae.

This also afforded an opportunity for a brief, informal meeting of the Islands Strategic Group members with Humza Yousaf, given the forthcoming discussions on the Islands (Scotland) Bill.

The draft outcomes for COHI have just been provided to us and, while these are still at a draft stage, they are noted below for your interest:

### **Outcome 1 – Housing**

CoHI members agreed that each Local Authority would ensure mid-market rent opportunities are highlighted in Strategic Housing Investment Plans submitted to Scottish Government to further develop opportunities for key worker accommodation across the CoHI area.

CoHI members also agreed there is a need for there to be a real understanding between Scottish Government and local authorities to allow a cohesive approach to planning to be developed in relation to the steps necessary to accelerate investment.

Community Planning Partnerships should identify exact local need and potential models with SG. Local Authorities will also consider available Public sector owned land and the use of CPO powers and other potential planning issues to secure land for housing and develop new housing pilots.

### **Outcome 2 – Digital**

CoHI members welcomed the ambition, nature and scale of the Scottish Government's R100 and 4G Infill Programmes and the achievements secured in part by CoHI joint working. Members reaffirmed the rationale for continuous improvement through further, faster, integrated and innovative national and local developments and that progress would be best served by further collaborative working - including HIE participation in the rollout of R100 - and regular review in this forum with a focus on the issue of future proofing.

Bi-lateral meetings between Scottish Government and each local authority will be arranged to address identified and differentiated local challenges. SG to explore potential of leveraging the Scottish Wide Area Network (SWAN) infrastructure



serving schools and other public buildings. UK Government Ministers and the CEO of Ofcom will be invited to attend the next CoHI meeting to seek to further enhance joint working. This would provide an opportunity to reaffirm the importance of continuing and proportionate investment by UK Government in addition to the funding provided by Scottish Government to R100. In advance of that next meeting, local authority Leaders and Ministers will urgently prepare and send a letter to the UK Government to make a persuasive case on funding.

### **Outcome 3 – GFG Alliance Lochaber**

CoHI members asked for an exploration into areas of engagement which can be made between CoHI and the Lochaber Delivery Group (for example regarding Oban airport) to learn lessons from the GFG Alliance experience in Fort William and to maximise the strategic economic opportunities within the wider Highlands and Islands.

Members recognised the value and impact of those co-ordinated actions and endorsed the ambition of applying that model in a proactive way to other strategic opportunities in the Highlands & Islands. Members agreed to reflect on what those opportunities might be, for discussion at the next CoHI. HIE will provide a paper setting out some suggestions for discussion built around assets and opportunities.

### **Outcome 4 – Air traffic control**

CoHI members welcomed the HIAL presentation and highlighted the importance of responding to real or perceived concerns about the centralisation, safety and resilience of the ATC modernisation proposal scheduled for implementation in 2028. HIAL provided reassurance that a new system could only be introduced with the agreement of the CAA who would require certain levels of resilience to be built in. HIAL would continue to keep local authorities informed as the modernisation programme progresses and made clear that it would be business as usual in the meantime.

## **16. NATIONAL VOLUNTEERING CONFERENCE, 16<sup>th</sup> March 2018**

- 16.1** Volunteering in Scotland is generally on the decline – but Argyll and Bute is bucking that trend, with volunteers on the increase across the area. That's why we were the natural choice to host a national conference on volunteering in partnership with the Improvement Service.

Turning Volunteer Participation Upside Down took place in Helensburgh's Victoria Halls on 16<sup>th</sup> March and was a great opportunity to come together and explore the value of volunteering, how it can make a difference and how we can increase participation in the future for everyone's benefit.

We will be hearing more about this in the future and the Chief Executive, who is leading on this, will bring a report to council in due course.

## **17. COSLA CONVENTION AND SPECIAL LEADERS, 23<sup>rd</sup> March 2018**

**17.1** Renfrewshire Council were the hosts for COSLA Convention and a special COSLA Leaders Meeting on 23<sup>rd</sup> March.

After hearing a little about some of Renfrewshire Council's current activities, including its community engagement efforts, we enjoyed a presentation about the Scottish Youth Parliament and ways that young people can, do and want to participate in local democracy – very apt for the Year of Young People.

I had an opportunity to ask a members' question during Convention, relating to the differing terms and conditions applying to NHS and council staff within Health and Social Care Partnerships.

Other agenda items were:

- COSLA Progress Update and reports from Presidential Team and spokespeople
- COSLA Budget 2018/19
- Councillors Code of Conduct
- Right to Local Self Government – Members Bill

The Special Leaders agenda items were Pay Claims 2018/19 and Early Learning and Childcare Consultation, both taken in private session.

## **18. INDUSTRY AND REGIONAL DEVELOPMENT SOUNDING BOARD, 26<sup>th</sup> March**

**18.1** The Industry and Regional Development Sounding Board met for the second time on 26<sup>th</sup> March 2018. We were delighted to welcome industry representatives from a range of sectors significant to Argyll and Bute, including forestry, farming, fisheries and tourism. Also joining us was Michael Russell MSP, Minister for Negotiations on Scotland's Place in Europe, and it was really helpful to hear from him about the current position on Brexit negotiations and the potential outcomes. While this is a developing situation, it was useful to come together like this, particularly with industry reps, in order that we can work together to make the most of any opportunities that arise through Brexit as well as dealing with challenges like population levels and recruitment, among others.

## **19. POLICY LEAD FOR ECONOMIC DEVELOPMENT UPDATE**

**19.1 Enterprise and Skills Support for Argyll and Bute:** One of the priorities we agreed as a council was to lobby for Argyll and Bute to be served by a single enterprise agency, with HIE taking on responsibility for the whole of the area. Colleagues will recall from a previous Leader's Report that I wrote

to Keith Brown, Cabinet Secretary for Economy, Jobs and Fair Work about this and therefore, with his agreement, we arranged an initial meeting with Scottish Enterprise in January.

SE currently provide enterprise and skills support to the Helensburgh and Lomond area and, while there is still a significant degree of discussion and negotiation to do in order to fully deliver on this particular priority, this initial meeting was positive and productive. Our officers continue to liaise with colleagues in both SE and HIE and the matter also features on the agenda for the second Parliamentary Forum, mentioned earlier in this report. Work is ongoing and discussions on this continue at all relevant levels.

- 19.2 COSLA Environment and Economy Board:** The COSLA EE Board was due to meet on 2<sup>nd</sup> March but this was postponed due to a further spell severe weather impacting on travel arrangements. Some agenda items required immediate feedback by email. This included the Proposed Restricted Roads (20mph Limit) (Scotland) Bill – a 20mph limit for built-up areas.

While we agree in principle that a shift from 30mph to 20mph will improve environment, road safety and health, there are a number of other issues to address when considering this from Argyll and Bute's perspective. These include the definition of a 'built-up' area – some villages on A and B class roads could be considered through routes and therefore outwith scope of the proposal. A lead-in period would be required and, where effective enforcement would require police input, alternatives should be explored.

There will also be costs involved in providing additional signage and, potentially, other traffic management measures to ensure compliance, and we would want to see extra resources allocated to councils to cover this.

We also fed back to COSLA our agreement with its position on Crown Estate pilots and bill, Fairer Scotland Duty draft interim guidance, Business Gateway Data Sharing and the Islands Bill. These papers and associated briefings can be viewed in the Leader's Report pack.

- 19.3 Rural Growth Deal:** We indicated in the priorities agreed by council that securing Argyll and Bute's Rural Growth Deal in 2018 is an absolute priority. Work on this continues to progress apace.

On 22<sup>nd</sup> November 2017 I was able to attend, as an observer, a meeting between our officers and civil servants where they discussed how to shape and refine our deal in line with the policy direction of both the Scottish and UK Governments. It was useful and helpful to be able to observe this session.

The Depute Leader and I met with our own officers again in March to have an update on progress and to confirm the timeline for progressing the deal that we want to see for Argyll and Bute.

Officers are currently finalising draft details for the proposed growth deal vision and themes, projects that will be included in our deal, a communication plan and other associated information for proposed sign off at the P&R Committee meeting in May. In advance of this, there is a members seminar on 14<sup>th</sup> May to update all councillors on progress and allow them to provide comment.

Next steps are, as mentioned earlier in the report, to arrange further meetings with representatives from the Scottish/UK Governments and Transport Scotland with a view to submitting a draft deal to both governments in time for this to be considered in their 2018 budgets (October/November 2018).

Argyll and Bute's Rural Growth Deal will also feature at the parliamentary forum on 18<sup>th</sup> April.

**19.4 Building Standards Workshop:** Our Building Standards service held a stakeholders' workshop on 22<sup>nd</sup> November in Helensburgh. This was a really useful session – as well as hearing more about the service and its activities, it was also very encouraging to hear positive comments from local businesses who have had help and guidance from Building Standards. This is another example of how all council services can and do make a positive contribution to a thriving, successful Argyll and Bute economy.

The day also offered an opportunity to congratulate Building Standards on retaining their Customer Service Excellence accreditation – they are one of several council services who have achieved this and it's no surprise that they have continued to build on their standards and drive forward excellence and improvement.

**19.5 Islands Transport Forum:** This meeting, originally due to take place in January, was rescheduled for 28<sup>th</sup> March 2018 as a result of severe weather. Along with Jim Smith, our Head of Roads and Amenity Services, I attended the forum by conference call. Agenda items were:

- National Transport Strategy review – update
- Brexit issues
- HITRANS report on Mobility as a Service – Island Project Opportunities
- Paper from HITRANS on Low Carbon Transport and Travel ERDF
- Comhairle nan Eilean Siar report on Audit Scotland – Transport Scotland's Ferry Services

- Report from Comhairle nan Eilean Siar on HIAL Air Traffic Management 2030 Strategy

The previous day, 27<sup>th</sup> March, saw the Argyll Islands Strategic Group meeting in Kilmory and I know the Policy Lead for Communities, Housing, Gaelic and Islands will be covering this in his update. At the AISG we discussed a number of similar issues including the Audit Scotland ferries report, the latest position on the Islands (Scotland) Bill and an update report on the fuel poverty consultation. It was helpful to have had these discussions from an Argyll and Bute perspective ahead of feeding into the national forum discussions.

**19.6 Oban as a University Town (OaUT):** The Oban As A University Town launch event took place on 1st March 2018. This was a very successful evening despite the weather and it is hoped that momentum on this important project gains traction. It was with real regret that, due to weather conditions, I was unable to attend at short notice. Sincere thanks go to Elaine Robertson, OLI Area Chair, who represented the council officially on the day. Elaine is a real ambassador for Oban and is very passionate about seeing success for OaUT.

**19.7 Digital Connectivity:** This remains a key priority for us and I will be discussing digital connectivity with Fergus Ewing, Cabinet Secretary for Rural Economy and Connectivity, on 18<sup>th</sup> April after the parliamentary forum. Our officers are finalising a briefing note in preparation for this meeting and I will be happy to provide that for members if they wish.

**Broadband:** The most recent update shows that by early March, 88.5% of premises in Argyll and Bute are connected to the fibre network, with just over 80% able to access speeds higher than 24Mbps. Only 11.5% of premises remain with standard ADSL service.

The R100 procurement process has commenced – this is a crucial project for Argyll and Bute. At the time of writing commercial confidentiality means that available detail is limited, and the procurement process is not expected to be complete until the end of the year, so it is likely to be 2019 before any substantial updates are available.

**Mobile:** Site upgrade work continues across Argyll and Bute and consequently coverage has improved in several communities.

Work on the EE and Emergency Services Network (ESN) continues to progress. There are also Home Office plans for a network of masts to supplement the ESN. Seventeen of these are in Argyll and Bute – to include seven new masts and the remainder site-sharing or using existing Airwave masts.

## **20. CONCLUSION**

**20.1** 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.

## **21. IMPLICATIONS**

**21.1 Policy - None**

**21.2 Financial – None**

**21.3 Legal – None**

**21.4 HR – None**

**21.5 Equalities – None**

**21.6 Risk – None**

**21.7 Customer Service – None**

**Councillor Aileen Morton**

**Leader, Argyll and Bute Council and Policy Lead for Economic Development**

**10<sup>th</sup> April 2018**

**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](mailto:aileen.mcnicol@argyll-bute.gov.uk)**

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**ARGYLL AND BUTE COUNCIL****COUNCIL**

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**26<sup>th</sup> April 2018**

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**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 all members are informed, up-to-date and able to engage with current issues.

Please note that 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, Policy Lead for Strategic Finance and Policy Lead for Capital Regeneration since December 2017 to date. I have held regular 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 for Q3; finalisation of the Medium to Long Term Financial Strategy for the Council as well as the preparation of the budget 2018/19. The council unanimously agreed the Administration's budget proposals in February and officers will implement the budget decisions and policy saving along with the management/operational savings previously agreed.

The focus for the next few months will be further development of the capital prioritisation process within the One Council model agreed by council. There will of course be a lot of work as the department prepares the draft year-end and statutory accounts for 2017/18.

### **3.3 Capital Regeneration:**

#### Oban Maritime Visitors' Centre

This officially opened on Friday 6 April. The centre is part of an overall £3.1 million CHORD investment in Oban and provides a dedicated changing area with toilets, showers and lockers, a harbourmaster's office, as well as a commercial space on the ground floor for rent. Our small officer team led by Kirsteen MacDonald, working with TSL Contractors, have delivered an excellent facility for both marine tourism in the west coast and the important and growing cruise ship market.

#### Oban North Pier Pontoons

The tender to fix the issues with the north face wall failed to produce a viable bid. As a result we are going to proceed with the small works to the railings, signage, copes, and poles over the next month.

#### Helensburgh Waterfront Development

Since the project start, I have initiated a monthly 'quad' meeting involving me as the Policy Lead along with the Area Chair, Vice Chair and Chair of Live Argyll to ensure information affecting this development is being effectively shared and cascaded. I have also attended local community council meetings to offer an input where required. Currently this project is at the mid-point of the PAC process (pre-application consultation) with one open public consultation event already having taken place. That event was well attended with over 200 people attending and having the opportunity to speak to the design team and provide some comments/suggestions. Initial indications are that the public are supportive of the exterior design, its location, and the general internal layout. There will be two further public events within the PAC timetable and the Area Committee have agreed a special meeting (30 May) to finally approve the design and submission for planning consent.

#### Dunoon Queens Hall

Construction works began in January 2017 and the project is now in the final stages of construction, with the building due to be made available for fitting out from the beginning of June.

The fit out is being taken forward by the Council's CHORD Team in partnership with Live Argyll and will include providing the necessary equipment etc for: the children's soft play facility; the new public library; the fitness and training suites; the main kitchen, café and bar; as well as general office and meeting room furniture.



The public realm works have seen a major re-design of the road layout at the key junction of Alexandra Parade, Pier Esplanade and Argyll Street to provide a much more pedestrian friendly environment.

Following completion of the fit out exercise the refurbished building will be re-opened for public use with a number of planned events e.g. ABBA Mania (28 July), the Proclaimers (3 August) and Dunoon Mod 2018 (12 – 20 October) showcasing what is set to be a fantastic new addition to life in Dunoon, both as a leisure facility for local people, and a boost for the local economy as an events venue and visitor attraction. The commercial position will be reported to Policy and Resources in May.

#### Rothesay Pavilion

The contractor, CBC Ltd, started on site in November 2017 with a projected completion date of July 2019. The work is currently on programme and budget. Current works include the demolition of non-load bearing walls, foundation and floor strengthening. Forthcoming works will include a liquid roof application; stone washing trial in advance of replacement/repairs; replacement of roof lights; and windows replacement.

Funds are now being drawn down from the various funding partners. The pavilion charity were successful with a recent application to the West Coast Foundation and were awarded £116,957. They have now raised £131,757 against their target of £400,000. They have made two other funding applications with one more to come in May which will hopefully get them to their target.

Finally my thanks go to Peter MacDonald for all his work on the project – he has secured a permanent post with HIE and will leave the council on May 4<sup>th</sup> and we wish him well. John Gordon will manage this project until the advertised vacancy is filled.

- 3.4 Depute Leader Update:** I continue to meet regularly with the Leader, the Chief Executive and other officers in terms of this role, covering a wide range of subjects. In early February I joined the Leader in welcoming Lord Duncan to Argyll and Bute with a specially arranged meeting in Oban – we were able to showcase the strengths and opportunities this area offers which could be exploited from a rural deal.

#### 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 6<sup>th</sup> March and 3<sup>rd</sup> April 2018. These meetings serve as a useful forum to discuss any issues and to brief me on any Corporate Services-related matters.

**4.2 Volunteering Conference:** I was invited to attend the “Turning Volunteer Participation Upside Down” event, in the Victoria Halls, Helensburgh on 16 March 2018. As part of the Improvement Service’s Leading Practice Conference Programme the Council, together with Volunteer Scotland and the Argyll and Bute Third Sector Interface, joined the Improvement Service to explore how volunteers and the public sector can collectively improve outcomes for our communities.

One of the main reasons for calling the conference is that there has been a national decline in volunteering, however it is evident that volunteering is on the increase in Argyll and Bute, which is encouraging. A range of volunteers and volunteer coordinators were interviewed in advance of the event and short videos of their personal experiences were shown at the conference to ensure that their voice was heard. There are some great examples of volunteering within the Council and I am keen to see how we can build on this. Officers are currently in the process of reviewing the Council’s guidance and supporting documentation in support of volunteering and look forward to the details of this coming forward in due course.

#### **4.3 Customer and Support Services:**

##### Action on Poverty

The Child Poverty (Scotland) Act 2017 received Royal Assent on 18<sup>th</sup> December 2017. The Act requires Scottish Ministers to prepare 4 yearly delivery plans, the first covering 1 April 2018 to 31 March 2022. Amongst other matters these must set out the measures they propose to take to support local authorities to consider the automatic payment of benefits and support, and for setting the amount of revenue support grant payable to each local authority to ensure that resources are directed for the purpose of contributing to the meeting of child poverty targets.

Local authorities are required, along with the local Health Board, to publish jointly an annual local child poverty action report. This must set out the measures taken by each during the preceding year to contribute to the targets and the measures proposed for the future. A draft Anti-Poverty Strategy and associated plan has been drafted by Officers and the work required to meet the requirements of the Act is being co-ordinated through the Welfare Reform Working Group, which is chaired by the Head of Customer and Support Services. The draft strategy and action plan will be

brought to Committee for consideration and approval early in the new financial year.

#### Local Tax Collections

Tax collections for 2017/18 as at the end of February are 94.78%, up 0.29% on the previous year at this time.

Collections for 2016/17 are now 96.46% and this is down by 0.24% 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 February are 97.56%, up 0.33% on the previous year at this time. I am pleased to report that collections have recovered following the late addition of shooting rights at the start of October.

#### Scottish Welfare Fund (SWF)

The programme funding for 2017/18 is £420,189. As at the end of February, £368,819 had been spent, which is 4.2% 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. Programme funding has been announced for 2018/19 and is £438,720 – an increase of 4.4%. This is due to a change in distribution which is now more closely linked to deprivation levels. The increase is very welcome as we are expecting a big increase in crisis grant claims once we go live with Universal Credit Full Service.

It is expected that a report will come to Policy and Resources in May to carry forward the £18,595 previously earmarked for 2017/18 into 2018/19 to utilise for bank tutors to help deliver the Council's commitment to providing Digital Inclusion training for claimants who will be required to sign up for Universal Credit online.

#### Discretionary Housing Payments (DHPs) and benefit cap

The confirmed funding to date for DHPs for 2017/18 is £641,772. At the end of February the Council has paid and committed £601,143, 86.4% of which is for under-occupancy cases. We have made 1245 awards out of 1430 determinations and have 52 applications awaiting processing or further information.

There has been an increase in the demand for DHPs in 2017/18 as a result of the implementation of the Benefit Cap in November 2016. Around 24 families are affected by the benefit cap in our area.

Customer Service Centre (CSC)

The call abandon rate for February was 5.4%, well below the target of 7.5%. The resolved at first point of contact was 91.6% against a target of 91%. The Voice automated switchboard successfully routed 80.2% of calls against a target of 78%.

Mhairi Renton, our CSC Manager retired at Easter after nearly 38 years of service. Thanks go to Mhairi for her very valued contributions to Customer Service over the years.

**4.4 Improvement and HR:**

Health and Wellbeing Survey

The Council issued a health and wellbeing survey to all employees, including those in the Health and Social Care Partnership. As an employer, it is important to find out what issues our employees are facing day to day that may impact on their health and wellbeing. For the Council to deliver quality services, we need a workforce that is healthy and present at their work. The response rate to the survey was good, with over 1000 employees taking part. The data is now being analysed and a detailed report will be presented to the HR Board in May and thereafter to members.

Electronic Payslips

As part of savings being made in HROD, we have been moving steadily towards the removal of paper payslips for employees. As well as saving on printing costs, this is in line with our 'Do It Digital' approach to business. This has been in place for office based employees for 2 years now and, from April 2018 will be extended to all employees. The team has been working with managers and with our colleagues in the Trade Unions to ensure that all employees are supported to access their payslips online and have received appropriate training. We will now move to piloting online payslips for elected members.

- 4.5 Defibrillator for Kilmory:** I am pleased to advise that, following my request to officers to look at the possibility of having a defibrillator installed in Kilmory, there is now one in place across from the council Chamber. This is a welcome addition to the building and the relevant first aiders have been trained on its use.

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

- 5.1 Visits and Meetings:** As Vice-Chair of the Argyll and Bute Integration Joint Board (IJB) I attended IJB meetings on 31 January and 28 March. As a member of the IJB Strategic Planning, Clinical and Care Governance, and Audit Committees, and the Quality and Finance Board I have also attended these. This included meeting Chairs and Vice Chairs of Locality Planning

Groups (LPGs) on 16 March to find out what their views were on their position within the Health and Social Care Partnership (HSCP).

I have continued to participate in the IJB Chairs and Vice Chairs network which brings together 62 individuals from across Scotland. The latest meeting was on 11 December, where given the size of the network it was decided to form a smaller IJB Chairs and Vice Chairs Executive Group with 10 representatives. Both Robin Creelman (Chair of the Argyll and Bute IJB) and I were selected to join this, and the Executive has now met several times. I have been elected Vice Chair of the Executive and in this capacity I attended the Ministerial Strategic Group (MSG) for Health and Social Care on 21 March. Meetings of the Network and Executive will continue in order to be able to share experiences and present common issues and concerns to government.

As a member of the COSLA Health and Social Care Board I attended meetings of this on 1 December, 9 February and 6 April, and was one of the representatives of the board at meetings with the Scottish Government on 24 November and 26 January. If members would like more detail on the agenda items and our officer briefings, please contact Leadership Support.

Unfortunately due to poor weather the planned Health Regional Engagement Event on 1 March did not go ahead however I continue to keep abreast of the issues arising from this and potential impacts on services within Argyll and Bute.

I have visited a number of HSCP services – including the Lochgilphead and Woodlands Learning Disability Resource Centres, the new extra care housing at Lorne Campbell Court, Campbeltown Hospital and the new Succoth Ward in the Mid Argyll Community Hospital.

I have also attended public meetings about the new GP contract, the introduction of community teams, and the impact on health and social care of Britain exiting the European Union.

- 5.2 Adult Services:** Residents have been moved out of Clydeview Care Home in Cardross following concerns which had been present for some time regarding the establishment. A moratorium on admissions had been in place for 4 months, with support offered from a wide range of professionals including social work, district nursing and GPs. Unfortunately progress was not being made even after a formal Improvement Notice was issued by the Care Inspectorate on 9 March. The facility owners took the decision to close Clydeview on 29 March. The HSCP will be continuing to monitor the former residents and review their experience, and in addition are conducting a Large Scale Investigation in accordance with the Adult Support and Protection procedures.

Ardnahein Care Home in Dunoon was served an Improvement Notice by the Care Inspectorate with significant progress required by the end of April. This followed an inspection which resulted in grades, which had historically been good, being reduced to the lowest possible for all categories in February. A moratorium is in place and the home has appointed a new manager. This situation is being very closely monitored and appropriate support is being provided. To date sufficient progress appears to be being made with regards to all of the notice requirements.

A new palliative care area is being developed at the Victoria Hospital in Rothesay with support and fundraising from local businesses and a grant of over £10,000 from MacMillan Cancer Support. This will accommodate both the people receiving care as well as family members.

Work continues in Oban, Lorn and the Isles to develop Community Teams which will bring together a range of health and social care professionals. Road shows have taken place throughout the area to inform communities of these developments.

Delayed discharges remain an issue in Lorn and the Islands Hospital with home care capacity still a restriction, and discussions are ongoing regarding commissioning increased provision.

A further successful workshop was held on Mull to develop a GP practice there, with the HSCP working with communities to develop innovative ideas for recruitment.

Residents have now moved from the former Auchinlee Care Home to the new supported and progressive care environment in Lorn Campbell Court.

**5.3 Children and Families:** Christina West is replacing Ann Marie Knowles as chair of the Children and Young Person's Strategic Planning Group.

Who Cares Scotland led a training session for the Children's Champions at the most recent meeting of the Corporate Parenting Board.

The Care Inspectorate have indicated that we are likely to be inspected during FQ 2 or FQ3 of 2018. There is no specific date as the methodology for the inspection is still being finalised.

A foster carer's Development Day was held on 24 March.

**5.4 Planning:** The department is progressing a number of streams of work including supporting the implementation of the new GP Contract and using the "Near Me" video conference service. Scottish Government waiting times

initiative funding has been used to reduce pressure within the ophthalmology and dermatology services.

Telecare and Telehealth services across the HSCP are being enhanced and managed as a single service within the planning department. This will include using council and government funding to transfer of 200 telecare users from analogue to digital services. A further £250,000 has been identified to be invested in the service providing additional telecare outreach workers, a nurse, and a support officer for the on line psychological therapy service.

There is now a secure virtual network connection *VRF* between council and NHS systems with upgrades network infrastructure to follow by the end of May. Over coming months the *Orion* portal system to allow securing viewing of patient and client records across health and care systems in Argyll and Bute and into NHS Greater Glasgow and Clyde will be in place and migration of community nursing and allied health professional records to the council owned *Carefirst* system will be completed.

A business case being developed this year to upgrade *Carefirst* to the next generation of software *Eclipse*. This will enable mobile working for all staff, enhancing asset utilisation and staff productivity with enhanced value for money and potentially producing a cost saving.

- 5.5 Finance:** At the IJB meeting on 28 March changes to services were approved that will deliver £3.0m worth of additional savings on top of £7.7m previously agreed. This leaves a remaining budget gap of £2.4m for 2018-19 with further proposals to address this to be brought before IJB in May. A Quality and Finance Plan for 2019-21 will be developed alongside the next iteration of the Strategic Plan.

## **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.

At the time of writing the next regional transport partnership meeting with HITrans was due to take place in Dunoon on the evening of 19<sup>th</sup> April and during the day on 20<sup>th</sup> April. This will provide an opportunity to showcase this particular part of Argyll and Bute.

The partnership authorities in the Northern Roads Collaboration (NRC) have now all got approval from their respective council committees to formally join the NRC. Its first formal meeting will take place in Aberdeen on 18<sup>th</sup> May.

- 6.2 Service response to winter:** The winter storm that hit parts of central belt and affected Bute, the Southern part of Cowal and the southern part of Helensburgh and Lomond. Roads and Amenity staff worked with other Council departments, the NHS, blue light services and communities/individuals to respond to the challenges that the weather conditions had imposed. Overall the response was well coordinated and well received by the communities across our area. The teams have received a number of thank yous and compliments including a personal letter from the MP.

This winter has had a number of snow events and has seen an increase in winter activity, salt use and treatment runs. Understandably, this has seen this part of the service exceed in the available budget, due to the severity of the winter. A report on this is due to come to Policy and Resources in due course.

- 6.3 Creating a Culture of Customer Care:** A project was initiated in the spring of 2017 by the Head of Roads and Amenity Services (RAS) to address the issue of demand being greater than capacity and to find solutions which would make the best use of existing frameworks, automation and systems, as well as streamlining processes, to provide an effective overall customer service solution.

Significant work has been ongoing across the Roads and Amenity and the Customer Service Centre (CSC) to find optimal solutions for the high volume/high impact categories of customer contact.

Some highlights to date include: better provision of proactive information in relation to bin collections which has seen a marked reduction in contacts to the Council; availability of weather stations cameras on the website (second most popular page), allowing people to plan journeys in winter, with no need to contact the Council; a changed process for ordering food waste bin liners in Helensburgh and Lomond which makes it easier for customers and significantly reduces admin for the service.

Other improvements in the pipeline include integration between the roads works management system and the customer service system to allow automatic updates to enquiries; improvements to the missed bin reporting process allowing more enquiries to be dealt with first time.



The work on high impact products should conclude in early course, with further scoping and improvement works required for other types of contact.

- 6.4 Capital programme and what members can expect to get from this:** Additional capital funding was allocated at the February Budget meeting. This now means that we are able to invest in roads infrastructure at a level which exceeds the standstill position.

The draft programme was presented the EDI Committee on 8<sup>th</sup> March 2018 following which there has been some minor amendments and the final programme issued to all Elected Members for information.

This programme has been designed using the Road Condition Index (RCI) which is produced by a national road condition survey. This survey information is used by officers to determine a programme. In addition to the RCI data, information such as road traffic collisions, known development, activities such as timber harvesting and a skid condition (of the carriageways surface) which is measured by a separate survey are also considered together with information brought from Elected Members, community groups and stakeholders. This information is considered at officer level when appropriate engineering judgement is also applied to ensure that maximum benefit can be derived from the available investment.

- 6.5 Transformation – merging operational teams and creating the HUB:** As part of ongoing transformation work, the Roads and Amenity operations teams will merge as one. This will see a single operations team in place across all the areas but with specialist skills being retained and used wherever possible. This will provide more resilience to what has been a reducing workforce over a number of years, enabling the best response to be provided for day to day activities and also exceptional events such as the recent winter conditions. As part of this transformation package, the control hub will be formed. This will enable programming and coordination of all works to be carried out in one place, making better use of the existing systems to provide an efficient and effective service. The focus of the hub and the operations team will be closely linked to the customer care project mentioned earlier.

- 6.6 Three Weekly Collections across 48,000+ households:** The three weekly collections have been in place for just over 12 months across the whole Council area, we are now benefitting from an increase in recycling and a reduction in landfill as a result. Recycling and composting has risen from 33.9% in 2016 to circa 36.5% in 2017 with the combined recycling, composting and recovery rate rising from 46.5% in 2016 to circa 49.4% in 2017. Overall landfill has reduced from 53.5% in 2016 to 50.6% in 2017.

- 6.7 Marine Works and Progress:** Good progress is being made in the Marine area, both with updating and maintaining the Port Marine Safety Code

(PMSC) and also developing the asset management plan for asset sustainability and asset improvement works. A summary of ongoing works is as follows:

Islay – this service becoming the ‘most capacity constrained’ in future. Currently CMAL has produced plans for extending their ports at both Kennacraig and Port Ellen to enable larger vessels to berth alongside; this will improve resilience to the service in the event of larger back-up vessels being required. Arch Henderson has been commissioned by the Council to consider the feasibility of extending the berth at Port Askaig – this work is ongoing. The next major vessel procured by Calmac to be allocated to the Islay service to replace the MV Hebridean Isles.

Oban to Craginure – Calmac plans to deploy the MV Hebrides as the primary summer-season vessel on this route, with the MV Isle of Mull or MV Isle of Arran as the secondary vessel. The costs for works to accommodate these vessels overnight at Craginure will be considerable; the Council, with prior agreement from Transport Scotland, has issued a consultancy brief for a STAG report on future options for Craginure Pier.

Oban to Lismore – Initially, the Ferries Plan noted that two services operated to Lismore and there was an intention to work towards one service only. The VRDP now notes that this is a long-term aspiration and that the original appraisal will be subject to review. Currently the Council is working on improvement works at both Port Appin and Point on Lismore.

Fionnphort to Iona – The Ferries Plan sets out a long-term proposal to construct a berthing facility at Fionnphort which would allow for a longer operating day and provide a more suitable overnight berth in terms of crew access. The Council has engaged a consultant to consider the feasibility of providing a new breakwater at Iona and overnight berth at Fionnphort. A contract for carrying out ground investigation works in the area is expected to be awarded shortly.

Tayinloan to Gigha – The Ferries Plan included a long-term proposal to make improvements at Gigha which would allow the ferry to be berthed overnight at the ferry slip – this would allow for a longer operating day. A feasibility study has been carried out by the Council and the next stage will be to progress the design of the new infrastructure – comprising of an overnight berth at Gigha and aligning structure at Tayinloan. It is likely that any new development at Gigha would include provision of a charging point to enable the deployment of a hybrid ferry as a future aspiration – as outlined in the VRDP.

**7. POLICY LEAD FOR COMMUNITIES, HOUSING, GAELIC AND ISLANDS –  
Councillor Robin Currie**

**7.1 Community Councils:** Following close of nominations on 22<sup>nd</sup> March, there will be two contested elections - one in Jura and one in Kilninver & Kilmelford. Forty-two Community Councils will be formed by uncontested elections. There are 12 community councils that cannot be formed due to insufficient nominations being received (less than 50% of the maximum membership level).

In most cases we are one or two short of being able to form a community council but there are four community councils where we need 3, 4 or 5 candidates to be nominated. We're looking at a timetable for a by-election to fill these.

**7.2 Communities:** Following an active engagement period and robust assessment of applications to the Supporting Communities Fund, the Area Committees have agreed which projects will go forward to the public vote on a new digital platform on April 3<sup>rd</sup>. The Community Development team, being mindful of the potential for digital exclusion, have many events planned during the 4 week voting period in which to promote active participation and support individuals who cannot access online voting.

**7.3 Islands:** The Argyll Islands Strategic Group, which I Chair, has met twice since my last report; at the January meeting the group discussed the Scottish Government Island Liaison Directors Initiative pilot which will run for a period of 18 months. The group also considered the policy review by Scottish Government into ferry freight fares and gave consideration to information relating to the Rural Tourist Infrastructure Fund and to the Island Infrastructure Levy. The meeting of the National Islands Group due to be held in January was cancelled due to bad weather, it is now hoped that this will take place in April/May.

The Islands Bill continues to make progress in Parliament, Stage 2 amendments have been considered on March 21<sup>st</sup> and 28<sup>th</sup>, with the expectation that Stage 3 of the Bill could be around early to mid-May. Updates on this work are routinely tabled at the AISG to keep us informed of progress. Unfortunately the anticipated attendance at our March meeting by Humza Yousaf, Minister for Transport and the Islands had to be cancelled at short notice due to urgent parliamentary business, we are now working with his office again to see what can be put in place for a future meeting.

Fuel poverty is a big issue for us in Argyll and Bute and we have provided a response to the Scottish Government's Fuel Poverty Strategy Consultation which outlined a proposed new definition for fuel poverty. The response outlined disappointment that the Scottish Government haven't provided a rural

weighting on their proposed definition for fuel poverty. In areas like Mull and Iona, up to 75% of residents are presently in fuel poverty.

- 7.4 Housing:** The Strategic Housing Investment Plan delivered 75 new affordable housing units between 1<sup>st</sup> April 2017 and 31<sup>st</sup> March 2018. 2018/19 will be the third year of the increased spend for housing and the third year of five in aiming for 35,000 social houses built in Scotland. The message I am giving to all RSLs is clear - keep the accelerator on to build more houses in Argyll and Bute. It's important that the full Council is behind the build programme and our aim is to build 760 units over the next five years.

I am pleased to say that we had been approached by the Highlands Small Communities Housing Trust (HSCHT) earlier this year about their plans to expand beyond the Highland Council area. They gave a presentation to the SHIP Operational Group and all the RSLs and Scottish Government were happy that the HSCHT were looking to base a worker in Argyll given their proven track record of delivering innovative housing solutions for communities in the Highlands. I look forward to working with them to provide housing in our communities.

- 7.5 Scotland's Energy Efficiency Programme (SEEP):** a Scottish District Heating loan has been approved for a ground source heat pump district heating system for Iona village in partnership with Iona Renewables. This scheme can now proceed after the Scottish Government confirmed that there is no requirement for a loan guarantor. The district heating system will provide a new heating system to 36 properties on the island.

- 7.6 Homelessness:** 374 homeless applications were recorded across Argyll and Bute during the period from 1<sup>st</sup> April to 31<sup>st</sup> December 2017. This represents an increase of 37 applications (11%) on the same period in 2016/17. While some areas such as Bute, Cowal and Lorn have seen a reduction in applications the biggest increase in applications has been in Helensburgh and Lomond where there has been an increase of 38 applications (42%) compared to the same period in 2016/17.

- 7.7 Tenancy Support:** The Council Housing Services continues to provide tenancy support through contracts with Carr Gomm and HELP. Providing tenancy support can have positive impacts on peoples' lives. Every main town in Argyll and Bute offers a housing drop-in service through the tenancy support contracts and tenancy support providers offer advice and support on various housing related topics. As well as drop-in facilities, tenancy support is offered on a one to one support basis and this has worked very well to help people remain in their tenancy after a difficult time and also resettle into the community. At 31<sup>st</sup> December there were 236 households receiving tenancy support across Argyll and Bute.

**7.8 Welfare Rights:** The income generated from 1<sup>st</sup> April to 31<sup>st</sup> December 2017 totals £2.13m which is projected to achieve the full year target of £2.5m. 1319 referrals were received for the period from 1<sup>st</sup> April to 31<sup>st</sup> December 2017 which is a 15% increase on the previous year.

**7.9 Gaelic:** Much time has been spent on drawing up the Council's new Gaelic Plan and I had consultations with a number of communities and organisations. We had good written responses from the public during the consultation period and the Gaelic Plan for 2018/22 was approved by the Community Services Committee last month and is now before the Council for approval.

A commitment was made at our inaugural Gaelic Gathering in August 2016 that this event would be held bi-annually and preparations will now start to stage the event in autumn of this year.

## **8. POLICY LEAD FOR EDUCATION – Councillor Yvonne McNeilly**

**8.1 INEA:** A big focus for the education Service has been the action plan following the INEA inspection. A return visit took place in September 2017 and an updated report from Education Scotland was published on the 12<sup>th</sup> of December. I am delighted with the progress that has been made indicating significant improvements within the service.

The following points were made in the report:

- Overall, in the past 12 months, the Authority has made some important improvements in achieving positive outcomes for its children and young people. Across the Authority, staff recognise that they need to continue to work together effectively to ensure that these improvements are sustained.
- Whilst the Authority is increasing its use and understanding of data, it is aware that it now needs to build evidence over time to support analysis of important trends.
- Central officers now engage much more effectively and with greater consistency with schools. School visits are more regular, well-planned and have an agreed purpose, ensuring that key local and national priorities are considered.
- The Authority has made some positive early progress in improving relationships and communication whilst promoting a more positive ethos amongst all stakeholders. Continued effort is needed to ensure that current improvements are fully embedded and sustained.

The progress made in the last 18 months has been down to the continued focus on improvement from both central officers and schools.

**8.2 Early Learning and Childcare:** A major focus for Scottish Government is the implementation of 1140 hours of Early Learning and Childcare by August 2020. This is one of the biggest developments currently facing Scotland and has many implications for Local Authorities. There is much work to be done to ensure that provisions are in place including capital and revenue spend. The whole programme is dependent on adequate funding being made available to each Local Authority. The development of a quality workforce is also paramount.

The Education Service is currently planning with partners on how to meet the demands of an enhanced workforce. The Service is currently working in partnership with Argyll and Bute's Learning and Development Team, Skills Development Scotland (SDS) and secondary schools across the Authority to deliver a Foundation Apprenticeship in Social Services Children and Young People (SSCYP). There will be 10 places available initially, starting in August 2018. Timetabled into students' choices for S5 and S6, year 1 will comprise 5 units towards the national progression award and year 2 will include nursery placements for 1 day each week.

The service submitted a delivery plan in November 2017 to Scottish Government. As outlined within the delivery plan, 11 ELC Services in Argyll and Bute are now delivering 1140 hours from 15th January 2018.

These include:

- 3 Childminding Services;
- 5 Local Authority Services, and
- 3 Partner Providers

Quality is at the heart of our vision for 1140 hours and I am delighted that the latest care inspector reports have highlighted improved grades for Local Authority settings across Argyll and Bute, with 96% of ELC settings graded at 4 or above at the end of January 2018. The inspection team highlighted increased expectations within inspections over the past year and were pleased to see an increase in the number of settings achieving grades of 4 and above. They also stressed that it was a significant achievement to maintain grades of 5. Thank you to all our teams for working so hard to improve outcomes for our children!

**8.3 Appointment of Head of Education:** Following the appointments committee interview process on Thursday 29<sup>th</sup> of March, I am pleased to confirm that Anne Paterson (Currently Acting Head of Education) and Louise Connor (currently Education Manager with Argyll and Bute Council) were appointed to the two Head of Education posts. All of the candidates went through a thorough two day interview process involving an

assessment centre and series of professional and technical interviews before culminating in the appointments committee interview. I am sure you will want to join me in congratulating the two officers on their achievement.

- 8.4 100 Year Celebration of Catholic Education:** 2018 is the centenary of the 1918 Education Act. This was the Act that saw Catholic schools transfer from Diocesan control to State governance. It is a chance to mark publicly the ways in which Catholic schools are not just good for Catholics, but good for Scotland.

Diocese, schools, parishes and local communities will be marking this special year in a variety of ways.

Along with the Provost and other councillor colleagues, I enjoyed a very happy visit to Oban on Monday 26<sup>th</sup> March for a celebratory Mass conducted by Bishop Brian McGhee, as part of the centenary celebrations. Children from St Mun's, Dunoon, St Andrew's, Bute and St Columba's in Oban played a big part in the mass, accompanied by their parents, helpers and teachers. It was a lovely occasion and I very much appreciate the huge input our faith schools bring to education in Argyll and Bute.

- 8.5 Recruitment:** The Service is currently undertaking the staffing exercise for 2018/19 and have managed to ensure that teaching posts are being released for advert and recruitment as early as possible. It is vital that Argyll and Bute attracts the best quality teachers to our schools to ensure that the children and young people receive quality learning and teaching opportunities.

I am delighted to announce that Argyll and Bute Council have been selected as one of four councils to enter into a new Post Graduate Diploma in Education (Secondary) with the University of Dundee and University of the Highlands and Islands. This brand new course is an entry path into teaching of STEM subjects and looks at a distance learning model

- 8.6 Gaelic Education Award:** Bowmore Primary has been shortlisted as a finalist in the Scottish Education Awards for 2018 in the category for Gaelic. The award recognises early learning and childcare settings and schools that have developed a vibrant and progressive culture and climate of continuous innovation in relation to Gaelic Medium and Gaelic Learner Education.

The culture and ethos of establishments nominated for this award category should promote respect, ambition and achievement in Gaelic Education while improving outcomes for all learners in ways which eliminate inequity.

- 8.7 Digital Learning:** Argyll and Bute Council's Digital Learning team has a lending bank of exciting devices to support the education of children and young people in technology and its career potential. We are able to provide a wide array of technologies to schools and teachers including a really interesting drone. The SPRK+ is a small, sturdy and spherical drone that can be either freely driven or programmed. The programming aspect is where the education aspect primarily lies, and the potential of the SPRK+ can be showcased when used in conjunction with a SPRK+ mat, which provides challenges for pupils to program and follow a path, or perform actions such as changing colour, or even answer maths questions by directing the SPRK+ to the right answer. This type of learning technology provides new and exciting challenges for our young people and introduces them to new career opportunities.
- 8.8 Literacy:** In January 2018, we launched a Northern Alliance Literacy Pilot which involved 6 schools across Argyll and Bute. This project involves P1 classes and the approaches share many similarities with our guidance. Clare Bryden, Literacy PT, has been liaising with James Cook, Northern Alliance Lead Officer, who provided training in February. The schools currently taking part in this pilot are, Rockfield, Glassary, Tayvallich, Kirn, Rothesay, St Muns and Strachur. A wide range of useful resources from Northern Alliance for Literacy are available. This is good example of how the Northern Alliance Regional Collaborative is adding value to our schools.
- 8.9 Numeracy:** We have successfully been awarded £6000 from Education Scotland as part of the National Numeracy and Mathematics Hub grant, in response to the work being undertaken within the Authority on Numeracy. Education Scotland commented favourably on the collaborative work we have undertaken with West Dunbartonshire Council and are also interested in finding out more about 'Talking Maths', developed by the Early Years Team.
- 8.10 School Achievements:** Well done to the P1 class of Kirn Primary School for winning second place in the National French drama competition. Languages 1+2 has been a focus across our schools to meet the national requirements and this is a wonderful example of some of the work being undertaken.

Furnace Primary school has begun a brand new Family Story Club in partnership with the wider community. Volunteers came in to experience and share their story reading skills on a one to one basis with pupils from Minard and Furnace Primary schools. This is a fantastic example of literacy work involving the wider community.

Environmental charity, Keep Scotland Beautiful, has announced that pupils from Easdale Primary School have been selected as winners of the



nationwide competition to Design a One Planet Picnic Pocket Garden – which will see them now bring their creations to life for display at the Gardening Scotland exhibition in Edinburgh in June 2018

- 8.11 Pupil Equity Funding:** Argyll and Bute Council's Community Service Committee has welcomed the allocation in 2018/19 of £1.4 million to schools in the area through the Scottish Government's Pupil Equity Fund (PEF).

The fund aims to improve the educational outcomes of children affected by poverty. There is currently a gap between the educational progress made by those living in Scotland's least and most deprived areas, often known as the 'attainment gap.'

Schools in Argyll and Bute have focused resources to addressing the gaps within literacy, numeracy and health and wellbeing.

- 8.12 New Schools – Campbeltown and Oban:** It was a historic occasion in Argyll and Bute when secondary pupils from across Kintyre moved into the new Campbeltown Grammar School. It is also the start of a new era of high expectations in which everyone associated with the school - parents, teachers, and partners - will work together to ensure that our children and young people aspire to achieve the best they can in school and to have success and fulfilment in their lives beyond school.

Campbeltown Grammar School has a proud tradition of community engagement and this has shaped the school ethos.

The £26 million, three-storey school has capacity to cater for up to 500 pupils and will provide young people with a modern learning environment fit for the 21st century. Outside, it will also feature a 3G sports pitch, music pavilion and large car park on the site of the existing 1960s school buildings, once they are demolished.

Campbeltown Grammar School is the second of four education facilities we will deliver for Argyll and Bute Council and hub North Scotland. Last November pupils and teachers moved into Kirn Primary School.

Oban High School is the next facility due to be completed this spring and excellent progress is being made on the site of Dunoon Primary School. A huge amount of work has been done and my sincere thanks go to all involved. I am looking forward to visiting both schools in the very near future.

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

**9.1 Planning Performance Framework 2016/17:** Our Planning Performance Framework (PPF) for 2016/17, which is the principal performance measure for Development Management and Development Policy within Planning and Regulatory Services, was submitted to the Scottish Government in July 2017 and covered the period from April 2016 to March 2017. This was the 6th Annual PPF which our Planning Service has had to submit and once again feedback from the Scottish Government has been positive and has confirmed that our planning service has an 'open for business' approach to sustainable economic growth. Of the 15 Key Performance Markers used by the Scottish Government to assess the performance of an authority Argyll and Bute scored Red = 1, Amber = 3 and Green = 11

A detailed report on the PPF was presented to the March meeting of the PPSL committee where after consideration of the report it was agreed to publicise the positive feedback from the independent review.

**9.2 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.

In January the annual update of the DPS was reported to and approved by the PPSL Committee. It was noted that there had been no significant changes to the updated DPS and although there has been some adjustment to timing the LDP2 process remains on target for delivery within the specified 5 year period.

Since the second DPS the Development Policy Team have undertaken the following actions in the LDP2 process:-

- Published the updated DPS Jan 2017
- Internal assessment of current land supply
- Call for Sites – assessment of new proposed sites
- external engagement with Key Agencies and other key stakeholders
- Call for Ideas and Place Standard Tool public consultation
- Community Council sessions
- Councillor Workshop
- Strategic Environmental Assessment – scoped and draft Environmental Report prepared
- Equalities Impact Assessment – Draft Rapid Impact Assessment prepared
- Main Issues Report consultation for 8 weeks, including 4 Community

- Council meetings, 5 public Drop in events, publicity – including social media, use of interactive storymap, on line form.
- Monitoring Report published

Members will now have the opportunity to discuss the Main Issues Report findings through a workshop/Business days before the preparation and publication of the Proposed Local Development Plan for public consultation in November/December 2018. Find the plan at <https://www.argyll-bute.gov.uk/ldp2>

- 9.3 Advertisement and Signage Guidance – Follow Up Enforcement:** In September 2017 PPSL Committee adopted the Advertisement and Signage Policy Technical Working Note and in addition identified that resources for enforcement of A-boards should, in the first instance, be focussed upon the town centres of Dunoon, Helensburgh and Oban.

The latter element was expected to be the subject of a project plan for approval by PPSL in Dec 17/Jan 18. However as initial survey work undertaken in Oban and Dunoon during the winter period has raised concern that it is not reflective of the scale of the issue during the summer months and as such precludes discussion with Roads and Transport Scotland in relation to the resources required and to establish whether these can be committed it is now intended to undertake baseline surveys during late Spring and prepare a project plan for consideration of PPSL Committee in late Summer 2018.

## **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  
10<sup>th</sup> April 2018**

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

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**ARGYLL AND BUTE COUNCIL****COUNCIL****CUSTOMER SERVICES****26 APRIL 2018**

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**POLITICAL MANAGEMENT ARRANGEMENTS**

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**1.0 EXECUTIVE SUMMARY**

The purpose of this report is to invite nominations for an Elected Member to be appointed as the Council's representative on the steering group of Helensburgh Business Improvements District – Helensburgh BID for Success.

**2.0 RECOMMENDATION**

The Council is asked to consider the appointment of one Elected Member to the steering group of Helensburgh Business Improvements District – Helensburgh BID for Success.

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ARGYLL AND BUTE COUNCIL

COUNCIL

CUSTOMER SERVICES

26 APRIL 2018

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## **POLITICAL MANAGEMENT ARRANGEMENTS**

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### **2.0 INTRODUCTION**

- 2.1 The Council has received a request from Helensburgh Business Improvements District – Helensburgh BID for Success that an Elected Member be appointed as the Council’s representative on their steering group.

### **3.0 RECOMMENDATIONS**

- 3.1 The Council is asked to consider the appointment of one Elected Member to the steering group of Helensburgh Business Improvements District – Helensburgh BID for Success.

### **4.0 DETAIL**

- 4.1 Helensburgh Business Improvements District – Helensburgh BID for Success have requested that the Council appoint an Elected Member, as the Council’s representative on their steering group.
- 4.2 The objective of the group is to pursue the possibility with businesses and other stakeholders of a Business Improvement District for Helensburgh.

### **5.0 CONCLUSION**

- 5.1 The report concerns the appointment of an Elected Member to an outside body.

### **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

Douglas Hendry  
**Executive Director of Customer Services**

**Policy Lead: Aileen Morton**  
13 April 2018

**For further information contact:** Iain Jackson, Governance and Risk Manager  
01546 604188

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**ARGYLL AND BUTE COUNCIL****COUNCIL****CUSTOMER SERVICES****26 APRIL 2018**

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**COUNCIL CONSTITUTION REVIEW**

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**1.0 EXECUTIVE SUMMARY**

This report considers proposed changes to the Council Constitution.

The Council generally reviews the Constitution annually and various minor changes are proposed and future issues highlighted in this report.

The key recommendations are as follows:

- 1.1 To amend the Scheme of Delegation to note the references to the remit of the Executive Director of Community Services which will now come under the Executive Director of Customer Services.
- 1.2 To amend the Scheme of Delegation to provide for the new remit of the Audit and Scrutiny Committee.
- 1.3 To amend the Scheme of Delegation to reflect Live Argyll.
- 1.4 To note the new Procurement Strategy for 2018/19.
- 1.5 To note the refreshed Employee Code of Conduct.

An overview of key changes is provided at Appendix 1.

Council is recommended to agree the adjustments to the Constitution as outlined in Appendix 1 to ensure the Constitution remains up-to-date and facilitates the operation of regulatory functions.

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**ARGYLL AND BUTE COUNCIL**

**COUNCIL**

**CUSTOMER SERVICES**

**26 APRIL 2018**

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**COUNCIL CONSTITUTION REVIEW**

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**2.0 INTRODUCTION**

2.1 This report considers proposed changes to the Council Constitution.

The Council generally reviews the Constitution annually and various minor changes are proposed and future issues highlighted in this report

**3.0 RECOMMENDATIONS**

3.1 To agree the adjustments to the Constitution as outlined in Appendix 1.

**4.0 DETAIL**

4.1 The proposed changes to the constitution are driven generally by the delegations to the Executive Director of Community Services, the update to the remit of the Audit and Scrutiny Committee arising from their meeting of 20<sup>th</sup> March 2018, the new Procurement Strategy and the refreshed Employee Code of Conduct.

**5.0 CONCLUSIONS**

5.1 The proposed changes will address issues arising since the last revision in 2017.

**6.0 IMPLICATIONS**

6.1 Policy - These revisions will keep the Constitution up to date.

6.2 Financial - None

6.3 Legal - None

6.4 HR - None

6.5 Equalities - The provisions have no adverse impact in terms of equality issues

6.6 Risk - None

6.7 Customer Service - None

**Douglas Hendry - Executive Director of Customer Services**  
**Councillor Rory Colville - Policy Lead**  
**8 March 2018**

**For further information contact:** Charles Reppke, Head of Governance and Law,  
Kilmory, Lochgilphead, Tel: 01546 604192

**Appendix 1:** Review of Constitution 2018 – Summary of Key Changes

A copy of the draft Constitution is available on- line with the Council Agenda

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Reference – Current constitution page & paragraph detail		Proposed amendment	Rationale
Part A The Constitution Part 1	Page 6 Para 3(1)	Amend wording of the Performance Improvement Framework	
Part B Standing Orders	Page 45 Para 21.3	Amend wording of the Audit and Scrutiny Committee	
Part C Scheme of Delegation	Page 69	Amend wording under Community Services Committee	Taking out references to Community Services Department
Part C Scheme of Delegation	Page 70	Amend wording under Communities and Culture	
Part C Scheme of Delegation	Page 77	New remit for the Audit and Scrutiny Committee	Terms of Reference update arising from A&S Committee 20 <sup>th</sup> March 2018
Part C Scheme of Delegation	Page 89	Move all delegations of Executive Director of Community Services to Customer Services	
Part C Scheme of Delegation	Page 93	Delete 43	Reference is to Libraries and Museums now under Live Argyll
Part C Scheme of Delegation	Page 107	Delete Note after 60	Delegations mentioned under Executive Director of Community Services
Part D Financial and Security Regulations	Page 112	Amend wording of the Performance and Improvement Framework	
Part E Procurement Strategy	Page 185 to page 224	Replace Procurement Strategy for updated version	
Part F (C) Employee Code of Conduct	Page 337	Refreshed Code of Conduct for employees	Updated to reflect equality duties terminology and to refer to new, contextual policies and procedures

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**ARGYLL AND BUTE COUNCIL**

**COUNCIL**

**CUSTOMER SERVICES**

**26 APRIL 2018**

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**STRATEGIC WORKFORCE PLAN**

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**1.0 EXECUTIVE SUMMARY**

1.1 The purpose of this report is to present to members the Council's Strategic Workforce Plan 2018-2022.

1.2 Workforce Planning has been identified by Audit Scotland as a key requirement for inclusion in the Council's framework of strategic plans. The Strategic Workforce Plan, presented here for approval by Council, the Plan aligns with the Council's medium to long term financial strategy and reflects the strategic approach the Council is taking towards Transformation. The Strategic Workforce Plan sets the context for detailed service workforce plans, the priority areas for action and for the work of the Improvement and HR service in aligning training and development needs with the future needs of the Council.

1.3 Recommendations

It is recommended that Council approve the Strategic Workforce Plan.

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**ARGYLL AND BUTE COUNCIL**

**COUNCIL**

**CUSTOMER SERVICES**

**26 APRIL 2018**

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**STRATEGIC WORKFORCE PLAN**

---

**2.0 INTRODUCTION**

2.1 The purpose of this report is to present to members the Council's Strategic Workforce Plan 2018-2022.

1.3 Workforce Planning has been identified by Audit Scotland as a key requirement for inclusion in the Council's framework of strategic plans. The Strategic Workforce Plan, presented here for approval by Council, the Plan aligns with the Council's medium to long term financial strategy and reflects the strategic approach the Council is taking towards Transformation. The Strategic Workforce Plan sets the context for detailed service workforce plans, the priority areas for action and for the work of the Improvement and HR service in aligning training and development needs with the future needs of the Council.

**3.0 RECOMMENDATIONS**

3.1 It is recommended that Council approve the Strategic Workforce Plan.

**4.0 DETAIL**

4.1 The Council has an ambitious Transformation agenda in place and is operating in a climate of financial challenge. The Council's workforce costs account for over 50% of the revenue budget and is therefore a key component of our resources.

4.2 Changes to service delivery and the overall policy framework that we operate within, both locally and nationally driven, have an impact on our services and therefore on our employees and our future workforce needs.

4.3 This plan sets out the strategic direction for the Council's workforce of the future. It complements the People Strategy, identified priorities for action and it sets the context for detailed service workforce delivery plans. It contains analysis of our workforce now and also illustrates the changes over time.

**5.0 CONCLUSION**



- 5.1 In conclusion this report sets out a Strategic Workforce Plan for agreement by Council. The Plan supports the Council's medium to long term financial strategy and our Transformation Agenda.

## 6.0 IMPLICATIONS

- |                      |                                                                                                                                                                                                                                                                                 |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6.1 Policy           | The Strategic Workforce plan sets the strategic context for the organisation's workforce over the next 5 years.                                                                                                                                                                 |
| 6.2 Financial        | Employee costs are a significant proportion of the Council's revenue budget.                                                                                                                                                                                                    |
| 6.3 Legal            | None                                                                                                                                                                                                                                                                            |
| 6.4 HR               | The Strategic workforce Plan sets a clear framework for employees to understand the Council's position on future workforce needs.                                                                                                                                               |
| 6.5 Equalities       | The Strategic Workforce Plan has been equality impact assessed.                                                                                                                                                                                                                 |
| 6.6 Risk             | The Council is at risk of non-compliance with the principles of Best Value if it does not set out clearly its strategic workforce objectives. A lack of planning for the future workforce presents risks to the Council's ability to meet service demand and respond to change. |
| 6.7 Customer Service | None                                                                                                                                                                                                                                                                            |

**Executive Director of Customer Services – Douglas Hendry**

**Policy Lead Rory Colville**

April 2018

**For further information contact:** Jane Fowler, Head of Improvement and HR,  
01546 604466

## APPENDICES

Appendix 1 – Strategic Workforce Plan

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# Argyll and Bute Council

## Strategic Workforce Plan 2018-2022





## **Argyll and Bute Council**

### **Strategic Workforce Plan 2018-2022**

#### **Foreword**

This strategic workforce plan sets out our plans to ensure that we have a workforce that will deliver on our ambitions for the future - for our organisation and for our area.

The public sector is facing challenging times and our Council must ensure that we have a workforce that is resilient and committed, with the skills and behaviours that we require in order to meet those challenges. We also want to create more opportunities for our young people to have rewarding jobs with us and to benefit from the extensive training that we can offer.

Our employees do a great job for our communities each and every day. We recognise their commitment, their creativity, their caring attitudes and their collaborative approach to their work. This plan will ensure that we have the confident, professional and flexible staff teams to meet our future needs and to make Argyll and Bute a place people choose to live, learn, work and do business.

**Aileen Morton**

**Council Leader**



## **Introduction**

- i. Argyll and Bute Council is a people organisation. Every day our employees deliver services to our communities and citizens, playing an important role in their daily lives. Complex and dynamic, our organisation is transforming to meet the needs of our communities in the future. In order to support that transformation and to continue supporting the delivery of essential services in a context of national and regional change, this Strategic Workforce Plan sets out Argyll and Bute Council's approach to ensuring that we have a workforce for the future.
- ii. The plan explains the current profile of our workforce and identifies the strategic priorities for workforce planning. It has been informed by the strategic direction of the Council through the Argyll and Bute Outcome Improvement Plan, the Council's Corporate Plan and Business Outcomes, the medium to long term financial strategy and the key changes and challenges that the Council faces as the strategic direction and future governance of core services changes.
- iii. The plan focuses on the key priority areas set out in our People Strategy 2016-2020 and develops them in terms of specific workforce development. It highlights our commitments to addressing these and to creating a high performing organisation, with a resilient workforce who will support Argyll and Bute Council's ambitions for the future.
- iv. The plan recognises the important role that the Transformation Programme has in changing the way that we operate and identifies key actions designed to support our employees to meet the ambitions of Transformation.

## **Key Outcomes**

- **Our workforce reflects the future needs of our Council services**
  - **We are recognised as an employer of choice**
  - **We are recognised as an employer for life**
  - **Our workforce reflects a balance between younger and older employees**
  - **Our commitment to trainees meets our recruitment needs**
  - **Key employees have skills in commercialisation**
  - **Our employees are supported in their health and wellbeing**
  - **Our services have detailed workforce plans**
- v. The Strategic Workforce Plan is made up of 6 sections

### **1 - Our Council, Our Workforce**



## **2 - Changes and Challenges**

### **3 - Our Priorities**

- **Growing Excellent Leaders and Managers**
- **Talent Management**
- **Values and Behaviours**
- **Employee Voice – Involving and engaging our Employees**
- **Recognition and Reward**
- **Recruitment and Retention**
- **Health and Wellbeing**

### **4 – Our Services**

- **Customer and Support Services**
- **Economic Development and Strategic Transportation**
- **Education**
- **Governance and Law**
- **Facility Services**
- **Improvement and HR**
- **Planning, Housing and Regulatory Services**
- **Roads and Amenity Services**
- **Strategic Finance**
- **Health and Social Care Partnership**

### **5 - Our Partners**

### **6 – Monitoring and Evaluation**



## **1 - Our Council, Our Workforce**

### **1.1 Our Council**

- 1.1.1 Argyll and Bute is a unique part of Scotland with 23 inhabited islands, an outstanding natural environment, close knit communities, culture, heritage and world class food and drink. On any given day just under 5000 people employed by the Council, and who are based in over 250 locations throughout this the second largest local authority area in Scotland, deliver services to our 88,000 strong population.
- 1.1.2 The Council is the second largest employer in our area and plays an important role in peoples' everyday lives. We employ a wide range of people with different skills, experience and qualifications: professionals from teachers and social workers to lawyers, engineers, accountants and planners; skilled technicians; experienced and qualified home care staff, roads and amenity workers and administrative and clerical workers. We are committed to training for the future and employ modern apprentices, trainees and graduates across all of our services. We support our employees through a wide variety of learning and training to ensure that we continue to meet the high standards of services we deliver. We value all of our employees and we commit to investing in their careers for our Council's future success and resilience.
- 1.1.3 Argyll and Bute is an area facing significant challenges of both a declining and an aging population and an economy that is highly dependent on the public sector. But with our partners, Argyll and Bute Council is committed, through the Argyll and Bute Outcome Improvement Plan, to building economic success through a growing population. After a long period of population decline, the most recent population estimates show a slight increase in population - early signs that our strategy is beginning to have a positive impact.
- 1.1.4 This Strategic Workforce Plan aligns directly to the Council's strategic planning framework as follows:

#### **Argyll and Bute Local Outcome Improvement Plan**

##### **Outcome 1 – The Economy is Diverse and Thriving**

- Create opportunities for young people to enter the public sector

#### **Argyll and Bute Corporate Plan 2018-22**

##### **3 - Getting it Right**

- Developing our positive organisational culture and remaining an employer of choice
- Ensuring our workforce have the skills knowledge and behaviours to support our vision now and in the future

## Financial Context

1.1.5 Our organisation faces long term resource challenges and ongoing uncertainty in public sector finance. Recognising this, the Council agreed, in February 2016, to a series of budget principles, which underpin our medium to long term financial strategy. These principles recognise that we need to do things differently to meet our future challenges, that we must build on our proven track record of innovation and change and fully implement our Transformation Agenda. Transformation is now at the heart of all our activities and is setting our future direction. This Workforce Plan provides the foundations for ensuring that our workforce is agile, flexible, prepared and engaged to deliver on that transformation agenda and supports delivery of the Council's medium to long term financial strategy.

## 1.2 Our Workforce

1.2.1 Employees are one of the Council's core resources. Employee costs, direct and indirect, account for 58% of Council annual revenue budget and so represent the single largest area of expenditure. For 2018/19 the total employee budget is £138m.

1.2.2 The Council collects and reports employee data on a regular basis and the most recent position is set out in the Staffing Watch figures of March 2018 below.

*Table 1a and 1b – Staffing Watch Headcount and Full Time Equivalent (FTE) March 2018*

Service Group	No. of Staff - Headcount								
	March 2018								
	Total	Male				Female			
		Temporary		Permanent		Temporary		Permanent	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	
Education Teachers	999	11	16	182	24	49	130	413	174
Education - Other Staff	870	2	25	33	44	4	190	42	530
Social Work	621	3	14	49	16	12	69	231	227
Other Staff	2,281	34	72	592	137	50	279	444	673
	<b>4,771</b>	<b>50</b>	<b>127</b>	<b>856</b>	<b>221</b>	<b>115</b>	<b>668</b>	<b>1,130</b>	<b>1,604</b>

Service Group	Full Time Equivalent				
	March 2018				
	Total	Male		Female	
		Temporary	Permanent	Temporary	Permanent
Education Teachers	841.82	15.52	198.44	95.51	532.35
Education - Other Staff	537.26	12.66	62.99	96.36	365.25
Social Work	461.20	6.91	59.06	26.24	369.00
Other Staff	1,634.49	47.58	657.35	107.73	821.83
	<b>3,474.77</b>	<b>82.67</b>	<b>977.84</b>	<b>325.83</b>	<b>2,088.43</b>

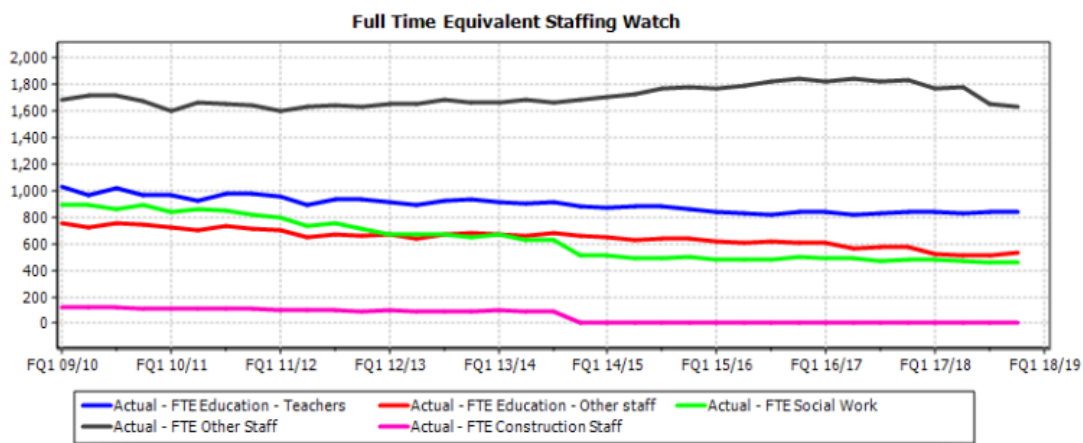




1.2.3 This data clearly shows that the Council’s workforce is predominantly female (73% of the workforce), permanent and part time.

1.2.4 Over time, we can see that the financial decisions taken by the Council to implement service reviews, service redesigns, service reductions and the establishment of the Leisure Trust in 2017 have resulted in a gradual, steady decline in the number of FTEs since 2009/10 (Table 2) in all areas of staffing. The ‘other staff’ shows a slight increase from 2011/12, but we can see a decline again from 2016/17.

Table 2 – Full time equivalent staff 2009/10 – 2017/18

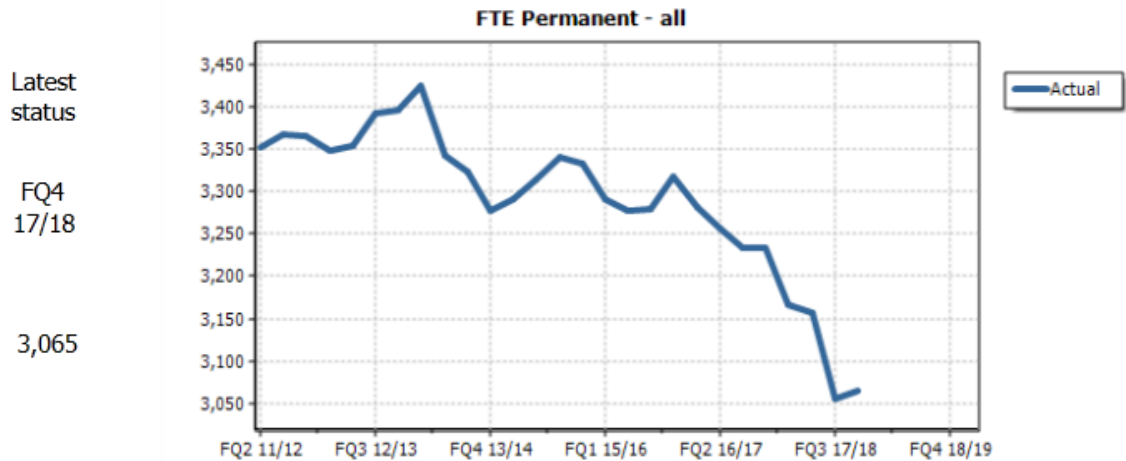


Source: Staffing Watch March 2018

1.2.5 However, when we look at the overall trends in *permanent* FTE staff (Table 3), the picture changes, with a sharp decline evident from 2010/11 to 2017/18. Within this, there have been changes to the types of jobs that our employees carry out. The growth in early learning and childcare reflects a major policy change at Scottish Government level and we have also seen a growth in social care posts which coincide with an ageing population and increase in service need. We have seen a decline in posts as a result of the introduction of Live Argyll in September 2017, an Arm’s Length Organisation to deliver leisure and library services. The affected staff group transferred under TUPE arrangements from Council employment to the new Leisure Trust.



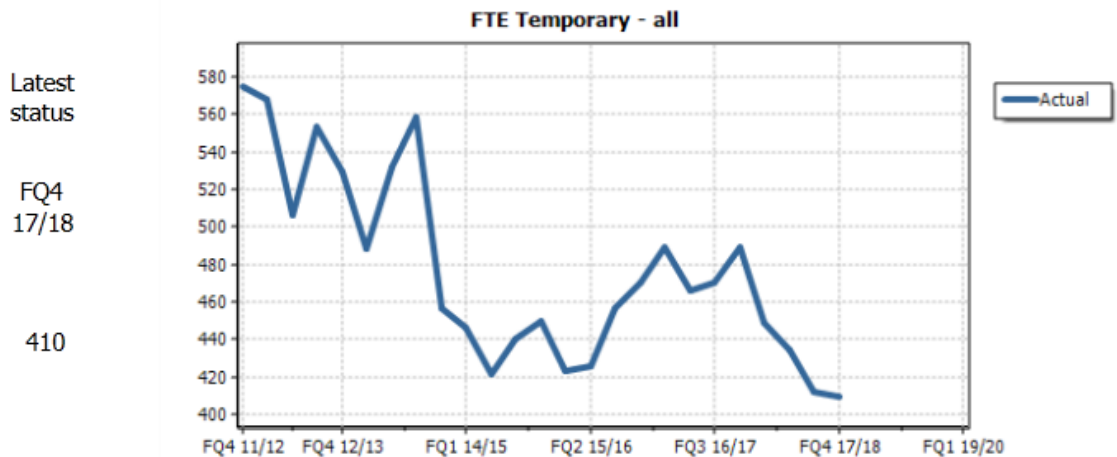
Table 3 – FTE Permanent 2010/11-2017/18



Source: Pyramid March 2018

1.2.6 When this is compared with the Temporary FTE (Table 4), we can see that there is a decline from 2011/12 to 2014/15 when the number of temporary staff then increases until 2016/17 when the number begins to fall again. There are a number of explanations for this, including the recruiting of employees on short term contracts to carry out specific pieces of project work and the recruitment of temporary posts pending the implementation of service redesigns.

Table 4 – FTE Temporary Staff 2011/12 – 2017/18

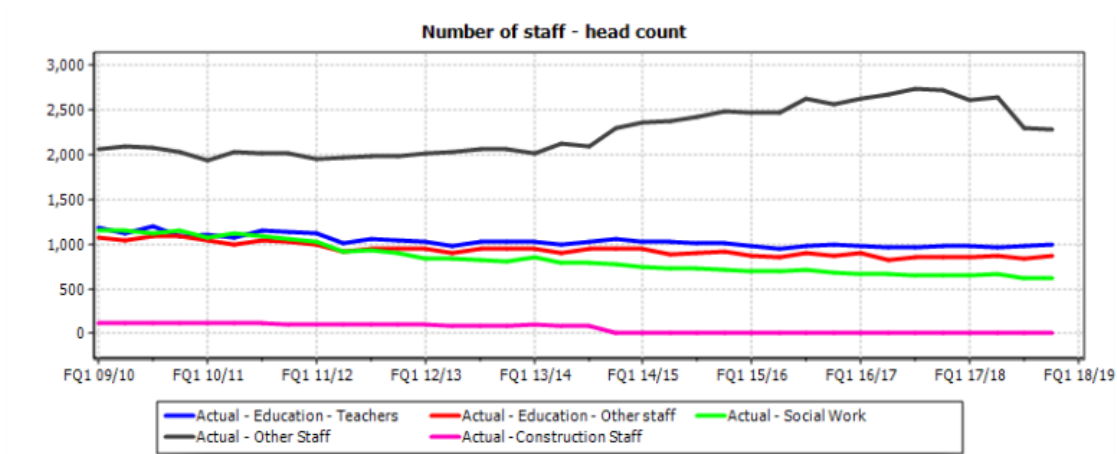


1.2.7 Overall numbers of employees (headcount) declined between 2010/11 and 2012/13 (Table 5), but then we saw a steady increase until 2016/17 and we are again seeing a decline. This is also reflected in an increase in the number of temporary and part time posts. We have seen specific



increases in areas of the Council such as Economic Development, where strategic, political priorities supported an increase in staffing levels to deliver on economic growth.

Table 5 – Number of Staff Headcount 2009/10-2017/18



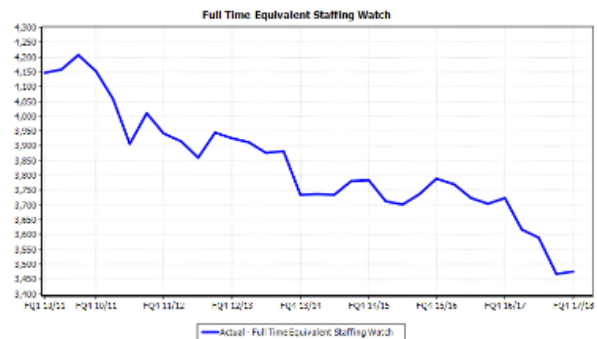
Source: Staffing Watch March 2018

1.2.8 Below (Tables 6a and 6b) we can see clearly the changes over time in total headcount and total FTE.

Table 6a – Number of staff Headcount



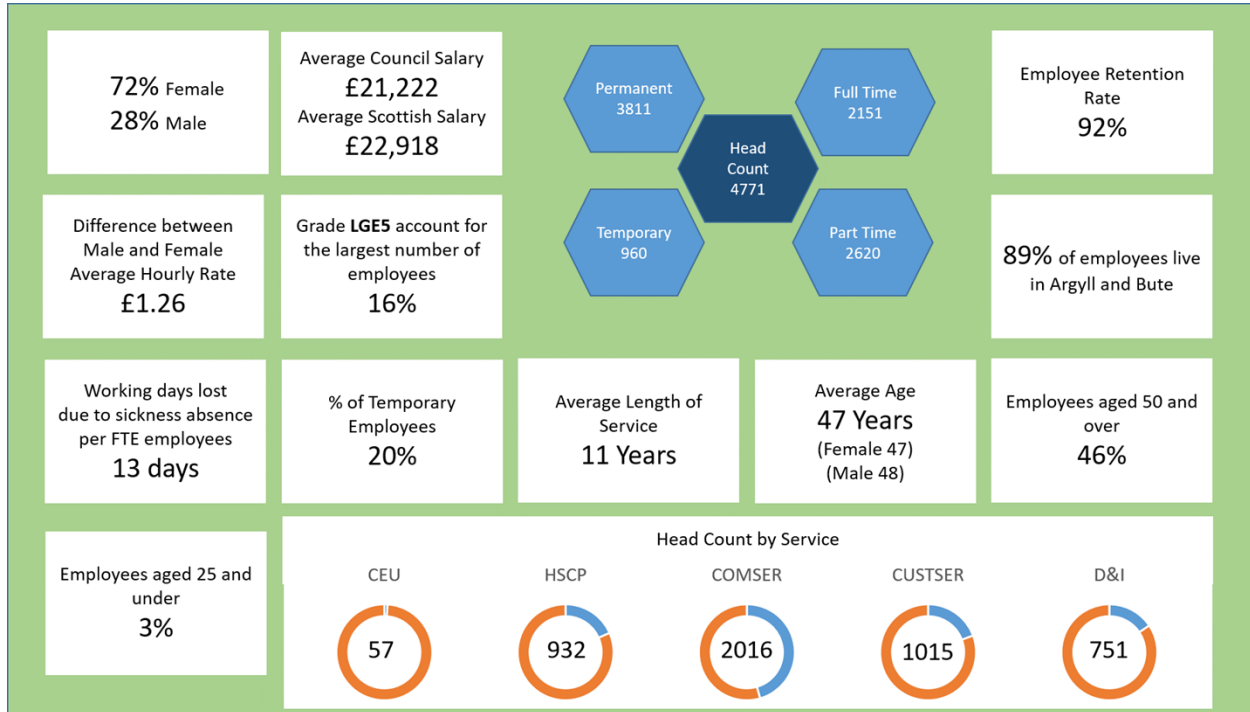
Table 6b – number of staff FTE



1.2.9 Our workforce is complex and this infographic illustrates some of the principle areas of interest in understanding our workforce profile. This enables us to understand it and plan for the workforce of the future.



**Our workforce profile March 2018**



Source: Staffing Watch March 2018

- 1.2.10 The high proportion of our staff who are aged 50 and over as against the very small number aged under 25 presents one of the most challenging aspects of workforce planning for future service delivery by the Council. Succession planning and encouraging young people into the workforce is a core aim of this strategy through our Talent Management team and Growing Our Own project.
- 1.2.11 Recruitment of employees to the Council presents an interesting pattern. Consistently 80% of all appointments to posts in the organisation are to internal candidates. Our employee retention rate is 92% and 89% of our employees live in Argyll and Bute. This illustrates the strong local commitment to the Council as an employer and the importance of the Council as an employer in the local community. Argyll and Bute is geographically isolated apart from the Helensburgh area, where there is more scope for movement between employers and options for potential employees to find employment in other local authorities in the greater Glasgow area. Helensburgh and Lomond is also where the largest employer in Argyll and Bute, the Ministry Of Defence, is based. Choosing to work for Argyll and Bute means relocation and often a lifestyle choice.



- 1.2.12 The high proportion of internal appointments and the high rate of employee retention highlight the Council's clear need to invest in the talent of our existing employees and encourage them to develop transferable training and skills and encourage them to move into the areas of work that the organisation needs for service delivery.
- 1.2.13 We know that recruitment to professional posts – teaching, social work, engineering and planning and to senior management posts is a challenge for the Council. These are posts which often have to be re-advertised multiple times or filled by agency workers. The strategy seeks to address this through our approach to recruitment and retention of staff and the important Talent Management and Growing Our Own Strategy. The other strand to tackling this is working with our partners and developing the Council as an Employer of Choice. Detailed information on the types of professional posts that will be required over the period of the plan are set out in the 'Our Services' section of this document.
- 1.2.14 Maximising attendance of staff is essential to a healthy and productive workforce. The Council, along with other public sector bodies, is experiencing a level of sickness absence, currently averaging 13 days per employee per year and we continue to see a high proportion of stress related absence. This has an impact on the overall people resource that is available to deliver our services. A comprehensive approach to attendance management has been developed, building on best practice from across the UK. The next steps are now to focus on health and wellbeing, tackling the cause rather than the effect.
- 1.2.15 There are a high number of employees in temporary posts and a consistently high number of casual workers delivering services for us. The use of temporary contracts is useful in business terms, but it does create uncertainty for the workforce, impacts on their lives and can ultimately result in them seeking more stable employment elsewhere. The high use of casual staff presents a risk to the organisation in terms of legal challenge, where casual workers can raise action against the Council for the loss of contractual entitlements such as sick pay and holiday pay.

## **2 Changes and Challenges**

- 2.1 Council services have seen significant change over the past 5 years and will continue to change as national approaches to governance are introduced and implemented, as budgets reduce, as we implement our Medium to Long Term Financial Strategy which links directly to our Transformation Agenda is progressed. Transformation in particular will require the development of specific skill sets and our overall improvement agenda will be underpinned by our refreshed organisational values, developed from the Employee Survey by the Culture Steering Group and now included in our Corporate Plan.
- 2.2 The introduction of Health and Social Care Partnerships has impacted on our workforce and there are new and exciting opportunities to shape the future of the social care workforce to support a shift in the balance of care and closer integration with health. Whilst the management



of these services is now through the Integrated Joint Board, the Council remains the employer. Our priorities in this area will be to influence the shape of national workforce planning strategy and to develop new approaches to our local and specific workforce planning challenges in social work and social care where the biggest challenge is meeting the projected growth in care at home needs. This is an area of service where recruitment, retention and commissioning of services is vital.

- 2.3 The recently announced changes to Education governance will have an impact on future workforce planning in our schools. It is understood that councils will retain responsibility for employing education staff and appointing head teachers, but this is an area of ongoing change that we will put plans in place to meet once there is greater detail on the proposals.
- 2.4 The national requirement for 1140 hours of preschool provision is a further national initiative that will result in the recruitment or commissioning of a high number of staff in this sector and presents us with both a challenge and an opportunity.
- 2.5 Service reviews resulting from revenue budget reductions have resulted in some service areas, both front line and support services reducing by up to 45%. This has a significant impact on the workforce, resulting in reduced numbers of posts, retirement, redundancy and redeployment. Our Transformation Agenda is changing our approach to declining revenue in services, moving away from service reduction as the sole mechanism for change and introducing approaches including greater commercialisation and income generation. This requires a shift in employee skills, attitudes and behaviours and is a positive approach to managing change, which will underpin the way we deliver services and our future workforce needs.
- 2.6 Future service provision across the Council will be influenced by the national initiatives as set out above and, in those services not affected by national change, by the decisions that we take as part of our Transformation Agenda. Transformation is already well underway. Models for full cost recovery are in place in services such as Building Standards and this is being explored in other areas of Development and Infrastructure services. The creation of more flexible post designations, such as our integrated amenity services workers are being explored to increase flexibility across Roads and Amenity Services. Shared Services are being developed in cleaning and catering with the NHS and other partners to reduce overall costs to the public sector and to improve service delivery. Commercial approaches to catering and events management are being trialled to generate income and safeguard core service delivery by offsetting costs. These changes to frontline service delivery will define the size and nature of the organisation and the workforce. The support services will thereafter be redesigned and re-sized to support the resultant organisation.
- 2.7 The Council is now adopting a refreshed approach to future budgeting called budget reconstruction. This approach will complement the activities of the Transformation Board, whilst taking a fundamentally different approach to budgeting.



- 2.8 In January 2018, the Chief Executive reported to Council his intention to review the strategic management structure of the council over the period 2018-19 having regard to changes in council functions and structure and will bring forward a further report outlining a revised management structure.

### 3 Our Priorities

- 3.1 This section of our Strategic Workforce Plan sets our key areas of priority action to meet our future workforce needs. Our overall approach to creating our future workforce is informed by national changes to governance of services and, for those services not affected by national change, by our strategic priorities and the Transformation Agenda. This section focuses on the Transformation Agenda, taking into account:

- **Growing Excellent Leaders and Managers**
- **Talent Management**
- **Values and Behaviours**
- **Employee Voice – Involving and engaging our Employees**
- **Recognition and Reward**
- **Recruitment and Retention**
- **Health and Wellbeing**

#### 3.2 Growing Excellent Leaders and Managers

- 3.2.2 The Council recognises that a successful organisation must have effective and skilled leaders and managers. There has been significant investment in the current leadership and management team in terms of skills development, but the age profile of this group indicate significant turnover during the period of the plan. Succession planning at this level in all services is essential to ensure continuity.

We have in place a leadership development programme for our senior leaders. This will continue to be a priority to ensure that the organisation is fit for the immediate future. In the longer term, we will need leaders of the future, as our workforce changes and more senior staff leave. Identifying future talent in our workforce and supporting them to grow and develop is essential to creating our aspiring and potential leaders.

- **We will promote the Preparing to Manage course and encourage managers to identify candidates based on their service workforce plans**
- **We will work with Heads of Service to identify their Leaders of the Future and support their development through targeted training opportunities**
- **We will ensure that our leadership development programme is aligned to transformational change and our new values as set out in the People Strategy**



3.2.3 The Argyll and Bute Manager Programme is comprehensive in addressing the skills and behaviours that our managers need to maximise the productivity and wellbeing of our employees. We are committed to continuing this programme and to extend it to our colleagues in the NHS.

### 3.3 **Talent Management**

3.3.1 The Council has an aging workforce. In order to ensure resilience and a workforce for the future it is essential that we create opportunities for young people to join the Council and develop their future careers with us. We also face recruitment issues in a number of areas currently such as teaching, engineering and other professions. Analysis shows that 80% of all vacancies are filled by internal candidates, so it is important that as well as encouraging young people to join our organisation, we recognise and prioritise the development of our existing employees. The Council has refreshed its Growing Our Own programme, with a dedicated temporary officer in the new Talent Management Team. This comprehensive programme reaches out to young people in schools, providing them with advice and information on future jobs and careers in the Council. Growing Our Own has also developed a comprehensive training programme ranging from entry level Foundation Apprenticeships and Modern Apprenticeships to professional trainees, which can be used for both prospective and existing employees. We have already provided 37 places for Modern Apprenticeships since our programme began and have 11 in post at present. We will further analyse information from operational workforce plans to forecast and create development opportunities for school leavers and existing employees in specific service areas, particularly those with an ageing workforce, and in line with the GOO and transformation agendas.

- **We will deliver the Growing our Own Programme and report on its impact as set out in the Programme Plan and monitored by the HR Board**
- **We will deliver 60 Modern Apprenticeship places by 2020 as set out in the People Strategy**
- **We will become accredited as an Investor in Young People by 2018 as set out in the People Strategy**

3.3.2 Taking advantage of opportunities provided by the Apprenticeship Levy, there are now a wider range of cost effective training options for our existing employees, based on the use of digital platforms and e learning, which mitigates against the recent decline in the corporate training budgets. We have already achieved grant funding of over £20k to deliver foundation apprenticeships and will continue to maximise this income and approach.

- **We will maximise opportunities from the Apprenticeship Levy to invest in our employees through our Growing Our Own Project Plan by increasing the amount of grant we are awarded for apprenticeships.**





3.3.3 The Council's accredited training centre delivers SVQs and other accredited training to employees in social care and other areas and continues to ensure that we have a qualified workforce at efficient pricing, using the expertise of our existing employees. Plans are in place to grow the centre and savings have already been delivered through training delivered by in house staff on a commercial basis.

- **We will develop the commercial element of our Training Centre to maximise investment in our employees in 2018 as set out in the People Strategy**

3.3.4 All employees have a list of core skills that apply to their posts. Through the PRD process, these highlight skills gaps and inform training programmes.

- **We will provide a PRD opportunity for all staff based on our new values, behaviours and skills needs for the future by March 2019**

3.3.5 Growing our Own will develop to support the challenges we face in areas of specific recruitment difficulties, and areas where there are specific future skills shortages, such as with the implementation of 1140 hours of pre-school care.

- **We will support managers to increase the number of traineeships available to address areas of recruitment challenge and service growth through GOO and service workforce plans**
- **We will develop a framework for skills development for key employees in commercialisation and income generation for approval by the Transformation board by August 2018**

3.3.6 Managing change is a challenge for our managers. We have developed comprehensive guidance on approaches to change management and will extend their reach to align with the Transformation Programme.

- **We will promote our online managing change toolkit to support our managers in delivering transformation as part of an information campaign in 2018/19**
- **We will support our workforce with the skills to be digitally enabled, flexible and efficient as set out in our Digital Strategy by reviewing our digital training programme in 2018/19.**
- **We will support the development of coaching by continuing to include coaching as a key element of the Argyll and Bute Leadership and Management Programme**
- **We will support the development of mentoring by putting in place a mentoring programme in 2018 to identify 20 new mentors across the Council.**

### 3.4 **Values and Behaviours**

3.4.1 Our behavioural competency framework underpins our PRD process. Refreshed corporate values have been developed by the Culture Steering Group, based on feedback from our 2016 employee survey.



- **Caring**
- **Committed**
- **Creative**
- **Collaborative**

3.4.2 These values are included in our Corporate Plan and are being developed into a new set of behavioural competencies that will support future culture of the organisation to deliver transformational change. As with our previous behavioural competencies, these new values will inform and will be mapped to all of our corporate training and learning as well as being a core element of our annual Performance Review and Development process. This approach will ensure that we set out clear expectations of leaders, managers and employees that adhering to our behavioural framework is an integral part of being an employee of Argyll and Bute Council.

- **We will embed the newly agreed values in our behavioural framework by March 2019**
- **The new behavioural framework will inform our revised Performance Review and Development (PRDs) which will be launched in 2019/20**

### **3.5 Employee Voice – Engaging with our employees**

3.5.1 Employee engagement is essential to a well-functioning workforce. Our communications and engagement with employees is at the centre of valuing them.

- **We will monitor employee engagement through regular employee surveys in 2018, 2020 and 2022**
- **We will implement a refreshed internal communications framework, using a variety of communications tools and channels in 2018/19**

3.5.2 The Council has a proven track record of managing transformational workforce change. Since 2010, service reviews and service choices redesigns have involved significant employee change and reduction. This has been done whilst maintaining a positive, working relationship with the Trades Unions and minimising compulsory redundancy, as set out in our Redundancy Policy. A comprehensive approach to managing early departures for those employees who wish to leave voluntarily and the provision of redeployment and retraining opportunities for those who wish to remain working for the Council has underpinned these service changes and enabled savings to be made by the Council. Whilst the Council cannot commit to providing a job for life, we can commit to being an employer for life by ensuring that our employees have transferable and flexible skills for the future. All early departures are managed in accordance with budgetary controls that determine a 3 year payback period.

3.5.3 We maintain a close and positive working relationship with our Trades Unions through regular liaison meetings, early consultation and engagement on change. We are committed to an 'open door' approach to working with our Trade Union colleagues to allow informal discussions but



also through the formal committee structures of the Employee Joint Consultative Committee (EJCC) and the Local Negotiating Committee for Teachers (LNCT) meetings with members.

- 3.5.4 We will continue to maintain our commitment to minimising compulsory redundancy, as set out in our policy, through the promotion of voluntary severance and a positive and enabling approach to redeployment that supports training and skills development.

### **3.6 Recognition and Reward**

- 3.6.1 Recognising excellence and rewarding people for the work that they do are key drivers in being viewed as an attractive employer. The Council has annual awards ceremonies to celebrate excellence, recognition and learning. We also promote a Celebrating Success page on the Hub to encourage the day to day and week to week recognition of our employees. Initiatives such as employee of the month are becoming more widely used and this gives a clear message to staff that their contribution is valued by management.
- 3.6.2 The Council is committed to fair pay and the Living Wage and works with COSLA to negotiate on pay and conditions with the national trades unions.

- **We will continue to recognise and celebrate success and achievement by our employees**

### **3.7 Recruitment and Retention**

- 3.7.1 Argyll and Bute Council provides an excellent opportunity for people who want to live and work in Argyll and Bute, both young people who are looking to enter the workforce and develop their careers and people who already have experience and wish to work for us. We offer positive conditions of service, including flexible and agile working, comprehensive and flexible training and development and we pay the Living wage. Our employees have told us in the recent Employee Survey that, above all, they value the location that they work in. They also value work flexibility and work life balance. These are positive attributes for us to promote as an employer to attract and to retain employees. We are operating in an environment of ongoing change and transformation, so we cannot commit to providing people with a single job for life, but we can be an employer for life, offering opportunity, training, development and change to people who commit to working with us.

- **We will develop our Employer of Choice branding by December 2018, based on our new values, and promote ourselves as an employer for life as set out in the People Strategy.**

- 3.7.2 The Council has highly flexible conditions of employment that allow for a very wide variety of contracted hours, work patterns and shift patterns. Our employees regularly tell us that the flexible working that is available is an important benefit to them and enables them to enjoy a positive work life balance. This flexible working also benefits the Council's business through maximum efficiency of time required for work. This enables services to redesign in different



ways to accommodate the needs of service users, variations to budgets and new ways of working. We note that the use of temporary posts is widespread and whilst this, and the use of casual workers, can provide business benefits, this brings risk and uncertainty to the workforce.

- **We will continue to provide flexible working options that support new ways of working in services**
- **We will monitor the use of temporary and casual posts and report regularly on their impact as part of the Health of the Organisation Report in 2018.**

3.7.3 The Council offers remote, agile and flexible working through our IT provision, further enabling work life balance and efficient use of time. This is an attractive proposition for employees, whose online approach to life is expected to be available in the workplace.

- **We will promote agile and remote working, enabling our employees to maximise the digital development agenda**

3.7.4 The Council experiences challenges in recruiting people to specific posts, particularly in teaching, social work, engineering and other professions.

- **We will prioritise the development and provision of traineeships for hard to fill posts as set out in our Growing Our Own programme**

3.7.5 There are challenges in recruiting to the care sector, which is also facing the issue of Living wage implementation costs in the 3<sup>rd</sup> and private sector providers. In some areas, there are high numbers of agency workers contracted to fill posts. This is a cost to the Council that can be reduced through increased direct employment of personnel.

- **We will reduce spend on agency workers through joint working with the Procurement and Commissioning Team**

### **3.8 Health and Wellbeing**

3.8.1 We have a highly developed and accurate attendance management process that provides managers with immediate, accurate, desktop information on their team's absence performance. We provide training, guidance and support on managing attendance and have a well-regarded Employee Assistance Programme to provide support to employees. As with the rest of the public sector, however, absence from work remains a challenge and the loss of productivity resulting from high levels of absence can have a detrimental impact on performance and productivity. It is important that managers support our employees to maximise their attendance in challenging times of change.

3.8.2 Whilst continuing to ensure our attendance management processes are followed, the Council will move to focus more on health and wellbeing so that we are tackling the causes of absence



rather than its effects. This is widely recognised as a positive approach by employers, which has added benefits through improved employee morale and an enhanced reputation as a good employer.

- **We will develop a series of actions following the health and wellbeing survey in 2018 to focus attention on managing attendance through the promotion of wellbeing.**

3.8.3 The Transformation Board recognises the strategic benefits of increasing the scope of services to utilise volunteers and is refreshing the Volunteer Strategy. Volunteering has long been recognised in the Council's Constitution as an important aspect of community and Council working together for the people of Argyll and Bute. This will contribute both to the resilience of service in a context of decreasing budgets and strengthen work with our partners, communities and citizens to work together for Argyll and Bute.

- **We will refresh the Volunteer Framework by October 2018, providing comprehensive guidance for managers and volunteers**
- **We will achieve Volunteer Friendly status by December 2018 and will increase opportunities for volunteers across the Council**

#### **4.0 Our Services**

4.0.1 The Council is organised in 9 service areas, with 10 Heads of Service (2 in Education). The Council also employs 2 of the 4 Heads of Service in the Argyll and Bute Health and Social Care Partnership. Our services are complex, multifunctional and vary significantly in workforce skills requirements, qualifications, experience and workforce demand and supply. We recognise the detailed workforce requirements of each of our services are very different, so in this section we identify the issues facing our main service areas in terms of future workforce planning, specifically during the life of this plan.

4.0.2 These profiles set out the strategic direction of the services, with detail from this current point in time. It is recognised that the future shape of these services will be dependent on budget decisions and that this detail may have to be amended in light of those decisions. However, it is important to identify the overall workforce profile of the services, to identify areas that require action during the life of this plan in order to mitigate risk to future delivery of council services and to enable strategic planning for training, development and recruitment investment.

4.0.3 Each service is described in terms of its overall budget and employee allocation, its service purpose as identified in the Council's Service Plans and the specific challenges that it faces in terms of future workforce development needs related to service developments or structural change. Central to this is the recognition that the Council overall has an ageing workforce and each service must put in place plans to address this. The analysis of age has used the 50-65 age bracket as 'older' for the purposes of planning because, depending on age and length of service, employees in the Local Government or Teachers' pension schemes can access their pensions



from age 50. This means that they may choose to retire and are more likely to accept early retirement if it is offered as part of a service redesign process. As there is no default retirement age, it is not certain that these employees will choose to retire, but it is important that succession plans are in place to prepare for this eventuality.

#### **4.1 Customer and Support Services**

4.1.0 Customer and Support Services has a total staff allocation of 207 FTE, a revenue budget of £8.19m and an employee budget of £7.05m for 2018/19.

4.1.1 The principal purpose of the service is to provide a range of first line contact facilities for council customers through a network of customer service points in all the main towns, a telephony based service and the Council's website and carry out the registration of births, deaths and marriages. It is also responsible for the collection of local taxes and administers housing benefit, discretionary housing payments, the council tax reduction scheme and the Scottish Welfare Fund. It also provides a range of services to internal council departments including provision of ICT, the Intranet Hub, creditor payments and the procurement and commissioning of goods and services.

4.1.2 36% of the employees in the service are in the 51-65 age bracket and therefore are likely to retire or seek retirement within the life of the plan. 5.7% of the workforce is aged 16-25 and the service has created placements for 4 Modern Apprentices and the Council's first graduate apprentice. PRD completion rates are good.

4.1.3 The service is made up of 4 sections, each led by a 3<sup>rd</sup> tier manager:

- ICT
- Procurement and Commissioning
- Customer Services
- Revenues and Benefits

#### **4.1.4 ICT**

ICT has the highest proportion of older workers in Customer and Support Services. 45% of the team is in the older age bracket 51-65 and only 5% of the service's workforce is between 16 and 25. The team has been proactive in developing opportunities for Modern Apprentices and trainees, although recruitment was difficult at first and was attributed to the low salary level. The salary level for apprentices is being reviewed. This team hosted the Council's first graduate apprentice in ICT and has also put in place a trainee post.

4.1.5 Argyll and Bute has an ambitious digital agenda and IT is used more intensively in Argyll and Bute than in other Council areas in order to overcome the difficulties of service delivery in such a complex and remote area. It is projected that there will be a shortage of ICT skills in the future



to match this need, and this is a national phenomenon. Work is going on at a national and local level to attract primary and secondary school pupils into this area of industry to try to mitigate this. Argyll and Bute Council are participating in this and recognise that this may encourage local students to study IT. We have seen that people from the area who have local connections who seek to return, therefore it is important to continue this input with this age group through the Growing Our Own engagement with schools.

- 4.1.6 It is thought that although there may be a national shortage Argyll and Bute has been protected slightly because there is little competition within the area so turnover remains low. This is borne out by overall low turnover rates amongst Council staff.
- 4.1.7 Candidates with the requisite skills have been attracted to the area as part of an overall lifestyle choice and the service will benefit from the continued strategy to promote Argyll and Bute as a place to live, learn and work.
- 4.1.8 The Head of Service is forecasting a fast moving pace of change within ICT but there are concerns around how the service will support this. More focus on development to redesign and transform services will be required and this requires agile development skills which are not present within the current staff base in ICT. This skills base would come from high level graduates and attracting them to Argyll and Bute may be more difficult. This again is an area that the service will benefit from the strategic activities with CPP partners in the area to promote the area as a place to live and work.
- 4.1.9 Key actions for the ICT service to meet the continued current levels of service:
- Plan succession for 11 IT Engineers/Senior Engineers over the next 5-8 years through a programme of traineeships, including graduates and internal staff development
  - Plan succession for up to 10 Senior ICT staff including client liaison, management and project management posts, using traineeships and internal staff development

#### **4.1.10 Procurement and Commissioning**

The Procurement and Commissioning Team has a positive age profile and presents no workforce risks over the period of this plan as a result of team planning and development over the last five years. The trainee programme within Procurement and Commissioning has worked well with employees taking part in Graduate Training Programme to become Purchasing Officers and then progressing to become Category Management Officers. Should there be any vacancies, continuation of recruiting staff in this manner would continue as the model has been extremely effective. Individual skills development programmes through PRDs and CPD are in place to ensure ongoing compliance and development needs are met across the team.



#### **4.1.11 Customer Services**

The Customer Services Team has a balanced age profile and presents no workforce risks over the period of the plan, as a result of team planning and development over the last three years. A current and continuous plan for ensuring that employees are appropriately trained for registration and customer service qualifications is in place and regular progress is reported through the Customer Service Board.

#### **4.1.12 Revenues and Benefits**

The age profile overall of this team is balanced and as such presents low risk during the life of the plan in general terms. However, there are a number of senior benefits staff in the older age bracket, which means that careful succession planning is required. There is a lot of experience within this team and it provides a regular route for staff to come in at a lower level in a general office role and then progress to the specialist intermediate level roles. There are traditionally a lot of secondment opportunities due to maternity leave covers because of the majority female workforce. There are, however, some qualification barriers to this and maternity leave secondment can leave gaps which are difficult to fill at more junior levels with the appropriate skills for a relatively short period of time.

4.1.13 The team have previously considered graduate trainee programme but the grades are not appropriate, as the Team Leaders are at the same LGE9 grade as the graduate trainees would be on. It is unlikely there is a chance of finding candidates for these roles in the open market however, there is the flexibility for Benefits staff to be based anywhere. Whilst this does bring some line management issues, there are well established practices for enabling this approach.

4.1.14 There are opportunities for existing staff to undertake the required qualifications in post using distance learning.

4.1.15 Key actions for Revenues and Benefits service to meet the continued current levels of service:

- Plan succession for up to 10 senior benefits staff within the next 5 -8 years using a blended approach of traineeships, recruitment planning and staff development
- Encourage junior staff members to achieve the required benefits qualifications through the PRD process and, recognising that this will be through distance learning, ensure that effective management support is in place.

#### **4.2 Economic Development and Strategic Transportation**

4.2.1 Economic Development and Strategic Transportation has a total staff allocation of 71 FTE, a revenue budget of £4.08m and an employee budget of £2.5m for 2018/19.

4.2.2 The principal purpose of the service is to work in partnership to attract external investment that delivers key physical and digital infrastructure enhancements to grow our economy, to improve





local skills, create and retain high quality jobs and build sustainable communities that will attract residents, businesses and visitors.

- 4.2.3 33% of the employees in the service are in the 51-65 age bracket and therefore are likely to retire or seek retirement within the life of the plan. 4% of the workforce is between 16 and 25. PRD completion is good.
- 4.2.4 The service is made up of 4 sections, each led by a 3<sup>rd</sup> tier manager:
- CHORD
  - Economic Development
  - Projects, Renewables and Regeneration
  - Strategic Transportation
- 4.2.5 The EDST service will be responsible for the delivery of the high profile and large scale Rural Growth Deal projects, which will include the management of a programme of high cost capital projects. Specific decisions on this and on the rest of the Economic Development Team's activity by elected members through the budget reconstruction process will impact on the approach that is taken to skills development and recruitment to deliver this programme.
- 4.2.6 Key actions for EDST to meet the requirements of the Rural Growth Deal will be to:
- Develop a specific workforce plan to deliver the Rural Growth Deal to include the recruitment of up to 10 project officers/managers for the Rural Growth Deal over the period of the plan
  - Take into account as part of this plan the potential for redeployment and alignments of skills within the service from the CHORD, economic development and the projects, renewables and regeneration teams
- 4.2.7 CHORD**
- 4.2.8 The CHORD team specifically deals with major capital build and regeneration projects associated with the Council wide CHORD programme. The team has experienced difficulties in recruiting qualified project managers. This can be attributed in part to the specialist nature of the jobs, the level of salary offered, the short term nature of contracts, as they are paid for from time limited project budgets and the additional, ongoing challenge that the Council faces in attracting employees to move to the area, particularly for fixed term contracts.
- 4.2.9 Key actions for the CHORD team to meet the continued and anticipated level of service:
- Investigate alternative options for short term project manager/officer posts to secure longer term security in CHORD project management, aligned with the overall plan for project management resources for the Rural Deal.



#### **4.2.10 Strategic Transportation**

The Strategic Transportation section has a positive age profile with only 16% of employees in the 50-65 age bracket. This team is predominantly very specialist, with specific training and CPD programmes in place to ensure that essential skills such as firefighting and airport management are current. These are carefully monitored and managed. There are no high risks to workforce planning in this service at present. The team has recently looked to develop alternative roles at Coll and Colonsay Airports to make staffing more flexible and to reduce risk.

#### **4.2.11 Projects, Renewables and Regeneration**

Within this small team, a high proportion of team members are in the older age bracket, particularly in the social enterprise team. The team will be subject to change over the period of the plan with changes to project budgets, so the priority for this area will be to ensure that planning for any changes to the service area take into account workforce planning. The regeneration project management skills within this service align well with the Rural Deal objectives and the overall development of the workforce plan for Rural Deal should take this into account.

4.2.12 Key activity for the Projects and Renewables Team to continue with the current level of service will be to:

- Plan for succession for up to 3 social enterprise development posts, dependent on future service planning
- Align team development and future role planning with the Rural Deal workforce plan as this is developed by the Head of Service
- Ensure succession planning is in place for the service manager

#### **4.2.13 Economic Development**

This team is subject to change as a result of changes to Employability Contract delivery and also Brexit, which will impact on the European section. The team will also be involved in the Rural Growth Deal delivery. Overall the team has a balanced age profile, although there are a high proportion of Business Advisers in the older age bracket. As this will continue to be a key service to supporting business development and economic growth throughout the life of this plan, this is an important area for early succession planning to be put in place.

4.2.14 Key activity for Economic Development to ensure a workforce that can support the development of the service and continued service delivery:

- Plan for the succession for up to 4 business advisors over the 5-10 year period through skills development in the team and consideration of traineeships



- Align tem development and future role planning with the overall needs of the Rural Growth Deal workforce plan as it is developed by the Head of Service.
- Manage the reduction of the European section as Brexit progresses

### 4.3 Education

- 4.3.1 Education has a total staff allocation of 1463 FTE, a revenue budget of £74.54m and an employee budget of £61.2m for 2018/19.
- 4.3.2 The principal purpose of the service is to deliver all aspects of education in Argyll and Bute. The service provides Early Learning and Childcare, Primary Education, Secondary Education, Education Psychological Services, 16+ Learning Choices, Youth Services and Adult Learning.
- 4.3.3 38% of the employees in the service are in the 51-65 age bracket and therefore are likely to retire or seek retirement within the life of the plan. This includes both teaching and non-teaching staff. Teaching staff in the older age bracket number 300, which indicates that they are likely to leave the service of the Council through retirement within the period of the plan. The service has created opportunities for 10 Modern Apprentices. PRD completion is consistently lower than the Council target, which presents a challenge for skills development planning and succession planning.
- 4.3.4 The 300 teaching staff in the older age bracket can be broken down further and gives an indication of the leadership challenge in the service's schools over the next 5-10 years. Analysis shows that there is likely to be the need, if retirement options are taken, to replace up to 20 Head Teachers in smaller schools, up to 20 Head Teachers in larger Primary Schools and Secondary Schools, up to 20 Depute Head Teachers and over 50 Principal Teachers.
- 4.3.5 Significant changes to delivery of education are anticipated with the implementation of the Education Act 2018 and the introduction of Regional arrangements. The main workforce planning challenges facing education are in succession planning for teaching staff, succession planning for leadership posts, the implementation of 1140 hours of early learning and childcare and in the recruitment of teachers in specific subject areas.
- 4.3.6 The Scottish Government has introduced a target to deliver 1140 hours of Early Learning and Childcare to all children by 2020. The Education service has developed an implementation plan for this, which includes the scoping for workforce development. Delivery of early learning and childcare in Argyll and Bute is currently provided by a blend of Council delivered direct services, voluntary sector organisations and private providers.
- 4.3.7 The Early Learning and Childcare implementation plan was presented to Community Services Committee in December 2017 and identifies the scope of increase in early learning and childcare. Associated with this is an ongoing plan of workforce planning and development. This identifies the need for 253 FTE across all ELCC delivery roles across all local authority ELCC



- settings by 2022 and an expansion of 18 FTE in central management, support and co-ordination. The Early Years' Service is currently working with the Talent Management Team, Skills Development Scotland (SDS) and secondary schools across the Council to deliver a Foundation Apprenticeship in Social Services Children and Young People (SSCYP). We have been awarded funding for 6 places initially, starting in August 2018. Timetabled into students' choices for S5 and S6, year 1 will comprise 5 units towards the national progression award and year 2 will include nursery placements for 1 day each week.
- 4.3.8 A bid has also been submitted to SDS to deliver 8 Modern Apprenticeships in SVQ3 (SSCYP). Starting in August 2018, this will be offered as a two year apprenticeship where students are supernumerary and paid a salary as they work towards their Practitioner qualification within LA nurseries. In future years, if a student successfully completes the Foundation Apprenticeship in S5 and S6, he or she could subsequently complete the Modern Apprenticeship in one year. The Early Years' Service will also be working with Argyll College and the Council's Lead Officer 16+ to raise the profile and attractiveness of the sector and actively increase diversity.
- 4.3.9 These developments will contribute to the recruitment of a suitably skilled and well qualified additional workforce which will be required to meet the needs of extended ELC entitlement.
- 4.3.10 The education service is experiencing a turnover of teaching staff and subsequent vacancies averaging 20-25 posts per week. There are wide variations in the types and locations of posts, but there are some particular areas that the service finds hard to recruit to. The age profile of the teaching profession in the service is a real risk to service continuity.
- 4.3.11 Gaelic teaching posts have proven difficult to fill, which presents a challenge in terms of meeting the provision in the Education (Scotland) Act 2016. This places a duty on the Council to provide Gaelic Medium Education and Gaelic Learner Education and affords parents the right to request this provision. A number of initiatives have been put in place to address the challenge in recruiting Gaelic Teachers including working with Argyll College, UHI, Eilean Siar and Highland Councils to offer a locally delivered Secondary Teaching (Gaelic) PGDE. We have also supported the development of a PGDE in Primary Gaelic Medium Education delivered locally. These opportunities are important workforce development tools, but require additional promotion to ensure that we attract the best possible range of applicants.
- 4.3.12 In common with other councils, attracting teachers of STEM (Science, Technology, Engineering and Maths) is challenging for Argyll and Bute Council. Recognising this, the Council is involved in a partnership with UHI, the University of Dundee and other councils to develop a PGDE in STEM, which can be delivered remotely. This partnership has recently been successful in attaining funding from the Scottish Government to progress this project.
- 4.3.13 Primary teaching is another area of challenge for the Council, where we are experiencing difficulties in recruiting to posts. Argyll and Bute has a high number of small primary schools,



many located in remote areas. This can mean that a prospective post holder may have to make a lifestyle choice to take up a position in a remote community. Promoting Argyll and Bute as a place people choose to live and work is our priority and so in order to increase interest in applications to posts and also to the locally delivered PGDE in Primary Teaching, improved promotion is required.

4.3.14 Important in attracting teachers to Argyll and Bute is offering positive opportunities for probationer teachers. If a probationer teacher has a positive experience during this period, they are more likely to consider a permanent position in the authority.

4.3.15 Key activities that the service will require to put in place to ensure continuity of service will be to:

- **Develop detailed plans to recruit or train up to 300 teachers over the period of the plan, including up to 20 Head Teachers for smaller schools, up to 20 Head Teachers for larger Primary and Secondary Schools, up to 20 Depute Head Teachers and up to 50 Principal teachers of various subjects.**
- **Further develop approaches to the cluster model for school leadership**
- **Continue to improve our offering to probationer teachers for each successive session.**
- **Work with IHR to develop a promotional campaign to raise awareness of opportunities for Primary Teaching in Argyll and Bute as part of promoting the Council as an Employer of Choice**
- **Work with partners to develop the PGDE in STEM education to improve recruitment to STEM teaching posts in Argyll and Bute.**
- **Work with IHR to develop a series of promotional activities around Gaelic medium education with our partners in Argyll College/UHI to improve take-up of Gaelic Medium certification to reduce our vacancy levels for Gaelic Medium Teaching posts.**
- **Implement a detailed programme of recruitment and training to meet the future requirements of ELC 1140 hours to deliver 253 FTE across all ELCC delivery roles across all local authority ELCC settings by 2022 and an expansion of 18 FTE in central management, support and co-ordination.**

#### 4.4 Facility Services

4.4.1 Facility Services has a total staff allocation of 344 FTE, a revenue budget of £11.83m and an employee budget of £7.8m for 2018/19.

4.4.2 The principal purpose of the service is to provide a range of support to all other council services through teams which manage assets, catering, cleaners, light vehicle fleet, school transport, property design and improvement, property maintenance and energy consumption. The service has responsibility for the Council's Corporate Asset Management processes together with the design and delivery of property related capital projects. In addition, Facility Services manages and supports public sector transport contracts and community transport initiatives.



4.4.3 42% of the employees in the service are in the 51-65 age bracket and therefore are likely to retire or seek retirement within the life of the plan. PRD completion is good.

4.4.4 The service is made up of 3 teams, each led by a 3<sup>rd</sup> tier manager:

- Property Services
- Integrated Transport
- Catering and Cleaning

#### 4.4.5 **Property Services**

This team of predominantly professional and technical staff shows an age profile that has 50% of employees in the older age bracket. These are predominantly in the professional and technical posts and therefore present a succession challenge to the continuation of the service in its current format. The service

4.4.6 Key actions for the Property Services team to meet the continued and anticipated level of service:

- Put in place plans to create trainee posts to complement a recruitment strategy to replace up to 13 staff in professional, senior professional and technical property disciplines during the period of the plan. Specific roles will be shaped by the outcome of the budget reconstruction process.
- Align training and recruitment requirements with other Council services seeking to fill similar skills and succession gaps such as Roads Design Services and Building Standards.

#### 4.4.7 **Integrated Transport**

The majority of employees within this service are driver/pupil escorts and pupil escorts. These posts are filled predominantly by older workers, including some who are 65+. All posts are on part time hours and these hours are dependent on the needs of school pupils. There are ongoing training programmes for the staff to ensure adherence to the regulatory requirements of the service. There are no significant problems in recruiting to these posts, so the model that is in place is sustainable.

4.4.8 There is a planned proposal to merge this team with Roads and Amenity Services. It will be important that this transition is managed smoothly and that the newly created joint team manager takes into account succession planning to ensure continuity of service.

4.4.9 Key actions for the Integrated Transport team to meet the continued and anticipated level of service:

- Work closely with Roads and Amenity Services to ensure effective succession and workforce planning is a core activity in the project to integrate the two teams



#### 4.4.10 Catering and Cleaning

This team has a large staff complement with a very flat management structure. The largest staff groups are cleaners and catering managers and catering assistants. 39% of the team are over 50 and the team also has 10% of its staff in the younger age bracket, presenting a more balanced age profile than the Council average. The employees in this team are predominantly female and part time and the service also relies on bank staff to cover for absences, including maternity leave, which can be high due to the gender and age profile of the workforce.

Training and skills development for the staff is programmed and ensures compliance with the regulatory requirements of the service.

4.4.11 The Catering Manager roles are predominantly filled by employees in the older age category, which indicates a potential succession risk during the plan period. The services manager posts are also in the older age bracket, so it is important that succession plans are developed during the plan period for this level of post.

4.4.12 Key actions for the Catering and Cleaning team to meet the continued and anticipated level of service:

- Develop a detailed plan for ensuring succession to up to 30 Catering Manager posts
- Ensure succession plans are in place for up to 2 services manager posts

#### 4.5 Governance and Law

4.5.1 Governance and Law has a total staff allocation of 48 FTE, a revenue budget of £1.97m and an employee budget of £1.9m for 2018/19.

4.5.2 The principal purpose of the service is to administer the core services within which the governance arrangements of the Council and Community Planning Partnership are undertaken. It includes a range of internal and external support services, including support for the Council, other Departments, Council Committees, Community Councils, the Children's Panel and Elected Members and delivers legal services that include litigation, licensing and conveyancing. The service is responsible for delivering all elections, the Civil Contingencies function and information compliance duties such as Freedom of Information, Data Protection, corporate complaints and records management.

4.5.3 27% of the employees across the service are in the 51-65 age bracket and are therefore likely to retire or seek retirement within the life of the plan. PRD completion is good.

4.5.4 The service is made up of 4 teams, each led by a 3<sup>rd</sup> tier manager

- Legal Corporate
- Legal Services Commercial
- Central Governance



- Area Governance

4.5.5 All the teams are small and, apart from in the Legal Corporate Team, there is a balanced age profile across the service. Following difficulties in recruiting qualified legal professionals, the team has put in place a successful programme of legal traineeships. Continuation of this, particularly in Legal Corporate will be important to ensure service continuity over the period of the plan. In terms of skills development, ongoing PRD and CPD is undertaken and recorded to ensure compliance. A further workforce planning risk to this service is the need for management continuity and succession planning, as all managers are in the older age bracket.

4.5.6 Key activities for the service in ensuring continuity of service provision:

- Continue the programme of legal traineeships to ensure succession planning specifically for the Legal Corporate team
- Prepare a succession plan for to up to 4 management posts over the period of the plan

#### **4.6 Improvement and HR**

4.6.1 Improvement and HR has a total staff allocation of 59 FTE, a revenue budget of £2.8m and an employee budget of £2.6m for 2018/19.

4.6.2 The principal purpose of the service is to drive improvement through change and business support in the interests of our employees and the people that we serve in Argyll and Bute. The team provides professional support services to Council Services in human resources, employee relations, payroll, pensions and transactional HR, Organisational Development, Performance and Improvement including Best Value, Health and Safety and Internal Communications. The service also provides a service to the public through the Corporate Communications Team that includes promotion, engagement and communications through social media, the Council website and other media such as the press. PRD completion is good.

4.6.3 32% of the employees in the service are in the 51-65 age bracket and therefore are likely to retire or seek retirement within the life of the plan and 7% of employees are in the 16-25 age bracket. The service has created opportunities for 7 Modern Apprentices since 2016.

4.6.4 The service is made up of 3 teams, each led by a 3<sup>rd</sup> tier managers:

- Communications
- HROD
- Health and Safety

#### **4.6.5 Communications**





The Communications team has seen a high level of turnover over the past two years, but this has had a positive effect on the age profile of the team, with no-one in the older age bracket. 2 Modern Apprentices were recruited, 2 new staff will take up post in April 2018 and 1 more post is currently being advertised. There is a detailed development and training programme in place for the current and new team members, which takes into account the changing nature of Communications as a discipline, focussing specifically on development of social media. As with other small, professional teams, vacancies even for a short time can have a significant impact on service capacity.

4.6.6 Key issues are retention of Communications Officers. As it is a small team with a flat structure there is little scope for promotion therefore it is important to consider how to retain the skills of the Communications Officers within the Council if they wish to develop further. For future succession planning and recruitment it will also be important to consider how to source/train/develop individuals with communications team skills from other parts of the Council that may be transferable should a Communications Officer role become available. Part of this would be to ensure awareness of the Communications Officer role and highlight it as a career path/choice internally.

4.6.7 Key actions for the Communications team to meet the continued and anticipated level of service:

- Further develop social media skills amongst the team members
- Promote Communications as a potential career path for employees from other Council services to support future succession planning for Communications Officers.

**4.6.8 HROD**

The HROD team has just completed a service redesign which has seen all roles in the team change. This redesign has reduced resource by 25% and has introduced a programme of increased automation in transactional services to improve efficiency. Accompanying automation has been a programme of training aligned to the new systems and the team has also benefitted from a programme of professional training and traineeships over the past 2 years to ensure the appropriate level of professional skills for each of the newly designed posts. This was put in place as a result of difficulty in recruiting to professional posts and also analysis of the age profile of the team prior to the redesign. Team members are predominantly in the younger age groups and there are trainee posts in place at both professional and technical levels. The majority of the team are female, which means that the team faces the ongoing challenge of covering maternity leave. Whilst this can present opportunities for development of team members through secondment, it can also lead to shortages of cover in specific areas and the additional, unbudgeted costs of backfill.

4.6.9 Key actions for the HROD team to meet the continued and anticipated level of service:



- Develop a new approach to managing short term vacancies arising from maternity and other short term leave to ensure service continuity
- Continue the programme of traineeships for professional and para professional staff to ensure continuity beyond the lifetime of this plan

#### **4.6.10 Health and Safety**

Age profile is the main risk for the Health and Safety team as all professional officers and assistant are in the older age bracket. There is a detailed programme of CPD training in place undertaken to ensure all officers retain the appropriate professional accreditation and ensure the ongoing compliance of service delivery.

4.6.11 Key actions for the Health and Safety team to meet the continued and anticipated level of service:

- Prepared detailed plan for traineeship opportunities to ensure succession planning and replace up to 5 professional/technical health and safety posts over the period of the plan
- Explore secondment opportunities to allow for sharing of skills between departments and health and safety to encourage individuals to think of an alternative career path within the organisation, such as health and safety.

#### **4.7 Development and Infrastructure**

4.7.1 There are significant demographic challenges in some of our professions throughout D&I services. This includes planning, environmental health and structural engineering. We already have some excellent practice in supporting graduate trainees for example in planning services, which is an excellent example of Growing Our Own and has ensured effective succession planning.

4.7.2 This approach requires further development in other professional areas, such as engineering, where recruitment has proven particularly challenging. Associated with this is the regional collaborative approach to developing roads and transportation engineering, which the Council is closely engaged with.

#### **4.7.3 Planning, Housing and Regulatory Services**

4.7.4 Planning, Housing and Regulatory Services has a total staff allocation of 139FTE, a revenue budget of £6.065m and an employee budget of £6.08m for 2018/19.

4.7.5 The principle purpose of the Planning, Housing and Regulatory Services is an outward looking service which seeks to harness development opportunities, support our communities to realise their potential by enhancing access to housing, supporting businesses, protecting the public and improving the economic, social, environmental wellbeing of the area by ensuring that development takes place in a sustainable manner.



4.7.6 48% of the employees in the service are in the 51-65 age bracket and therefore are likely to retire or seek retirement within the life of the plan. Only 3% of the workforce is between 16-25. This age profile presents the greatest challenge to the service overall. There is a comprehensive CPD training programme in place to ensure compliance with professional standards and PRD performance is good.

4.7.7 The Service is made up of 4 teams, each led by a 3<sup>rd</sup> tier manager

- Building Standards
- Development Management
- Development Policy
- Regulatory Services

#### 4.7.8 **Building Standards**

The Building Standards Team is a small team of professional and technical staff who deliver a service to provide statutory services to ensure the safety of buildings across the Argyll and Bute. There is a programme in place to ensure compliance with CPD for team members and participation in regular CPD activities. The main challenge for the team is ensuring that there is a robust succession plan to address the age profile in the team, as 44% of team members are in the older age bracket and may be eligible for or seek retirement during the period of the plan. The manager has already started to explore opportunities for professional traineeships and for Modern Apprenticeship Placements. The delivery of training for these specialist qualifications is a challenge, but remote learning access is currently being investigated along with associated costs.

4.7.9 Key actions for the Building Standards team to meet the continued and anticipated level of service:

- Develop plans to replace up to 10 Buildings Standards professional and technical posts during the period of the plan through traineeships and recruitment
- Work with other services seeking to address similar skills and succession planning gaps, including Property Services and Roads Design
- Further explore opportunities for Modern Apprenticeships that deliver the key skills required by building standards with the Talent Management Team, who will work with Community Planning and the wider industrial development partnership.

#### 4.7.10 **Development Management**

As the Council continues to progress with its corporate objectives to grow the economy and increase the population, the demands for this service are likely to be sustained and may grow. The team's overall approach will undergo change during the life of the plan as it is required to



generate a higher level of income to support the service's revenue budget, becoming more commercial.

4.7.11 The team, as with the others in the service, has a high proportion of staff in the older age bracket, which presents the greatest risk to future service planning. These posts are mainly in at more senior levels, so this presents opportunities for the more junior professionals in the team to take a step up. If this is successful as a strategy, this will then present a challenge in filling the entry level professional posts. However the team has, as part of a wider Planning, Housing and Regulatory Services programme of professional traineeships, delivered success in developing staff from entry to professional level over the years and so this tried and tested approach should be continued.

4.7.12 Key actions for the Development Management team to meet the continued and anticipated level of service:

- Support the development of current staff in order to ensure succession planning for up to 5 senior, principal and team lead posts over the period of the plan
- Put in place plans to recruit trainees for up to 2 planning officer and 3 technical officer posts over the period of the plan

#### 4.7.13 **Development Policy**

This team has recently been amalgamated with the housing policy team. The major challenge facing Development Policy is the extremely high proportion of over 60% of its team members being in the older age bracket.

4.7.14 There is a programme of traineeships in place, but the availability of these does not currently match the level of likely change that will take place over the period of the plan. The service is made up of a series of individual, specialist posts, with little scope for overlap or cover support. As part of the workforce planning process, consideration of greater flexibility in roles would provide more resilience for the service and enable better succession planning. It is critical that the the service puts in place a comprehensive and detailed programme to review roles and introduce trainees.

4.7.15 Key actions for the Development Policy team to meet the continued and anticipated level of service:

- Consider reviewing roles to enable greater scope for resilience and succession within the team
- Develop a detailed plan to replace up to 4 senior and policy/project officer posts and 3 technical level posts through introducing traineeships
- Ensure plans are in place for succession planning at management level for 3 posts.

#### 4.7.16 **Regulatory Services**



Regulatory Services also has a high proportion, over 45%, of staff in the older age bracket. Dominated by a workforce of professional and technical officers, there is a good CPD framework in place to ensure compliance with the required regulations. The service has experienced difficulties in filling posts and has sought to put in place traineeships when recruitment has been challenging. Trading Standards has been recognised as an area of challenge nationally in terms of succession planning and a national initiative is being planned via COSLA to tackle this issue. There are 6 environmental health officers in the older age category and a programme of traineeships would be

#### **4.8 Roads and Amenity Services**

4.8.1 Roads and Amenity Services has a total staff allocation of 501 FTE, a revenue budget of £21.7m and an employee budget of £15.2m for 2018/19.

4.8.2 The principal purpose of the service is to ensure that Argyll and Bute's roads and marine infrastructure enables the safe and convenient movement of people and goods across a geographically diverse area. The service also maintains the physical appearance of Argyll and Bute by managing open spaces, cemeteries, street cleaning, refuse collection and waste management.

4.8.3 42% of the employees in the service are in the 51-65 age bracket and therefore are likely to retire or seek retirement within the life of the plan. 1% of the workforce is aged between 16 and 25. The service have put in place opportunities for apprentice mechanics as part of a long term programme. In order to address the age profile and ensure continuity of services and skills development, the service overall is planning to develop a service wide approach to developing career paths within Council from apprenticeship level through traineeships to graduate career grade schemes. PRD completion is good. The Head of Service is currently involved in leading a piece of work with SCOTS nationally to prepare a 3 year training programme to address the overall issues of an ageing workforce in this sector. This is focussed on civil engineering skills that are transferable across the sector.

4.8.4 The service has undergone significant change and implemented savings as part of both service choices and transformation. New structures and roles are being implemented in 2018 in parts of the team and there will be a period of training and support required to enable employees to develop into their new roles. There is also a need across the service to develop management skills to promote and implement change and to improve customer service, response times and service delivery.

4.8.5 The service is made up of 6 sections:

- Amenity Services
- Infrastructure Design
- Marine Operations



- Network and Environment
- Roads Operations
- Waste and Fleet Management

#### 4.8.6 Amenity Services

Amenity services has over 40% of staff in the older age bracket and the workforce is predominantly male. This is the pattern across all types of posts. The service is currently exploring the development of trainee Gardener/Amenity roles, with a plan to recruit school leavers and provide a career path with structured training. This is being developed with the Talent Management team and opportunities will be promoted in schools through Growing Our Own. The plan is to implement this approach across several skills to both competent and expert levels. It is important that these roles are identified as having specific skills. The objective is to develop a structured training plan with the Talent Management Team and to work with Argyll College/UHI and, whilst it is difficult to deliver practical skills remotely using VC, the service is exploring linking up with other Councils to pool training resources and align traineeships.

#### 4.8.7 Key actions for the Amenity Services team to meet the continued and anticipated level of service:

- Work with the Talent Management Team and Argyll College to develop a structured training programme, targeting school leavers, to address the succession planning challenge of replacing up to 30 operatives and charge hands over the period of the plan
- Identify options for traineeships to develop up to 6 officers/technical officers over the period of the plan.

#### 4.8.8 Infrastructure Design

The Infrastructure Design team comprises professional and technical posts which have responsibility for design services to the Roads and Amenity service. The team is small and, as a result of finding recruitment to posts difficult, has put in place four graduate trainee engineers who are undertaking the institute of Chartered Surveyors training scheme. This has had a significant impact on the age profile of the service in a positive way. There are benefits in extending this approach across the organisation and to share experience with Property Services and Building Standards, where there are synergies in training requirements and there are also opportunities in gaining work experience in different services where different skills are required. The team is keen to explore sponsorships of engineering students, tied to working with the Council as they progress through their degree and would be interested in promoting this through schools. This approach has recently been approved by the HR Board as part of the overall Growing Our Own training framework.



4.8.9 Key actions for the Infrastructure Design team to meet the continued and anticipated level of service:

- Work with Property Services and Building Standards to share experience in creating graduate engineer posts with shared work experience for up to 6 professional/technical posts over the lifetime of the plan.

#### 4.8.10 Marine Operations

This service is again predominantly male and almost 60% of employees are in the older age group. Areas with particular challenges are the Assistant Harbour Master roles, where all employees are in the older age group and pier operatives, where over 65% are over 50. Priority must be given to developing structured plans with the Talent Management Team to address these two areas in particular. The need to fill pier operative posts present an excellent opportunity to introduce an apprenticeship scheme, which can be explored in conjunction with partners, such as Caledonian MacBrayne and Councils in the Highlands and Islands. The Assistant Harbour Master posts will require a comprehensive programme of attracting new recruits into these posts and the challenge will be to identify trainee posts, whilst maintaining the current level of service. The service has a good programme of CPD and skills continuity, but is also seeking to implement customer service training for pier and ferry operatives, recognising the important customer facing role that they have.

4.8.11 Key actions for the Marine Operations team to meet the continued and anticipated level of service:

- Introduce an apprenticeship programme for pier/port operatives to ensure succession planning for up to 10 pier operatives over the period of the plan
- Implement a traineeship programme for Assistant Harbourmasters to ensure succession planning is in place for up to 5 Assistant Harbour Masters over the period of the plan.
- Implement a programme of customer service training for all pier and ferry operatives.

#### 4.8.12 Network and Environment

The network and environment team has an older team profile, but this is skewed by the proportion of the team who are school crossing patrollers, normally a post taken up by older employees in the over 65 age group. The rest of the team has a balanced age profile, with only one area that is dominated by older employees – the technical officers. This is the one area where the focus of attention for succession planning over the course of the plan must be for this team.

4.8.13 Key actions for the Network and Environment team to meet the continued and anticipated level of service:



- Develop a planned approach to recruitment/traineeships to ensure succession planning for up to 5 technical officers over the period of the plan

#### 4.8.14 Roads Operations

The Roads Operations team is in the process of implementing a new structure, which has a variety of new and re-scoped roles. This new structure is intended to provide resilience and flexibility to meet the future needs of the service, whilst reducing costs. The main area of challenge for the team will be to ensure a smooth transition to the new posts and a structured training plan to support team members in their new roles. Overall the service in its present format is predominantly male and has 43% of employees in the older age category. A high number of these are in skilled road worker posts. Although this designation will change in the new structure, there will continue to be a need to introduce more young people into the service.

#### 4.8.15 Key actions for the Roads Operations team to meet the continued and anticipated level of service:

- Implement a training programme to ensure all employees are supported in their newly configured roles
- Work with the Talent Management Team to develop a career path for school leavers with structured training across several skills to competent/expert level.
- Develop the structured training plan with Argyll College/UHI and explore opportunities of joint working with other councils to pool training resources.
- Progress work with SCOTS nationally to address succession planning issues.

#### 4.8.16 Waste and Fleet Management

The Waste and Fleet Management team has 38% of its staff in the older age bracket, which makes it more balanced than the other Roads and Amenity Services teams. The team has had success in introducing apprentice mechanics and this can be seen clearly from the younger age profile of these posts. The success of this model can and should be extended across the rest of the Roads and Amenity service. There are no high risk succession planning issues with this service during the life of the plan, although the roles across the team are specialised and individual, so there is little resilience in the event of absence. The manager should consider the roles within the team for future planning with a view to creating more integrated roles with transferable skills.

### 4.9 Strategic Finance

- #### 4.9.1
- Strategic Finance has a total staff allocation of 40 FTE, revenue budget of £1.6m and an employee budget of £1.8m for 2018/19.





- 4.9.2 The principal purpose of the service is to maintain high levels of financial management and control whilst contributing to corporate management and leadership and supporting officers and members in an effective and responsive manner. The service does this through provision of strategic financial advice, provision of accounting and budgeting services, treasury management, risk management, internal audit and assurance.
- 4.9.3 30% of the employees in the service are in the 51-65 age bracket and therefore are likely to retire or seek retirement within the life of the plan. 4% of the workforce is between 16 and 25.
- 4.9.4 The service has had a series of traineeships in place, and there are currently two trainees in place. This has resulted in a good age and skill balance across the team as with other professional services, attracting experienced and qualified employees to the area is difficult. In addition there is local competition from other organisations for finance professionals. As it comprises a small team of professionals and specialists, there can be resilience issues at times of sickness absence or maternity leave. This is managed through secondments and backfill, although this can create gaps in more junior posts. The service is currently considering a restructuring to take into account the changing nature of the Council's needs. This new structure should be accompanied by a structured training programme for employees in their new posts to ensure continuity of service. It is important that the programme of trainees, including consideration of graduate trainees, continues as part of the ongoing service workforce planning. There are no high risk issues for the service.

#### **4.10 Health and Social Care Partnership**

- 4.10.1 The Argyll and Bute Health and Social Care Partnership (HSCP) is responsible to the Council and to NHS Highland for the delivery of all Adult health and social care services and all children and families health and social care services. Employees who are managed within the HSCP remain employees of their respective parent organisations.
- 4.10.2 Within the HSCP, there are 4 services:
- 5 Adult Services East
  - 6 Adult Services West
  - 7 Children and Families
  - 8 Strategic Planning and Performance
- 4.10.3 Workforce Planning is the responsibility of management within the HSCP and receives support from the Council's IHR and Strategic Finance Services to enable this planning. There are a series of workforce planning requirements established nationally for health and social care partnerships at the national, regional and local level, which are being progressed by the partnership through the workforce planning board. This board will collate and analyse the detailed information and priority areas for workforce planning action for the services within the HSCP. The analysis from this will be used to inform the Council – led social work training board



and other activities such as recruitment campaigns. The national context is one of growth in demand for these services, resulting mainly from the ageing population. There are real challenges in ensuring that the service requirements can be managed within restricted budgets and changing workforce demands.

4.10.4 In Health and Social Care, we expect to see a shift in the type of workforce employed, with a shift from acute care to community and home care, following the national strategy. The number of employees engaged in these services will be dependent on the model of provision and the balance between is delivered in house or external providers. We are currently experiencing fragility in the commissioned sector and so it would be prudent to prepare for a potential rise of employees in home care and to ensure that we provide appropriate training and registration to support the safe delivery of care.

- **We will work with the HSCP, Scottish Government, COSLA and SPDS to ensure that there is detailed workforce planning and development support in place, in accordance with national guidance, to meet the needs of future social care services.**
- **We will participate in the local workforce planning groups, national social care workforce planning group**

4.10.5 The alignment between the Council and the NHS is essential to the development of the workforce in the integrated services. Collaboration on local and regional workforce planning is in place and the Council will continue to support SSSC registration through the provision of social care SVQ qualifications. We also recognise that there is a need for a future integrated health and social care worker post and a qualification is required to support this.

- **We will continue to support SSSC registration through the delivery of social care SVQs**
- **We will complete the delivery of 5 social work degree places over the period of the plan**
- **We will align accredited social care training to the emerging needs of the services through the Social Work Training Board and HSCP Workforce Planning Board**
- **We will deliver 5 foundation apprenticeships in health and social care as a pilot**
- **We will seek external funding to support the expansion of the social care apprenticeship programme by up to 20 apprenticeships over the period of the plan**

## 5 **Our Partners**

5.1 The Council works in partnership with many organisations, but principally, in terms of our employee relations, we work closely with our colleagues in the recognised Trades Union. Bound to a collective bargaining approach, the Council consults with and engages with the joint trades unions on all matters affecting our employees. We have a positive relationship in developing policies and procedures together and together we work to minimise the impact of changes and funding reductions on our workforce. This relationship is essential to supporting workforce planning, as the future is one of change.



- 5.2 We also work closely with our community planning partners and, through the Local Outcome Improvement Plan, have a lead role in actions to promote the public sector as an attractive proposition in Argyll and Bute. This contributes to our Recruitment and Retention objectives and supports our overall LOIP and Corporate Plan aims. The information contained within this strategic plan will contribute towards the overall employment strategy for the area, inform skills development programmes and be reported to the Industry and Regional Sounding Board.
- 5.3 The IHR service is taking a leading role in working with our partners to improve the overall recruitment performance by the public sector across Argyll and Bute, particularly in attracting young people in the area to view careers with our organisations as a positive choice for their future. We also aim to improve our reach in attracting more people to apply for posts and to choose to relocate to Argyll and Bute in order to grow our population.
- **We will work with our Community Planning Partners to promote Argyll and Bute as a place of opportunity for young people by participating in the work stream being led by Police Scotland in ABOIP Outcome 1 – The Economy is Diverse and Thriving.**
  - **We will develop shared materials for promoting our area and participate in promotional events and careers fairs as part of a regular programme from 2018 onwards.**

## 6 Monitoring and evaluation

- 6.1 This Plan is developed by the Improvement and HR service, who will be responsible for its monitoring and delivery. It aligns closely with the People Strategy 2016-2020 and delivers on one of the actions contained therein.
- 6.2 Monitoring our 7 outcomes will be carried out through regular reporting as part of the overall health of the organisation report and updates on the People Strategy by Improvement and HR.
- 6.2 Detailed workforce information at service level are available as part of the Council's interactive, online employee database through MyView. This allows managers to access data on the size, age, gender and contractual status of their workforce at any time. Heads of Service and Managers lead on the future design and delivery of services and have the detailed knowledge of what future risks that they face in terms of having the right staff with the right skills to deliver those services. Managers are also responsible for carrying out annual PRDs which identify future training requirements linked to service plans and future service delivery. The annual PRD process provides every employee and their manager with an opportunity to review skills and align with the annual service plan. This underpins service delivery and transformation. All training and skills data has been built into our employee database which is available to managers and employees on their desktops in MyView as a result of our HROD transformation and automation project. This provides managers with detailed information on their employees' training records, planned and historic, and assists them in identifying future skills gaps for inclusion in their service.



- **IHR will work with Managers to further develop service specific workforce plans with actions to address the issues highlighted in this strategic plan and in line with future service by September 2018.**

6.3 Reporting on our people resource, through the Strategic Workforce Plan and service workforce plans will ensure that we are well prepared to plan the appropriate workforce to deliver on new initiatives and areas of targeted work.

### **Conclusion**

Argyll and Bute Council is facing a time of transformation and change and is preparing for the future. We are readying ourselves for this change through our Medium to Long Term Financial Strategy and our Transformation Agenda. We have a dedicated and skilled workforce who, supported through workforce planning to achieve the right skills and experience, will take us through this change. This strategy recognises the challenges that we face in delivering on this change agenda and sets out at a strategic level how we will develop our future workforce to meet them.

April 2018

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**ARGYLL AND BUTE COUNCIL****COUNCIL****CUSTOMER SERVICES****26 APRIL 2018**

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**Scotland Excel - New Build Housing Framework – Investment opportunity**

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**1.0 EXECUTIVE SUMMARY****Purpose**

- 1.1 This report advises on an opportunity to invest in the new Scotland Excel new build housing framework. Although the investment is linked to housing it has no impact on the Strategic Housing Investment Plan or Registered Social Landlords, this is purely an investment opportunity for the Council.

**Summary**

- 1.2.1 The Scottish Government has set a target to deliver at least 50,000 homes by 2021, backed by over £3 billion in funding. It is anticipated that to meet future demand for affordable housing across Scotland, there will be an ongoing need for a national framework solution.
- 1.2.2 Scotland Excel requires a one-off amount of £500k to fund the initial start-up of the new build housing project. The funding will enable Scotland Excel to recruit a team of suitable qualified individuals and commission specialist support as required.
- 1.2.3 The total funding requirement is expected to be split amongst 12 partners, including Scotland Excel with Council partners contributing £40,000 and Scotland Excel £60,000 over a two year period. The expected return on investment is noted in the table in paragraph and amounts to £148,726 over the period to 2023.

**Recommendation**

- 1.3 That members approve the investment set out at paragraph 4.4 and approve the change to the treasury strategy to allow this as a permitted investment as set out at paragraph 4.6.

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ARGYLL AND BUTE COUNCIL

COUNCIL

CUSTOMER SERVICES

26 APRIL 2018

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**Scotland Excel - New Build Housing Framework – Investment opportunity**

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**2.0 INTRODUCTION**

2.1 This report advises on an opportunity to invest in the new Scotland Excel new build housing framework. Although the investment is linked to housing it has no impact on the Strategic Housing Investment Plan or Registered Social Landlords, this is purely an investment opportunity for the Council.

**3.0 RECOMMENDATION**

3.1 That members approve the investment set out at paragraph 4.4 and approve the change to the treasury strategy to allow this as a permitted investment as set out at paragraph 4.6.

**4.0 DETAIL**

4.1 The Scottish Government has set a target to deliver at least 50,000 homes by 2021, backed by over £3 billion in funding. It is anticipated that to meet future demand for affordable housing across Scotland, there will be an ongoing need for a national framework solution.

4.2 Local government and the affordable housing sector will be required to undertake considerable procurement activity to meet this ambitious house building programme. A national procurement approach will generate significant operational efficiencies, particularly around developing technical specifications, as well as mitigating potential bottlenecks within the procurement process. A national approach would also facilitate monitoring and reporting of additional benefits delivered through the new build programme, including social value.

4.3 Scotland Excel will co-produce with local authority partners a compliant procurement solution tailored for local requirements around Scotland ensuring social and economic benefits are accrued in Scotland.

4.4 Scotland Excel requires a one-off amount of £500k to fund the initial start-up of the new build housing project. The funding will enable Scotland Excel to recruit a team of suitable qualified individuals and commission specialist support as required.

The funding requirement for the Council is £20K for each of 2 years – 2018/19 and 2019/20, totalling £40K and this will be paid from the Asset Management Investment Fund. The total funding is expected to be split amongst the following 12 partners, including Scotland Excel:

<b>Organisation</b>	<b>Total Contribution</b>	<b>Share Ownership %</b>
<b>Aberdeen City</b>	£40,000	8%
<b>Aberdeenshire</b>	£40,000	8%
<b>Angus</b>	£40,000	8%
<b>Argyll and Bute</b>	£40,000	8%
<b>Falkirk</b>	£40,000	8%
<b>Fife</b>	£40,000	8%
<b>North Ayrshire</b>	£40,000	8%
<b>North Lanarkshire</b>	£40,000	8%
<b>Renfrewshire</b>	£40,000	8%
<b>South Lanarkshire</b>	£40,000	8%
<b>West Dunbartonshire</b>	£40,000	8%
<b>Scotland Excel</b>	£60,000	12%
<b>Total</b>	<b>£500,000</b>	<b>100%</b>

- 4.5 The agreed arrangements will include a rebate, requiring suppliers to pay 0.5% of the overall business they receive back to Scotland Excel at pre-determined intervals. The rebate amount, minus the small proportion to be retained by Scotland Excel is expected to enable the project to be self-funding, and will be re-distributed back to all funding partners in line with the share ownership percentages shown in the table. This way forward means that both the contract management costs and costs associated with developing and tendering future generations of the arrangements are met without further contributions from funding partners.

The Council will pay an 8% share of the start-up costs in years 1 and 2, as outlined in the table above. Once the framework is established the council will receive 8% of the total supplier rebate minus framework operating costs. Scotland Excel anticipate that rebate payments would flow to funders in the second year of the framework and each subsequent year. On the basis of the example model table below the Council would re-coup the initial funding amount in the first rebate year.

Scotland Excel are estimating around 18 months for the development work. This would enable a framework start date in October 2019.

Example Model

	<b>Oct 19 - Mar 20</b>	<b>Apr 20 - Mar 21</b>	<b>Apr 21- Mar 22</b>	<b>Apr 22- Mar 23</b>	<b>Apr 23 - Sep 23</b>
Spend	£0	£205,783,500	£205,783,500	£73,724,496	£73,724,496
Total Rebate	£0	£1,028,918	£1,028,918	£368,622	£368,622
Rebate minus operating costs	£0	£794,918	£794,918	£134,622	£134,622
Individual LA rebate (assuming 8% ownership)	£0	£63,593	£63,593	£10,770	£10,770

The above example is based on Scotland Excel's assumptions in relation to unit cost and volume of units. Unit volumes for first two full years based on ALACHO (Association of Local Authority Chief Housing Officers) published build figures 2019-2021. Annual volumes based on ¼ of stated total volumes for each participating council plus an additional 20% of the overall annual volume for councils to reflect usage from other councils and housing associations. Housing Association associate membership of Scotland Excel has increased significantly in recent years and is expected to continue so these volumes are potentially quite low once these are factored in.

Unit volumes following the first two years based on ALACHO previous build rate of 1000 units across Scotland pro-rated for participating councils plus 20%. This is likely to be significantly higher but reflects that funding and targets currently do not go beyond 2021, feedback from the participating councils suggests build plans are more likely to continue at a similar rate than drop back to previous levels.

In addition, the rebate is set at a level of 0.5%. The key differences from this new framework (as opposed to other pre-existing ones) are increased ease of use (standardised house specifications; mixed tenure; use of local suppliers) as well as better prices. Also other national frameworks have a minimum rebate of at least 1%, sometimes up to 3%, and with this one set at 0.5% that immediately helps to provide better value.

- 4.6 The Treasury Strategy will require to be amended to allow this as a permitted investment. In order to take advantage of any similar investments in the future, it is recommended that a new permitted investment category is created as follows:



Type of Investment	Treasury Risks	Mitigating Controls	Council Limits	Common Good Limits
Investment in a project run by a Local Authority or Local Authority Joint Committee	These are investments which may exhibit market risks and will only be considered for medium to longer term investments.	Each investment requires approval by the Head of Strategic Finance up to £250,000 and above this level Member approval. Each application will be supported by the service rationale behind the investment and the likelihood of loss.	£10m	N/A

## 5.0 CONCLUSION

5.1 Scotland Excel have a track record of delivering returns on procurement frameworks and it is considered that, based on the information provided by Scotland Excel, the assumptions underpinning this are prudent.

## 6.0 IMPLICATIONS

- 6.1 Policy: This accords with the transformation board approach to generate income. The Treasury Strategy will require to be updated to allow for this type of investment.
- 6.2 Financial: Potential to generate a good investment return based on the information provided by Scotland Excel with prudent risk approach. The £40,000 investment will be paid from the Asset Management Investment Fund.
- 6.3 Legal: None
- 6.4 HR: None.
- 6.5 Equalities: None
- 6.6 Risk: The assumptions underpinning this are prudent in regard to the level of investment.
- 6.7 Customer Service: None.

Douglas Hendry, Executive Director of Customer Services

Kirsty Flanagan, Head of Strategic Finance

Councillor Gary Mulvaney - Policy Lead for Strategic Finance and Capital  
Regeneration Projects

27 March 2018

**For further information contact:**

David Logan, Special Project and Quality Improvement Manager 01546 604322

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**ARGYLL & BUTE COUNCIL****COUNCIL****CUSTOMER SERVICES****26 April 2018**

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**EXTRACT OF MINUTE OF PLANNING, PROTECTIVE SERVICES AND LICENSING  
COMMITTEE 21 MARCH 2018**

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\* **4. CIVIC GOVERNMENT (SCOTLAND) ACT 1982: - LICENSING  
CONDITIONS, LICENSING FEES AND PREPARATION FOR LICENCE  
RENEWALS**

A report advising Members of recent changes to Civic Government Licensing legislation, as well as informing them of potential changes that may be implemented in the near future was considered. In addition the report also updated Members on preparations for the renewal of licences granted under the Civic Government (Scotland) Act 1982, and invited them to consider revision of the respective fees and conditions which apply to these licences.

**Decision**

The Committee agreed:-

1. to note the contents of the report;
2. to consult with licence holders and other relevant parties on the proposed amendments to the licence conditions as detailed in Appendix 1 to the Executive Director's report;
3. to continue to have regard to the existing Taxi Surveys at hearings for taxi operator licences, and consider at a later date whether new reports are required at such a time where circumstances have changed to a material degree;
4. to the proposed new fees for all Civic Government licences as detailed at Appendix 2 of the report and that these be passed to the Council for approval; and
5. that licences currently subject to a fixed three year period and due for renewal in June 2018 continue to be granted on that basis.

Having moved an Amendment which failed to find a seconder in respect of decision 4 above, Councillor George Freeman, asked for his dissent to be recorded in respect of that part of the decision.

(Reference: Report by Executive Director – Customer Services dated 5 March 2018, submitted)

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ARGYLL AND BUTE COUNCIL

PLANNING, PROTECTIVE  
SERVICES AND LICENSING  
COMMITTEE

CUSTOMER SERVICES

21<sup>ST</sup> MARCH 2018

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**CIVIC GOVERNMENT (SCOTLAND) ACT 1982 - LICENSING CONDITIONS,  
LICENSING FEES AND PREPARATION FOR LICENCE RENEWALS**

---

**1. EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to advise members of recent changes to Civic Government Licensing legislation, as well as informing members of potential changes that may be implemented in the near future.
- 1.2 In addition, this report also updates members on preparations for the renewal of licences granted under the *Civic Government (Scotland) Act 1982*, as well as inviting members to consider revision of the respective fees and conditions which apply to these licences.

**2. RECOMMENDATIONS**

- 2.1 Members are asked to note the contents of this report.
- 2.2 Members are asked to agree to consult with licence holders and other relevant parties on the proposed amendments to the licence conditions as detailed in **Appendix 1**.
- 2.3 Members are asked to agree to continue to have regard to the existing Taxi Surveys at hearings for taxi operator licences, and consider at a later date whether new reports are required at such a time where circumstances have changed to a material degree.
- 2.4 Members are asked to agree on the proposed new fees for all Civic Government licences as detailed in **Appendix 2**, so that they can be passed on for approval by the Council.
- 2.5 It is recommended that licences currently subject to a fixed three year period and due for renewal in June 2018 continue to be granted on that basis.

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**CIVIC GOVERNMENT (SCOTLAND) ACT 1982 - LICENSING CONDITIONS,  
LICENSING FEES AND PREPARATION FOR LICENCE RENEWALS**

---

**1. SUMMARY**

- 1.1 The purpose of this report is to advise members on various issues in relation to Civic Government Licensing.
- 1.2 Section 12 of the *Civic Government (Scotland) Act* 1982 provides that the Council must seek to ensure that fees it charges in respect of taxi and private hire car licences and applications are sufficient to meet the expenses it incurs in carrying out its functions in relation to those licences. Paragraph 15 of Schedule 1 to the 1982 Act also seeks to ensure that all fees received are sufficient to meet the Council's expenses incurred in exercising their business under Part 1, Part 2 and Schedule 1 of the 1982 Act. Members are now invited to consider the issue of licence fees, which will be subsequently considered by the full Council in anticipation of the new three year renewal period beginning in June 2018.
- 1.3 The majority of licences (approximately 500) fall due for renewal at the end of June 2018. This report details the position in relation to the renewals of those licences.

**2. RECOMMENDATIONS**

- 2.1 Members are asked to note the contents of this report.
- 2.2 Members are asked to agree to consult with licence holders and other relevant parties on the proposed amendments to the licence conditions as detailed in **Appendix 1**.
- 2.3 Members are asked to agree to continue to have regard to the existing Taxi Surveys at hearings for taxi operator licences, and consider at a later date whether new reports are required at such a time where circumstances have changed to a material degree.
- 2.4 Members are asked to agree on the proposed new fees for all Civic Government licences as detailed in **Appendix 2**, so that they can be passed on for approval by the Council.
- 2.5 It is recommended that licences currently subject to a fixed three year period and due for renewal in June 2018 continue to be granted on that basis.

### **3. CHANGES TO LICENSING LEGISLATION**

#### **3.1 Taxis and Private Hire Cars/Booking Offices:**

3.1.1 Immigration Checks: With effect from 1<sup>st</sup> December 2016, Council officers have been required to check the immigration status and right to work in the UK of all taxi and private hire car driver applicants, as the Council must not grant licences to illegal immigrants. The check must take place at some point during the application process. In addition, if a migrant has leave to remain in the UK for a limited time then the grant of any licence must be restricted to the duration of that leave to remain. If a licence holder becomes disqualified from holding a licence by reason of his/her immigration status then the licence will cease to have effect. The *Immigration Act 2016* also provides that the Council may suspend or revoke a licence where a licence holder commits an immigration offence or is required to pay an immigration penalty. These grounds for suspension or revocation will not apply if the conviction is 'spent' (in terms of the *Rehabilitation of Offenders Act 1974*), or the penalty is fully paid and was imposed over three years ago. The UK Government has now extended these immigration check provisions to booking offices for taxi and private hire cars under the *Immigration Act 2016 (Consequential Amendments) (Licensing of Booking Offices: Scotland) Regulations 2017/1317*, which came into force on 22<sup>nd</sup> January 2018, and so Council officers are now also required to check the immigration status of all booking office licence applicants.

#### **3.2 Public Entertainment Licensing:**

3.2.1 Funfairs: In July 2017, the Scottish Government published non-statutory best practice guidance in relation to Public Entertainment Licenses in respect of funfairs. It is intended to encourage licensing authorities to adopt best practice to support and encourage funfair operators across Scotland. There is also a draft proposal for a Bill to exempt travelling funfairs from public entertainment licensing requirements and to create a distinct new licensing system for travelling funfairs which has been lodged in the Scottish Parliament. A Consultation on the proposal has recently closed. Members will note that on 21<sup>st</sup> February 2018, the Planning, Protective Services and Licensing Committee authorised the Head of Governance and Law to submit a consultation response on behalf of the Council which indicated that the Council was fully opposed to the proposal.

### **4. LICENCE CONDITIONS**

4.1 A review of the conditions applying to each specific licence has been carried out and a number of proposed changes have been identified as detailed in **Appendix 1**.

- 4.2 Of the substantive proposed changes, the first is an addition of a new standard condition for metal dealers. This condition is suggested in order to highlight to licence holders that they must comply with their new duties as set out in the *Air Weapons and Licensing (Scotland) Act 2015* in relation to acceptable forms of payment, recording and retaining details of transactions, and reducing metal crime in Scotland.
- 4.3 Another proposed change is the creation of a new standard condition for boat hire licences. This condition places a duty on licence holders to report to the Council, as licensing authority, any incidents of passengers leaving the licence holder's vessel and entering the water involuntarily.
- 4.4 In relation to street traders, a proposed change to the Schedule of Conditions is the removal of the existing Standard Condition 17 (the 100m Rule) and replacing this with a new Standard Condition 17 whereby mobile street traders are only authorised to trade in any one area for a limited amount of time before being required to move on elsewhere. This substitution has been proposed in light of matters recently raised as to the admissibility of the existing 100m Rule. The alternative condition is based on the rationale for protecting public order and public safety, as well as reducing risk of traffic congestion.
- 4.5 Finally, after consultation with Environmental Services, it is proposed that a new standard condition be added for window cleaner licences. This has been suggested in order to reiterate to licence holders their duties under Health and Safety legislation to assess risk and implement safe working practices. Licence holders will also be required to comply with all guidance issued by the Health and Safety Executive, particularly in relation to working at height. Furthermore, the application form for a window cleaner's licence will also be amended to include questions which ask applicants to confirm that they will assess risk on an ongoing basis and put in place appropriate control measures.
- 4.6 If members are in agreement, it is recommended that there be a consultation with licence holders, Police Scotland, Environmental Services and other relevant parties as to the proposed amendments with a further report to be prepared by Council officers and brought before the committee to allow members to decide on the proposed amendments to the conditions.

## **5. TAXI SURVEYS**

- 5.1 Section 10(3) of the *Civic Government (Scotland) Act 1982* deals with taxi licences and provides that the grant of a taxi licence may be refused by a licensing authority for the purpose of limiting the number of taxis in respect of which licences are granted if, but only if, they are satisfied that there is no significant demand for the services of taxis in their area which is unmet.
- 5.2 In carrying out this test to ascertain whether there is significant



unmet demand in respect to the Bute and Cowal; Mid Argyll, Kintyre and Islay; Helensburgh and Lomond; and Oban, Lorn and the Isles areas, the Planning, Protective Services and Licensing Committee currently refer to surveys carried out between late 2013 and early 2014 in relation to those respective taxi zones.

- 5.3 It has been noted that since publication of the respective surveys, there have not been any significant changes to circumstances, population or taxi numbers in any of the taxi zones. For this reason, members are invited to continue to have regard to the existing surveys until such a time that there are material changes to circumstances in either of the zones which render the reports out of date, at which point members may wish to determine that new surveys should be carried out.

## 6. LICENSING FEES

- 6.1 At the meeting of the PPSL Committee on 18<sup>th</sup> March 2015, it was agreed that licences continue to be granted for a three year period for the licences due for renewal in June 2015.
- 6.2 As the June 2018 renewal period is approaching, a proposed list of fees are contained in **Appendix 2**. These proposed new fees represent a 6% increase on all of the fees currently charged. An increase of 6% is proposed as Civic Government Licensing fees have not risen since June 2015, and any new fees will be set until June 2021. Members are invited to agree on the proposed list of new fees so that they can subsequently be passed on for approval by the Council.
- 6.3 It should be noted that taxi driver licences, private hire car driver licences, booking office licences and skin piercing and tattoo operator licences do not fall within the fixed three year renewal period but are granted for a period of three years from the date of grant of the licence.

## 7. PREPARATION FOR LICENCE RENEWALS

- 7.1 It is proposed that reminder letters will be issued to all licence holders once the application fees have been confirmed. Licence holders will be asked to lodge their applications for renewal as soon as possible. A copy of the reminder letter is attached as **Appendix 3**. Applications will be dealt with in the order that they are received.
- 7.2 Applicants will be advised of the provisions of Paragraph 8 of Schedule 1 to the 1982 Act which provides that if an application is made for the renewal of a licence before its expiry, the existing licence shall continue to have effect until the application for renewal has been determined.
- 7.3 Prior to the renewal period, the Council's IT systems will be tested to ensure that the information contained therein is accurate and up to date.

- 7.4 Consultation will take place with Police Scotland and Environmental Services in relation to the renewal process.
- 7.5 Members should note that it is intended to utilise staff who have had previous experience of Civic Government Licensing to assist in the renewal process.
- 7.6 Applications for renewal of licences are not advertised at the Area Offices. There is still however the 28 day period where objections/representations can be lodged and no application for renewal can be granted prior to the expiry of that period. Therefore, if an application for renewal is received on the 30<sup>th</sup> June 2018, the earliest possible date that it can be dealt with is 29<sup>th</sup> July 2018 if all the paperwork has been provided by the applicant, no objections/representations have been made and all relevant responses have been received.
- 7.7 All applications are inserted in a register which is available online for public inspection. By virtue of Paragraph 14 of Schedule 1 to the 1982 Act, the Licensing Authority requires to keep a register of all applicants for licences under the Act. It also requires that as soon as reasonably practicable after the receipt of each application, details of such receipt and details of the final decision of each application may be entered into the register.
- 7.8 The register must include a note of the kind and terms of each licence granted by the Licensing Authority; and a note of any suspension, variation of terms or surrender of a licence.
- 7.9 The register requires to be open for public inspection at such reasonable times and places as may be determined by the Licensing Authority. The register for Argyll and Bute has been maintained online since 1<sup>st</sup> April 2015.
- 7.10 The application forms for all Civic Government licences will also be amended to include a statement which advises the applicant of the Council's participation in the National Fraud Initiative and that information about licences granted will be shared with other agencies for the purpose of preventing fraud.
- 7.11 Furthermore, the privacy statement on all application forms is in the process of being reviewed and revised by Council officers in light of the new General Data Protection Regulation (GDPR) coming into force in May this year.

## **8. CONCLUSIONS**

- 8.1 The changes introduced by the 2016 Act requiring checks on the immigration status of taxi drivers, private hire car drivers and booking offices were successfully implemented with a high level of co-operation between services.

- 8.2 The proposed amendments to the licensing conditions serve to re-iterate to licence holders the importance of their statutory duties and reflect some recent changes in the law.
- 8.3 The taxi surveys currently being used, although now around 4 years old, still appear to reflect the general situation in relation to all the taxi zones. However, should material changes in circumstances occur at a later date, members may wish to consider whether the surveys require to be updated.
- 8.4 Once the new licensing fees have been agreed on by the Planning Protective Services and Licensing Committee, the Committee's recommendation will be brought before the full Council for its approval.
- 8.5 Continuing with the three year renewal period is fair to all licence holders. Issuing reminder letters to current licence holders advising of the status of their existing licence during the period their application is being dealt with will clarify the position.

**9. IMPLICATIONS**

Policy:	No changes are proposed at this time.
Financial:	Financial implications are set out in the report.
Legal:	The Council will require to implement the legislative changes set out in the report as and when they come into force.
Personnel:	None.
Equalities:	None.
Risk:	None.

**APPENDICES**

- 1. Proposed Changes to Licence Conditions
- 2. List of Proposed Changes to Licence Fees
- 3. Standard Letter to Licence Holders for Licence Renewals

Douglas Hendry  
Executive Director of Customer Services  
5<sup>th</sup> March 2018

Policy Lead: Councillor David Kinniburgh

For further information contact: Graeme McMillan  
Tel: 01546 604431

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**APPENDIX 2****LIST OF PROPOSED FEES**

	<b><u>TYPE OF LICENCE</u></b>	<b><u>EXISTING</u></b>	<b><u>PROPOSED</u></b>
1.	Second Hand Dealer (3 years)	£391	<b>£414</b>
2.	Second Hand Motor Dealer (3 years)	£453	<b>£480</b>
3.	Metal Dealer/Itinerant Metal Dealer (3 years)	£453	<b>£480</b>
4.	Street Trader (3 years)		
	Commercial	£237	<b>£251</b>
	Volunteer/Charity	£77	<b>£82</b>
5.	Market Operator (3 years)	£453	<b>£480</b>
	Volunteer/Charity	£149	<b>£158</b>
6.	Public Entertainment		
	Permanent (3 years)	£453	<b>£480</b>
	Temporary	£129	<b>£137</b>
7.	Late Hours Catering (3 years)	£453	<b>£480</b>
8.	Window Cleaner (3 years)	£237	<b>£251</b>
9.	Boat Hirer (3 years)	£237	<b>£251</b>
10.	Taxi Operator (3 years)	£391	<b>£414</b>
11.	Private Hire Car Operator (3 years)	£391	<b>£414</b>
12.	Taxi Driver (3 years)	£98	<b>£104</b>
13.	Private Hire Car Driver (3 years)	£98	<b>£104</b>
14.	Booking Office (3 years)	£108	<b>£114</b>
15.	Knife Dealer (3 year)	£453	<b>£480</b>
16.	Skin Piercing & Tattoo Operator (3 years)		
	Premises occupied by Licensee	£268	<b>£284</b>
	Premises under control of others	£216	<b>£229</b>
17.	House in Multiple Occupancy (3 years)		
	Up to 10 persons	£711	<b>£754</b>
	Over 10 persons	£870	<b>£922</b>
	Amendment to HMO Licence	£108	<b>£114</b>
18.	Temporary Exemption Warrant (Metal Dealer)	£129	<b>£137</b>
19.	Amendment to Licence	£67	<b>£71</b>
20.	Substitution of Taxi/Private Hire Licence		
	(Processed within 5 working days)	£57	<b>£60</b>
	(Processed same day)	£77	<b>£82</b>
21.	Certified Copy Licence	£36	<b>£38</b>
22.	Re-Issue of a Plate	£36	<b>£38</b>
23.	Re-Issue of a Badge	£36	<b>£38</b>
24.	Extract of Civic Government Register	£31	<b>£33</b>
25.	Copy of Civic Government Register (per licence type)	£77	<b>£82</b>

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ARGYLL AND BUTE COUNCIL

FULL COUNCIL MEETING

DEVELOPMENT AND  
INFRASTRUCTURE SERVICES

26<sup>th</sup> April 2018

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**ARGYLL AND BUTE COUNCIL RESPONSE TO THE INQUIRY INTO EUROPEAN  
STRUCTURAL AND INVESTMENT FUNDS**

---

**1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to provide the members of Argyll and Bute Council with the officer response to the current 'Inquiry into European Structural and Investment Funds' issued by the Scottish Parliament Economy, Jobs and Fair Work Committee.
- 1.2 The Scottish Parliament Economy, Jobs and Fair Work Committee has agreed the following remit: *"To understand how European Structural and Investment Funds (ESIF) are currently used to support economic development in Scotland, at both a regional and local level. This will help inform the committee's views on, and develop ideas for, what should replace ESIF once the UK exits the European Union."*
- 1.3 A summary of the key issues is presented in the paper and the detailed responses to each theme and the associated questions posed by this inquiry are outlined in **Appendix A**.
- 1.4 Members are asked to:
  - Note that this paper was considered and commentary provided for inclusion in the inquiry response by members of the Industry and Regional Development Sounding at their meeting on the 26<sup>th</sup> March 2018.
  - Approve the response to the Scottish Parliament Economy, Jobs and Fair Work Committee outlined in full in **Appendix A**, which was submitted ahead of the deadline of 13<sup>th</sup> April 2018 subject to Argyll and Bute Council approval.

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ARGYLL AND BUTE COUNCIL

FULL COUNCIL MEETING

DEVELOPMENT AND  
INFRASTRUCTURE SERVICES

26<sup>th</sup> April 2018

---

**ARGYLL AND BUTE COUNCIL RESPONSE TO THE INQUIRY INTO EUROPEAN  
STRUCTURAL AND INVESTMENT FUNDS**

---

**2.0 INTRODUCTION**

2.1 The purpose of this report is to provide the members of Argyll and Bute Council with the officer response to the current 'Inquiry into European Structural and Investment Funds' issued by the Scottish Parliament Economy, Jobs and Fair Work Committee.

**3.0 RECOMMENDATIONS**

3.1 Members are asked to:

- Note that this paper was considered and commentary provided for inclusion in the inquiry response by members of the Industry and Regional Development Sounding at their meeting on the 26<sup>th</sup> March 2018.
- Approve the response to the Scottish Parliament Economy, Jobs and Fair Work Committee outlined in full in **Appendix A**, which was submitted ahead of the deadline of 13<sup>th</sup> April 2018 subject to Argyll and Bute Council approval.

**4.0 DETAIL**

4.1 On the 15<sup>th</sup> February 2018, the Scottish Parliament Economy, Jobs and Fair Work Committee issued a general call for views on the current European Structural and Investment Funds (ESIF). The deadline for submission to the committee is 13<sup>th</sup> April 2018.

4.2 ESIF currently helps to fund a number of economic development programmes in Scotland, supporting public bodies such as Scottish Enterprise and Highlands and Islands Enterprise, the Funding Council, Skills Development Scotland, local authorities and some of the work of the Scottish Government delivers itself for a wide range of activities, including skills and training programmes, research and development, support to business and the development of infrastructure.

4.3 The committee has agreed the following remit: " *To understand how ESIF are currently used to support economic development in Scotland, at both a regional and local level. This will help inform the committee's views on, and develop ideas for, what should replace ESIF once the UK exits the European Union.*"



- 4.4 To achieve the agreed remit the committee is seeking views and experiences from as many individuals, businesses and organisations as possible aligned to the themes and questions noted in **Table 1** below.

<b>Table 1: Inquiry into ESIF – Themes and Questions</b>
<i>Current spending priorities and approval processes:</i>
Bearing in mind that Structural Funds are governed by EU rules and regulations:
1. How the Scottish Government identified and agreed spending priorities for its current ESIF allocations.
2. The processes the Scottish Government went through with the European Commission to gain approval for its ESIF plans.
3. The involvement of SG agencies, local authorities and the third sector at this stage of the process.
<i>Current spending:</i>
4. How the differing needs of Scotland's regions are accounted for in the current range of ESIF programmes.
5. How the 2014-2020 programme funding is being spent, which areas have benefitted and any issues with these commitments or processes.
6. Understanding current accountability and reporting issues.
7. How current and previous programmes are evaluated and any suggested improvements to the evaluation process.
<i>Future programmes:</i>
8. How any future replacement of ESIFs could be used to improve employment, infrastructure and productivity in Scotland's regions?
9. Which level of government is best placed to decide how future funding is allocated and what accountability processes should be in place?
10. What are the potential opportunities and risks presented by any replacement fund or programme for ESIFs?

- 4.5 A summary of the key issues under each of the themes is presented below and the detailed responses to each theme and associated questions are outlined in **Appendix A**. In addition, as a member of the West of Scotland European Forum (WSEF), Argyll and Bute Council has been working closely with the forum, and through WSEF, with the Industrial Communities Alliance (ICA). The council's response includes specific issues for Argyll and Bute, but also refers to and under many questions duplicates the response from WSEF. The response already submitted by WSEF is presented in **Appendix B**.

### **Current Spending Priorities and Approval Processes**

- 4.6 Overall, the spending and approval processes associated with the current ESIF programmes were set in the context of extremely challenging timescales and were very piecemeal in approach, particularly with regard to budget allocations.
- 4.7 There was considerable degree of dialogue between the Scottish Government and stakeholders. However it was not always clear how this activity was being co-ordinated by the Scottish Government or whether a coherent plan was followed. At the outset of these programmes, setting up such a mechanism would have improved the (two-way) flow of communication, improved the quality of the programme preparation process and enhanced stakeholder 'buy in' to the programmes.

## Current Spending

- 4.8 Argyll and Bute Council officers are of the view that the current range of ESIF programmes has not fairly accounted for the differing needs of the Argyll and Bute area, in terms of understanding the complex geography which includes 23 inhabited islands and various remote peninsulas. The Managing Authority failed to account for the higher cost per participant of service delivery (including ferry costs and overnight stays) across a dispersed geography covering rural, remote rural and island communities. This was a significant factor for Argyll and Bute Council not being able to take up the 'Enhanced Employability Pipeline' intervention supported by the European Social Fund (ESF).
- 4.9 Due to issues of scale, Argyll and Bute Council was effectively excluded from several ERDF programmes such as the Green Infrastructure Fund and the Low Carbon Travel and Transport Fund.
- 4.10 For this current programming period, the Council's Business Gateway Team was eligible to undertake one ERDF funded programme as the Lead Partner i.e. the Business Gateway Local Growth Accelerator Programme (LGAP). This has benefited the micro, small and SME business community throughout Argyll and Bute through levering in £272k of ERDF monies (total cost circa £544k) to support workshops, specialist advice and funding. However, there was a significant delay in being in receipt of appropriate guidance to deliver this programme which in turn has resulted in a delay in the claims process.
- 4.11 Argyll and Bute Council has also been in receipt of ESIF monies, but not as the Lead Partner organisation. The Rothesay Pavilion has secured £1,055,602 from ERDF and Money Skills Argyll has been awarded £3.75m from ESF/Big Lottery.
- 4.12 Argyll and Bute Council is a member of the Highlands and Islands Territorial Committee (HITC) and is aware that the purpose of this committee is to monitor accountability and report issues. Argyll and Bute Council welcomed this opportunity and believed that it was established for the right purpose, but in reality it has been an ineffective reporting mechanism. HITC is led by the Managing Authority and is structured in a way that there is a one-way stream of information down to members. There is little opportunity to present and discuss operational issues.
- 4.13 As noted in the ESIF Regulations, the evaluation requirements for ESIF programmes are the responsibility of the Scottish Government as the Managing Authority. The recurrent problem with evaluations is that very often the results of these exercises are only available long after the optimal time for implementing many of the lessons learnt has passed.

## Future Programmes

4.14 The underlying principles for any future funding, such as from the UK Shared Prosperity Fund to replace ESIF monies, are as follows:

- Set the budget for the new fund/funds at a level, mirroring the current policy principles with regard to the allocation of European funding, that not only compensates for the loss of EU funding (£1.5bn a year) but also provides additional resources to match the scale of the challenge/opportunities;
- Allocate the new fund/funds in fair and transparent ways that give priority to the development needs of local economies, such as Argyll and Bute. A fair allocation of funding should assist in reducing economic disparities rather than widening the gaps in economic performance with funding support focused disproportionately in areas that are already performing strongly;
- Reform the rules on financial support to businesses to enable the delivery of more effective support in the places that need it most. This principle aligns with the one above in terms of a fair allocation for areas of need and will require more detailed consideration of what constitutes competition policy, such as State Aid, going forward;
- Exploit the opportunity provided by this major revision of regional policy to align a wider range of public spending with the priorities of **local and regional economic and social development**;
- Secure continuity of funding over a sustained period rather than a series of disconnected, time limited and small scale initiatives (taking geography into consideration);
- Funding allocations to be driven by the challenges to longer term sustainable competitiveness rather than chasing short term opportunities;
- Enable intervention at the right spatial scale – **geography does matter**. In this context the scope for linking this policy to the review of the Enterprise and Skills agencies and the various City/Growth Deal initiatives should be explored; and
- Ensure future processes are less bureaucratic, easy to understand and transparent with greater clarity on the availability of match funding.

4.15 Argyll and Bute Council officers are of the view that the structure of any the new fund/funds, such as the Shared Prosperity Fund, should deliver support **more efficiently, more flexibly** and with **more local authority control**, with limited top-down management. The allocation of funding should adopt a flexible approach to determine the correct mix of aid to businesses, employability support and investment in economic/social

infrastructure, based on local needs (principle of subsidiarity) with decisions made and managed at the local level.

4.16 The key opportunities for Argyll and Bute at present with regard to any replacement fund or funds are as follows:

- A chance to have a fundamental rethink of the nature and scope of regional economic/social policy in the UK and Scotland; EU policies in many respects have acted as a proxy for a UK regional policy;
- Significant savings in the administration and monitoring of the funds. For example, in relation to the volume of documentation required and the period of time that these records must be retained; and
- Support for a bespoke mixture of people, business and place based activities required to unlock regional development potential and deliver inclusive growth rather than have to adhere to arbitrary allocations for a relatively narrow and prescriptive range of activities.

4.17 The main risks for Argyll and Bute at present with regard to a replacement fund/funds are as follows:

- No detailed consideration is given by the UK Government to the devolved and local government level on the issue and focus of regional policy (economic and social) and the challenges of the varied needs of the different sectors across distinct geographical locations within regions, such as Argyll and Bute.
- Less external funding Argyll and Bute wide to address key economic and social challenges facing our communities in order to reach their full potential.  
In terms of demographics, the National Records of Scotland data for Argyll and Bute highlights that between 1996 and 2016, the 25 to 44 age group saw the largest percentage decrease (-31.4%). The 65 to 74 age group saw the largest percentage increase (+40.1%). Unless addressed, this trend is set to continue which will put further pressure on the social care sector with an increase client base and less people to deliver the required care.
- The UK Government and the Scottish Government does not give local government/Argyll and Bute Council the opportunity to put forward a collective and clear proposition with regard to future external funding requirements. This could result in a high risk that Argyll and Bute may miss out on receiving an appropriate and fair apportionment of the UK Shared Prosperity Fund or other replacement funds.  
It is so important that a clear proposition is made in order to capitalise on the continued opportunities and competitive advantage for regions such as Argyll and Bute. For example, as noted in Scottish Government's latest Annual Business Survey, 2015 (data two years in arrears) the Argyll and Bute tourism sector had a GVA of £88.3 million and that for food and drink, £91.9 million.

Furthermore, around 24% of Argyll and Bute is classed as a woodland area, approximately 12% of the woodland coverage for Scotland. As outlined in the Argyll and Bute Woodland and Forestry Strategy, 2011, the direct Gross Value Added (GVA) of timber for Argyll and Bute was approximately £58 million.

4.18 If these opportunities are not realised and the risks not addressed, this will have an impact on the longer term growth of the Argyll and Bute, Scottish and UK economies.

## 5.0 CONCLUSION

5.1 It was important that Argyll and Bute Council provided a local response to this current inquiry as well as aligning to a collective response made by WOSEF, of which the council is a member, and that of organisations such as the ICA.

5.2 Overall, one of the key issues for Argyll and Bute with regard to any replacement funding is to exploit the opportunity provided by this major revision of regional policy to align a wider range of public spending with the priority of **local and regional economic and social development**.

## 6.0 IMPLICATIONS

6.1	Policy	Local Outcomes Improvement Plan, where the vision is that Argyll and Bute's economic success is built on a growing population.
6.2	Financial	Ensuring a proportionate share of any replacement fund/funds, such as the UK Government's Shared Prosperity Fund, comes to Argyll and Bute.
6.3	Legal	All appropriate legal implications will be taken into consideration.
6.4	HR	None.
6.5	Equalities	All activities will comply with all Equal Opportunities policies and obligations.
6.6	Risk	Outlined in the main report.
6.7	Customer Services	None.

**Pippa Milne, Executive Director of Development and Infrastructure**  
**Cllr Aileen Morton, Leader and Policy Lead for Economic Development**  
 13<sup>th</sup> April 2018

## **APPENDIX A**

### **SCOTTISH PARLIAMENT ECONOMY, JOBS AND FAIR WORK COMMITTEE**

#### **INQUIRY INTO EUROPEAN STRUCTURAL AND INVESTMENT FUNDS**

Submission by Argyll and Bute Council

## **INTRODUCTION**

Argyll and Bute Council welcomes the opportunity to contribute to the Scottish Parliament's Economy, Jobs and Fair Work Committee's inquiry into the European Structural and Investment Funds in Scotland. Argyll and Bute Council is a member of the West of Scotland European Forum (WSEF), has been working closely with WSEF and through WSEF with the Industrial Communities Alliance (ICA). Our responses to the inquiry will refer to the response submitted by the Forum, with the inclusion of specific issues for the Argyll and Bute area.

## **RESPONSE TO QUESTIONS**

*Current spending priorities and approval processes:*

**Bearing in mind that Structural Funds are governed by EU rules and regulations:**

- 1. How the Scottish Government identified and agreed spending priorities for its current ESIF allocations.**

Argyll and Bute Council is in agreement with the response from the West of Scotland European Forum (WSEF) in regard to this question.

There were three key milestones in terms of consultation by the Scottish Government with stakeholders on the Scottish ESIF programmes for 2014-20:

- Between 14<sup>th</sup> May and 30<sup>th</sup> June 2013 on the Scottish Chapter of the UK Partnership agreement;
- Between 12<sup>th</sup> December 2013 and 17<sup>th</sup> January 2014 on the Scottish European Structural Fund programmes; and
- Between 30<sup>th</sup> May and 16<sup>th</sup> June 2014 on the draft texts of the operational programmes (this was not a formal consultation).

WSEF submitted full responses to each of these exercises.

The actual weaknesses of these processes were:

- The analytical basis and corresponding intervention logic was not sufficiently articulated as a basis for the selection of priorities and allocation of resources.
- A lack of substantive or complete material on which to comment – this was particularly the case regarding the breakdown of the overall programmes' budget. No information about proposed financial allocations (nor outputs and results) was included in either the May or December 2013 consultations so in essence views were being sought on a 'menu without prices'. It was only at the final stage that draft financial allocations and the associated outputs and results were made available and even then the information was incomplete and in some cases inconsistent.

- Challenging timescales - it was especially challenging to comment comprehensively on the draft operational programmes given the lack of time given - less than two weeks - and the length (in excess of 150 pages) of the programme documents.

Underpinning these 'set piece' exercises there was considerable degree of dialogue between the Scottish Government and stakeholders. However it was not always clear how this activity was being co-ordinated by the Scottish Government or whether a coherent plan was followed. Part of the problem lay in seeking to integrate the planning of a programme under the four different ESIF funds. In the past the process of preparing ERDF and ESF programmes was overseen by 'Plan Teams' involving stakeholders as well as the Scottish Government. While it is the case that supporting the work of Plan Teams does have resource implications, setting up such a mechanism would have improved the (two-way) flow of communication, improved the quality of the programme preparation process and enhanced stakeholder 'buy in' to the programmes.

**2. The processes the Scottish Government went through with the European Commission to gain approval for its ESIF plans.**

As far as Argyll and Bute Council is aware this process of approval was between the Scottish Government and the European Commission and therefore the council is unable to comment.

**3. The involvement of SG agencies, local authorities and the third sector at this stage of the process.**

Argyll and Bute Council is in agreement with the response from WOSEF with regard to this question as answered above for question one.

***Current spending:***

**4. How the differing needs of Scotland's regions are accounted for in the current range of ESIF programmes.**

The Highlands and Islands is a transition region, which grants the area with a greater funding allocation and intervention rate.

Argyll and Bute Council officers are of the view that the current range of ESIF programmes has not fairly accounted for the differing needs of the Argyll and Bute area, in terms of understanding the complex geography which includes 23 inhabited islands and various remote peninsulas. The Managing Authority failed to account for the higher cost per participant of service delivery (including ferry costs and overnight stays) across a dispersed geography covering rural, remote rural and island communities. This was a significant factor for Argyll and Bute Council not being able to take up the 'Enhanced Employability Pipeline' intervention supported by the European Social Fund (ESF).

**5. How the 2014-2020 programme funding is being spent, which areas have benefitted and any issues with these commitments or processes.**

Argyll and Bute Council is of the view that there are multiple reasons for issues with commitments and processes in the Highlands and Islands area.

For this current programming period, the Council's Business Gateway Team was eligible to undertake one ERDF funded programme as the Lead Partner i.e. the Business Gateway Local Growth Accelerator Programme (LGAP). This has benefited

the micro, small and SME business community throughout Argyll and Bute through leveraging in £272k of ERDF monies (total cost circa £544k) to support workshops, specialist advice and funding. The funding support has been in terms of business growth grants up to £5,000; employment/graduate placement grants up to £12,000; and key growth sector grants up to £1,500 to attend trade fairs, training or achieve an accreditation. However, there was a significant delay in being in receipt of appropriate guidance to deliver this programme which in turn has resulted in a delay in the claims process.

Argyll and Bute Council has also been in receipt of ESIF monies, but not as the Lead Partner organisation. The Rothesay Pavilion has secured £1,055,602 from ERDF and Money Skills Argyll has been awarded £3.75m from ESF/Big Lottery.

Argyll and Bute Council was effectively excluded from several ERDF programmes such as the Green Infrastructure Fund and the Low Carbon Travel and Transport Fund:

- Applications to the ERDF Green Infrastructure Fund have only been accepted from an area with a population of over 10,000 (Helensburgh would be the only eligible location across the whole of Argyll and Bute). This has resulted in many areas across the Highlands and Islands being ineligible, which again demonstrates the failure to recognise the area's complex and rural geography.
- The ERDF Low Carbon Travel and Transport fund is another challenge fund where the total eligible project costs are set at a minimum of £250,000. A project of this scale is feasible for an urban area and demonstrates the failure to recognise the opportunity for smaller projects of scale for rural areas.

### **6. Understanding current accountability and reporting issues.**

Argyll and Bute Council is a member of the Highlands and Islands Territorial Committee (HITC) and is aware that the purpose of this committee is to monitor accountability and report issues. Argyll and Bute Council welcomed this opportunity and believed that it was established for the right purpose, but in reality it has been an ineffective reporting mechanism. HITC is led by the Managing Authority and is structured in a way that there is a one-way stream of information down to members. There is little opportunity to present and discuss operational issues.

### **7. How current and previous programmes are evaluated and any suggested improvements to the evaluation process.**

Argyll and Bute Council is in agreement with the response from the WOSEF with regard to this question.

In terms of oversight of the programmes Articles 47 to 49 of the ESIF General Regulation set out the composition and functions of the Programme Monitoring Committee (PMC). In Scotland a Joint PMC covering all four ESIF funds was set up. The JPMC generally meets only twice a year (the minimum frequency is once per year) but covering the key issues and reviewing performance in any depth within four programmes in the constraints of a two, to two and a half hour meeting is a very difficult task.



Beneath the JPMC there are a range of generally ad hoc Strategic Intervention or Investment Priority specific arrangements through which there is a degree of communication, review and collaboration between the Scottish Government and stakeholders. While this has been mutually helpful in many cases, a more systematic approach to the ongoing monitoring of programme performance and addressing issues on a cooperative basis would be highly desirable.

The evaluation requirements for ESIF programmes are set out in Articles 54 to 57 of the ESIF General Provisions regulation and Article 114 of this Regulation requires Managing Authorities – in this case the Scottish Government - to draw up an evaluation plan for the programme and submit this for consideration by the PMC. The long standing problem with evaluations is that very often the results of these exercises are only available long after the optimal time for implementing many of the lessons learnt has passed.

***Future programmes:***

**8. How any future replacement of ESIFs could be used to improve employment, infrastructure and productivity in Scotland's regions?**

Consideration to replacement funding for ESIF programmes following Brexit continues to be a key issue for Argyll and Bute Council working closely with WOSEF, the Highlands and Islands European Partnership (HIEP; Argyll and Bute Council is a member) and the Industrial Communities Alliance (ICA). There is a broad agreement among officers that the key principles for improvement for any future funding, such as from the Shared Prosperity Fund to replace ESIF monies, are as outlined below:

- Set the budget for the new fund/funds at a level, mirroring the current policy principles with regard to the allocation of European funding, that not only compensates for the loss of EU funding (£1.5bn a year) but also provides additional resources to match the scale of the challenge/opportunities that lie ahead of us;
- Allocate the new fund/funds in fair and transparent ways that give priority to the development needs of local economies, such as Argyll and Bute. A fair allocation of funding should assist in reducing economic disparities rather than widening the gaps in economic performance with funding support focused disproportionately in areas that are already performing strongly;
- Reform the rules on financial support to businesses to enable the delivery of more effective support in the places that need it most. This principle aligns with the one above in terms of a fair allocation for areas of need and will require more detailed consideration of what constitutes competition policy, such as State Aid, going forward;
- Exploit the opportunity provided by this major revision of regional policy to align a wider range of public spending with the **priority of local and regional economic and social development**;
- Secure continuity of funding over a sustained period rather than a series of disconnected, time limited and small scale initiatives (taking geography into consideration);
- Funding allocations to be driven by the challenges to longer term sustainable competitiveness rather than chasing short term opportunities;

- Enable intervention at the right spatial scale – **geography does matter**. In this context the scope for linking this policy to the review of the Enterprise and Skills agencies and the various City/Growth Deal initiatives should be explored; and
- Ensure future processes are less bureaucratic, easy to understand and are transparent with greater clarity on the availability of match funding.

**9. Which level of government is best placed to decide how future funding is allocated and what accountability processes should be in place?**

Argyll and Bute Council officers are of the view that the structure of any new fund/funds, such as the Shared Prosperity Fund, should deliver support **more efficiently, more flexibly** and with **more local authority control**, with limited top-down management. The allocation of funding should adopt a flexible approach to determine the correct mix of aid to businesses, employability support and investment in economic infrastructure, based on local needs (principle of subsidiarity) with decisions made and managed at the local level.

**10. What are the potential opportunities and risks presented by any replacement fund or programme for ESIFs?**

Argyll and Bute Council officers are in agreement with the response from the WOSEF with regard to this question. Specific points for the Argyll and Bute area have been included below for consideration.

The key opportunities for Argyll and Bute at present with regard to any replacement fund/funds are as outlined below:

- A chance to have a fundamental rethink of the nature and scope of regional economic and social development policy in the UK and Scotland; EU policies in many respects have acted as a proxy for a UK regional policy;
- Significant savings in the administration and monitoring of the fund/funds. For example, in relation to the volume of documentation required and the period of time that these records must be retained; and
- Support for a bespoke mixture of people, business and place based activities required to unlock regional development potential and deliver inclusive growth rather than have to adhere to arbitrary allocations for a relatively narrow and prescriptive range of activities.

The main risks for Argyll and Bute at present with regard to a replacement fund/funds are as follows:

- No detailed consideration is given by the UK Government to the devolved and local government level on the issue and focus of regional policy (economic and social) and the challenges of the varied needs of the different sectors across distinct geographical locations within regions such as Argyll and Bute.
- Less external funding Argyll and Bute wide to address key economic and social challenges facing our communities in order to reach their full potential.

In terms of demographics, the National Records of Scotland data for Argyll and Bute highlights that between 1996 and 2016, the 25 to 44 age group saw the largest percentage decrease (-31.4%). The 65 to 74 age group saw the

largest percentage increase (+40.1%). Unless addressed, this trend is set to continue which will put further pressure on the social care sector with an increase client base and less people to deliver the required care.

- The UK Government and the Scottish Government does not give local government/Argyll and Bute Council the opportunity to put forward a collective and clear proposition with regard to future external funding requirements. This could result in a high risk that Argyll and Bute may miss out on receiving an appropriate and fair apportionment of the UK Shared Prosperity Fund or other replacement funds.

It is so important that a clear proposition is made in order to capitalise on the continued opportunities and competitive advantage for regions such as Argyll and Bute. For example, as noted in Scottish Government's latest Annual Business Survey, 2015 (data two years in arrears) the Argyll and Bute tourism sector had a GVA of £88.3 million and that for food and drink, £91.9 million. Furthermore, around 24% of Argyll and Bute is classed as a woodland area, approximately 12% of the woodland coverage for Scotland. As outlined in the Argyll and Bute Woodland and Forestry Strategy, 2011, the direct Gross Value Added (GVA) of timber for Argyll and Bute was approximately £58 million.

If these opportunities are not realised and the risks not addressed, this will have an impact on the longer term growth of the Argyll and Bute, Scottish and UK economies.

## **APPENDIX B**

### **SCOTTISH PARLIAMENT ECONOMY, JOBS AND FAIR WORK COMMITTEE**

#### **INQUIRY INTO EUROPEAN STRUCTURAL AND INVESTMENT FUNDS**

Submission by the West of Scotland European Forum

### **INTRODUCTION**

The West of Scotland European Forum (WSEF) welcomes the opportunity to contribute to the Committee's inquiry into the European Structural and Investment Funds in Scotland. The Forum brings together the 12 local authorities within the region as also a number of other organisations active in the West of Scotland. Issues relating to the development and implementation of European Structural Funds have been "core business" for WSEF over a long period of time.

The Forum recognises the importance of European Structural and Investment Funds (ESIF) support through the Scottish Rural Development and UK Maritime and Fisheries Programmes for many rural and coastal communities within the West of Scotland. However this response focusses solely on European Regional Development Fund (ERDF) and European Social Fund (ESF) issues.

### **RESPONSE TO QUESTIONS**

*Current spending priorities and approval processes:*

Bearing in mind that Structural Funds are governed by EU rules and regulations:

1. How the Scottish Government identified and agreed spending priorities for its current ESIF allocations.
2. The processes the Scottish Government went through with the European Commission to gain approval for its ESIF plans.
3. The involvement of SG agencies, local authorities and the third sector at this stage of the process

There were 3 key milestones in terms of consultation by the Scottish Government with stakeholders on the Scottish ESIF programmes for 2014 -20

- Between 14<sup>th</sup> May and 30<sup>th</sup> June 2013 on the Scottish Chapter of the UK Partnership agreement;
- Between 12<sup>th</sup> December 2013 and 17<sup>th</sup> January 2014 on the Scottish European Structural Fund programmes; and
- Between 30<sup>th</sup> May and 16<sup>th</sup> June 2014 on the draft texts of the operational programmes (this was not a formal consultation)

The Forum submitted full responses to each of these exercises.

The actual weaknesses of these processes were:

- The analytical basis and corresponding intervention logic was not sufficiently articulated as a basis for the selection of priorities and allocation of resources.
- A lack of substantive or complete material on which to comment – this was particularly the case regarding the breakdown of the overall programmes’ budget. No information about proposed financial allocations (nor outputs and results) was included in either the May or December 2013 consultations so in essence views were being sought on a “menu without prices”. It was only at the final stage that draft financial allocations and the associated outputs and results were made available and even here the information was incomplete and in some cases inconsistent.
- Challenging timescales - It was especially challenging to comment comprehensively on the draft operational programmes given the lack of time given - less than 2 weeks -so to do and the length (in excess of 150pages) of the programme documents; and
- Of particular concern to WOSEF was the lack of coverage given to the South West Scotland Youth Employment Initiative (YEI). This probably was a reflection of the lack of capacity allocated to developing this initiative in the West of Scotland and the subsequent challenges for delivering this priority stem at least in part from insufficient work at the planning stage.

Underpinning these “set piece” exercises there was considerable degree of dialogue between the Scottish Government and stakeholders. However it was not always clear that this activity was coordinated or followed a coherent plan. Part of the problem lay in seeking to integrate the planning of programme under the four different ESIF funds. In the past the process of preparing ERDF and ESF programmes was overseen by “Plan Teams” involving stakeholders as well as the Scottish Government. While it is the case that supporting the work of Plan Teams does have resource implications, setting up such a mechanism would have improved the (2 way) flow of communication, improved the quality of the programme preparation process and enhanced stakeholder “buy in” to the programmes.

*Current spending:*

4. How the differing needs of Scotland’s regions are accounted for in the current range of ESIF programmes.
5. How the 2014-2020 programme funding is being spent, which areas have benefitted and any issues with these commitments or processes.
6. Understanding current accountability and reporting issues.
7. How current and previous programmes are evaluated and any suggested improvements to the evaluation process

The Forum welcomes the committee’s recognition in question 4 that there are a number of distinct regional economies and labour markets in Scotland – beyond the Highlands/Lowlands and Uplands distinction. The regional approach to economic development within Scotland has also been endorsed by the recent review of the Skills and Enterprise agencies – in particular through its identification of regional partnerships as a key workstream.

In its response to the consultation on the Scottish Chapter of the UK Partnership Agreement the Forum expressed concerns that:

“the proposed arrangements appear to exclude any significant element of spatial targeting”

No major changes in terms of a spatial dimension to the programmes subsequently occurred although notional budgets under some interventions led by local authorities did follow an allocation methodology. On the other hand many other interventions are “geographically blind”. There is thus a risk that for example ERDF activities aimed at business competitiveness and innovation – aimed at EU level in reducing economic disparities – may actually widen gaps in economic performance within Scotland if the actual location of supported activities is disproportionately in areas which are already performing strongly.

As the committee will be aware translating the commitment made under the programmes into declared expenditure to the European Commission has been problematic – with the result that the programmes’ target levels of expenditure by the end of 2017 were not met and around €22m lost to the programmes

There are a cocktail of reasons explaining why this situation has arisen, the most significant being:

- Delays in approval by the European Commission of the Programmes (December 2014) – this of course was an EU wide problem – the structural fund regulations were only adopted on 17<sup>th</sup> December 2013 and the Scottish programmes one year later in December 2014;
- Elongated Scottish Government appraisal and assessment procedures – the first Grant Offer letters not being issued until December 2015 – most were not issued until well into 2016;
- Continuing issues with the EUMIS (the MI system used to process claims and performance reports) with full functionality not being reached until summer 2017, some two years later than planned. It is important to note that claims must be accompanied by detailed performance data which for people bases interventions involves the transfer of large volumes of what is often sensitive data;
- Loss of Match Funding for example through the Local Government Settlement;
- Results of testing the market (advertisement, assessment and award of procured contract(s)) and/or running challenge funds
- Evidencing Participant Eligibility (especially for YEI and employability activities)
- Improvements in most local labour markets (ESF activities) reducing the number of potential clients; and
- Impact of Welfare Reform (Universal Credit) and of the introduction of Devolved Employability Services (Work First / Work Able / Fair Start Scotland).

In terms of oversight of the programmes Articles 47 to 49 of the ESIF General Regulation set out the composition and functions of the Programme Monitoring Committee (PMC). In Scotland a Joint PMC covering all 4 ESIF funds was set up. The JPMC generally meets only twice a year (the minimum frequency is once per year) but covering the key issues and reviewing performance in any depth within 4 programmes in the constraints of a 2 to 2 and a half hour meeting is a very difficult task.

Beneath the JPMC there are a range of generally ad hoc Strategic Intervention or Investment Priority specific arrangements through which there is a degree of communication, review and collaboration between the Scottish Government and stakeholders. While this has been mutually helpful in many cases, a more systematic approach to the ongoing monitoring of programme performance and addressing issues on a cooperative basis would be highly desirable.

The evaluation requirements for ESIF programmes are set out in Articles 54 to 57 of the ESIF General Provisions regulation and Article 114 of this Regulation requires Managing Authorities – in this case the Scottish Government - to draw up an evaluation plan for the programme and submit this for consideration by the PMC. The long standing problem with evaluations is that very often the results

of these exercises are only available long after the optimal time for implementing many of the lessons learnt has passed.

*Future programmes:*

8. How any future replacement of ESIFs could be used to improve employment, infrastructure and productivity in Scotland's regions.

9. Which level of government is best placed to decide how future funding is allocated and what accountability processes should be in place?

10. What are the potential **opportunities and risks presented by any replacement fund or programme for ESIFs**

The Forum has been proactive on replacement funding for ESIF support following Brexit and is concerned that in recent months the work required to ensure a smooth transition between ESIF and the UK Government's proposed UK Shared Prosperity Fund appears to have stalled.

In considering the replacement funding for ESIF programmes following Brexit, WOSEF has worked closely with the Industrial Communities Alliance (ICA). WOSEF/ICA consider that the key principles underpinning the UK Shared Prosperity Fund should be as follows:

#### ICA KEY POINTS (GREAT BRITAIN LEVEL)

- Deliver the new UK Shared Prosperity Fund to take over the responsibilities of the EU Structural Funds
- Set the new Fund's budget at a level (outwith the Barnett formula) that not only compensates for the loss of EU funding (£1.5bn a year) but also provides additional resources to match the scale of the challenge
- Structure the new Fund in ways that deliver support more efficiently, more flexibly and with more local authority control;
- Allocate the new Fund in fair and transparent ways that give priority to the development needs of less prosperous regions and local economies;
- Reform the rules on financial support to companies to enable the delivery of more effective support in the places that need it most; and
- Exploit the opportunity provided by this major revision of regional policy to align a wider range of public spending with the priority of local and regional economic development.

#### WOSEF KEY POINTS (SCOTTISH DIMENSION)

- Continuity of funding over a sustained period rather than a series of disconnected, time limited and small scale initiatives;
- Allocations to be driven by the challenges to sustainable competitiveness rather than chasing short term opportunities;
- Intervention at the right spatial scale (i.e. below NUTS level 1) – geography does matter. In this context the scope for linking this policy to the review of the enterprise and skills agencies and the various City/Growth deal initiatives should be explored; and

- Flexibility at regional level to determine the right mix of aid to businesses, employability support and investment in economic infrastructure;

The main risks at the present time are:

- The fund is under resourced and/or is only available in the short term – regional economic disparities arise from long terms structural causes that cannot be dealt with adequately by short term fixes;
- The fund is not operational in time – leading to a hiatus in support for sustainable and inclusive growth
- There is undue top down management and direction of the fund –the principle of subsidiarity should apply;
- The audit and compliance procedures become as onerous as those associated with ESIF funds.

The key opportunities are:

- A chance to have a fundamental rethink of the nature and scope of regional economic development policy in the UK and Scotland – EU policies in many respects have acted as a proxy for a UK regional policy;
- Significant savings in the administration and monitoring of the funds – for example in relation to the volume of documentation required and the period of time that these records must be retained; and
- Support for a bespoke mixture of people, company and place based activities required to unlock regional development potential and deliver inclusive growth rather than have to adhere to arbitrary allocations for a relatively narrow and prescriptive range of activities;

ML  
WOSEF/GCC  
February 2018



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**ARGYLL AND BUTE COUNCIL**

**COUNCIL**

**CUSTOMER SERVICES**

**26 APRIL 2018**

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**NPDO SCHOOLS AFFORDABILITY REPORT**

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**1. EXECUTIVE SUMMARY**

1.1 This report summarises progress in relation to the Council's NPDO project to end of March 2018 and, in particular, provides an update on the current financial position of the Project.

**1.2 RECOMMENDATIONS**

1.3 The Council is asked to note the contents of this report.

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**ARGYLL AND BUTE COUNCIL****COUNCIL****CUSTOMER SERVICES****26 APRIL 2018**

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**NPDO SCHOOLS AFFORDABILITY REPORT**

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**2. INTRODUCTION**

- 2.1 This report summarises progress in relation to the Council's NPDO project to end of March 2018 and, in particular, provides an update on the current financial position of the Project.

**3. RECOMMENDATION**

- 3.1 The Council is asked to note the contents of this report.

**4. DETAIL**

- 4.1 All five School sites within the NPDO Project, at Lochgilphead, Oban, Dunoon, Rothesay and Helensburgh, are operational.
- 4.2 The Special Projects Team (SPT) operates a monitoring framework and continues to utilise the system of liaison meetings and inspections along with assistance from Facility Services to assist in identifying issues in relation to service provision and building fabric within the facilities. Within that the SPT continues to attend the regular Board meetings of ABC Schools Ltd and meets regularly with the Schools and representatives from the Council's partners, ABC Schools Ltd and MITIE PFI, to monitor progress.

**5 BUDGET POSITION**

- 5.1 At the Executive meeting in August 2008, the SPT was requested to provide, the Council with an annual report on the ongoing financial status of the NPDO project based on the assumptions prevalent at the time of reporting.
- 5.2 In April 2013 it was reported that, based on assumptions prevalent at the time, the project was affordable in each contract year.
- 5.3 As part of the 2012/13 budget setting process the Council agreed to remove the NPDO smoothing fund and apply the sums earmarked therein for other purposes. The Council also agreed to fully fund the NPDO budget on an ongoing basis. It is anticipated that, based on current assumptions, the NPDO will be able to operate within the budget allocation set by the Council and will be sustainable going forward. The budgetary

position of the NPDO will continue to be reviewed and reported as part of the Council's budget monitoring process.

#### *Future Pressures*

- 5.4 Notwithstanding the above, there continue to be potential cost pressures on the NPDO which will continue for the life of the project and affect its long term budgetary position. These will include fluctuations in the general Retail Price Index (RPI), utility tariff rates and Non Domestic Rates (NDR) where the Council takes the risk on changes to these. The current forecast assumes that these factors will increase in line with overall Council estimates but the actual annual impact of these pressures will be considered, with Strategic Finance, as part of the annual budget setting process.

## **6 EFFICIENCIES IDENTIFIED**

- 6.1 The SPT are continuing to monitor ongoing availability and performance deductions. Since April 2017, ABC Schools have required to make payment to the Council of approximately £58k by way of deductions. The SPT are currently withholding a further sum of £245k by way of disputed deductions accrued and are in discussion with ABC Schools to resolve that matter. In relation to this sum, the SPT continue to dispute unitary charge invoices, as appropriate, following the contractual provisions, to enable discussions to settle the deductions considered due to the Authority. The SPT have also been able to release the sum of £33k accrued in respect of unbilled utilities for periods prior to the end of 2013. These sums now fall outwith the 5 year negative prescription period and are no longer lawfully recoverable.
- 6.2 The SPT have applied the provisions contained in the NPDO contract which enable the Council to share in the savings made by ABC Schools in the procurement of insurance for the project facilities. The saving achieved by the SPT and paid by ABC Schools during 2017/18 totalled £237k. The SPT will continue to liaise with ABC Schools to identify future efficiencies in this area where it is likely they can become available. The SPT will continue to seek and apply efficiencies from within the NPDO contract to ensure the correct level of service delivery and to manage any adverse budgetary impact on the NPDO budget. The SPT will continue to identify any efficiencies, in the first place, for the short and longer term mitigation of any cost or budget pressures.

## **7 REFINANCING**

- 7.1 The NPDO contract includes provisions whereby the costs of financing the project can be 're-financed' so that ABC Schools can obtain more favourable bank terms and interest rates than those achieved when the contract was signed. Where such a refinancing occurs, the Council is entitled to 50% of any gain generated, with the outgoing lender receiving the remainder.

- 7.2 As reported to Members on 25th June 2015 the junior lender in the project proposed a sum payable to the Council of £1.75M in full and final settlement of the matter of refinancing the junior debt only. The sum of £1.65M was received in 2015/16 with the final balance of £100k being received in June 2016.

## **8 CHARITABLE SURPLUS**

- 8.1 The financial model for the project does not envisage surpluses being available until very late in the life of the project. To date no charitable surpluses have become available. The Council is continuing to monitor the position with ABC Schools and will report should this profile change.

## **9 HUB DBFM SCHOOLS**

- 9.1 The Hub DBFM Schools at Campbeltown and Oban will become operational during 2018/19. The Special Projects Team will monitor the contractual performance of Hub North Scotland (O&C) Ltd and FES FM In a similar manner to the NPDO Schools and will address any budgetary and contract issues as they arise.

## **10 CONCLUSION**

- 10.1 The project that was signed in July 2006 was affordable and achieved Value for Money. Changes to the general economic environment since that date, particularly in regard to utilities, higher than modelled RPI and higher than anticipated NDR have previously had an adverse effect on the affordability position. Efficiencies identified by the SPT through the NPDO contract to date have improved the affordability position. It is anticipated that, in the medium term and based on current assumptions, the NPDO will be able to operate within the scope of the budget agreed.
- 10.2 The Special Projects Team will continue to monitor the contractual performance of ABC Schools Ltd and MITIE PFI to identify efficiencies where appropriate, ensure that Schools receive a value for money service and work with all partners and stakeholders to address any budgetary and contract issues as they arise.

## **11 IMPLICATIONS**

- 11.1 Policy: None at present.
- 11.2 Financial: It is anticipated that based on current assumptions, the NPDO will be able to operate within the scope of the budget agreed.
- 11.3 Legal: The possibility of future disputes will continue to be closely monitored.

11.4 HR: None at present.

11.5 Equalities: None at present.

11.6 Risk: Legal, financial and budgetary risks will continue to be closely monitored by the SPT.

11.7 Customer Service: None at present.

Douglas Hendry  
Executive Director - Customer Services  
Argyll and Bute Council

For further information please contact:  
David Logan - Special Projects & Quality Improvement Manager - 01546 604322

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