



Argyll and Bute Council
Comhairle Earra-Ghàidheal Agus Bhòid

Customer Services
Executive Director: Douglas Hendry

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9 August 2018

NOTICE OF MEETING

A meeting of the **POLICY AND RESOURCES COMMITTEE** will be held in the **COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD** on **THURSDAY, 16 AUGUST 2018** at **10:15 AM**, or at the conclusion of the Special Meeting of Argyll and Bute Council at 10.00am, whichever is the later, which you are requested to attend.

Douglas Hendry
Executive Director of Customer Services

BUSINESS

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF INTEREST (IF ANY)**
- 3. MINUTES** (Pages 3 - 12)
Policy and Resources Committee held on 24 May 2018
- 4. FINANCIAL REPORT MONITORING PACK - JUNE 2018** (Pages 13 - 128)
Report by Head of Strategic Finance
- 5. BUDGET OUTLOOK 2019-20 TO 2021-22** (Pages 129 - 136)
Report by Head of Strategic Finance
- 6. SERVICE ANNUAL PERFORMANCE REVIEWS 2017-18 AND CUSTOMER SERVICES AND STRATEGIC FINANCE PERFORMANCE REPORT FQ1 2018-2019** (Pages 137 - 140)
Report by Executive Director – Customer Services
 - (a) Service Annual Performance Review 2017-18 (Pages 141 - 190)
 - (b) Customer Services and Strategic Finance Performance Reports FQ1 2018-19 (Pages 191 - 202)

7. **PROPOSED BY ELECTION - COLONSAY COMMUNITY COUNCIL** (Pages 203 - 206)
Report by Executive Director – Customer Services
 - * 8. **INFORMATION MANAGEMENT STRATEGY 2018 - 2021** (Pages 207 - 230)
Report by Executive Director – Customer Services
 9. **REVIEW OF ADVICE SERVICES** (Pages 231 - 244)
Report by Executive Director – Development and Infrastructure Services
 - * 10. **FILM IN ARGYLL AND BUTE - FACILITATING THE USE OF COUNCIL ASSETS**
(Pages 245 - 260)
Report by Executive Director – Development and Infrastructure Services
 11. **WEST OF SCOTLAND LOAN FUND - TRANSFER OF SURPLUS FUNDS TO ARGYLL AND BUTE COUNCIL** (Pages 261 - 266)
Report by Executive Director – Development and Infrastructure Services
 12. **REQUEST FOR INWARD INVESTMENT FUND SUPPORT FOR FEASIBILITY STUDY/OPTIONS APPRAISAL TOWARDS THE PROVISION OF A SEAWATER PIPE SYSTEM AT MACHRIHANISH AIRBASE COMPANY (MACC)**
(Pages 267 - 270)
Report by Executive Director – Development and Infrastructure Services
- REPORTS FOR NOTING**
13. **SCOTTISH GOVERNMENT: NATIONAL PERFORMANCE FRAMEWORK (2018)**
(Pages 271 - 276)
Report by Executive Director – Customer Services
 14. **POLICY AND RESOURCES COMMITTEE WORKPLAN** (Pages 277 - 280)

Items marked with an “asterisk” are items, on the basis of information available at the time this Agenda is published, on which the Committee may not have delegated powers to act, and which may therefore require to be referred to the Council or another Committee, and that referral may depend on the decision reached at the meeting.

Policy and Resources Committee

Councillor Rory Colville	Councillor Robin Currie
Councillor Kieron Green	Councillor Roderick McCuish
Councillor Yvonne McNeilly	Councillor Aileen Morton (Chair)
Councillor Ellen Morton	Councillor Gary Mulvaney (Vice-Chair)
Councillor Douglas Philand	Councillor Alan Reid
Councillor Elaine Robertson	Councillor Len Scoullar
Councillor Sandy Taylor	Councillor Richard Trail
Councillor Lorna Douglas	Councillor Audrey Forrest

Contact: Hazel MacInnes Tel: 01546 604269

**MINUTES of MEETING of POLICY AND RESOURCES COMMITTEE held in the COUNCIL
CHAMBER, KILMORY, LOCHGILPHEAD
on THURSDAY, 24 MAY 2018**

Present: Councillor Aileen Morton (Chair)

Councillor Rory Colville	Councillor Alan Reid
Councillor Robin Currie	Councillor Elaine Robertson
Councillor Kieron Green	Councillor Len Scoullar
Councillor Roderick McCuish	Councillor Sandy Taylor
Councillor Yvonne McNeilly	Councillor Richard Trail
Councillor Ellen Morton	Councillor Lorna Douglas
Councillor Gary Mulvaney	Councillor Audrey Forrest
Councillor Douglas Philand	

Also Present: Councillor Jim Anderson

Attending: Douglas Hendry, Executive Director of Customer Services
Pippa Milne, Executive Director of Development and Infrastructure Services
Charles Reppke, Head of Governance and Law
Kirsty Flanagan, Head of Strategic Finance
Judy Orr, Head of Customer and Support Services
Fergus Murray, Head of Economic Development and Strategic Transportation
Angus Gilmour, Head of Planning, Housing and Regulatory Services
Jane Jarvie, Communications Manager
John Gordon, CHORD Programme Manager

1. APOLOGIES FOR ABSENCE

There were no apologies for absence intimated.

The Chair advised that Councillor Currie had left the meeting and it was hoped that he would return later in the meeting.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTES

The Minutes of the meeting of the Policy and Resources Committee held on 15 February 2018 were approved as a correct record.

*** 4. FINANCIAL MONITORING REPORT**

The Committee gave consideration to a report which provided a financial update as at the end of February 2018. Reports attached to the update were the Revenue Budget Monitoring Report, the Capital Plan Monitoring Report, Treasury Monitoring Report and the Reserves and Balances Report all dated as at 28 February 2018.

Decision

The Policy and Resources Committee –

1. Noted the Revenue Budget Monitoring Report as at 28 February 2018.
2. Noted the Capital Plan Monitoring Report as at 28 February 2018 and approved the cost changes, the project slippages and accelerations noted within appendix 7 of the submitted Capital Plan Monitoring Report.
3. Noted the Treasury Monitoring Report as at 28 February 2018.
4. Noted the Reserves and Balances Report as at 28 February 2018.
5. Noted the progress of the service choices policy saving options as at 28 February 2018.
6. Agreed to recommend to Council that the cremation charges for adults aged 16 and over is amended to £665 for 2018-19.

(Reference: Report by Head of Strategic Finance dated 30 April 2018, submitted)

5. REVENUE BUDGET OUTLOOK 2019-20 TO 2021-22

Consideration was given to a report which summarised the budget outlook which covered the period 2019-20 to 2021-22 and which took into consideration the budget decisions taken in February 2018.

Decision

The Policy and Resources Committee noted the current estimated budget outlook position for the period 2019-20 to 2021-22.

(Reference: Report by Head of Strategic Finance dated 30 April 2018, submitted)

6. HEALTH AND SOCIAL CARE PARTNERSHIP OVERSPEND 2017-18

A report which advised that a formal request had been received from the Chief Financial Officer of the Integrated Joint Board that the overspend relating to Social Work Services within the Health and Social Care Partnership be repaid back to the Council over a period of three years was given consideration. The report outlined the position with the Scheme of Integration, options to be considered and the risks involved.

Decision

The Policy and Resources Committee -

1. Approved option 3 as outline in paragraph 4.4.3 of the submitted report agreeing that any overspend in relation to Social Work Services for 2017-18 is repaid over a period of three years with repayments weighted to the end of the three year period.
2. Noted that repayments would be £0.100m in 2018-19 and £0.300m in 2019-20 with the balance of £0.755m due in 2020-21.
3. Noted that the agreement would be reviewed at the end of 2018-19.

(Reference: Report by Head of Strategic Finance dated 15 May 2018, submitted)

Councillor Sandy Taylor left the meeting at this point.

* **7. RISK MANAGEMENT MANUAL**

The Committee gave consideration to a report which presented the new risk management manual in place of the previous risk management strategy. The risk management manual details the arrangements for preparation, maintenance and monitoring of the strategic and operational risk registers.

Decision

The Policy and Resources Committee agreed to recommend to Council approval of the risk management manual.

(Reference: Report by Head of Strategic Finance dated 17 May 2018, submitted)

Councillor Sandy Taylor re-joined the meeting at this point.

8. PERFORMANCE REPORT - FQ3 & FQ4 2017-18

Consideration was given to a report which presented the Committee with the Customer Services departmental performance report and associated scorecards for Customer Services and Strategic Finance covering financial quarters three and four 2017/18.

Decision

The Committee noted the quarterly performance reports and associated scorecards for Customer Services and Strategic Finance covering financial quarters three and four 2017/18.

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

Councillor Len Scoullar left the meeting at this point.

* **9. SCOTTISH GOVERNMENT FUNDING FOR WELFARE REFORM AND DISCRETIONARY HOUSING PAYMENTS - REPORT ON SPEND TO DATE AND FUTURE PROPOSALS**

Consideration was given to a report which provided an update on spending against welfare reform mitigations and which sought approval to carry forward unspent balance to be used to continue the work. The report also sought approval for the carry forward for underspend of DHP monies from the year end.

Decision

The Policy and Resources Committee –

1. Noted the information provided in respect of progress made, and the estimated unspent balance at 31 March 2018 of £18,595 from the balance of Scottish

Government funding for welfare reforms of £52,809 carried forward as earmarked funds at 1 April 2017.

2. Agreed to recommend to the Council approval of the continued carry forward of the balance of this as earmarked funds estimated at £18,595 and approves the proposals for their use for digital inclusion services as summarised at 4.9.
3. Agreed to recommend to the Council approval of the carry forward of the balance of the unspent 2017/18 DHP monies of £39,839 as earmarked funds to be used to fund DHP payments in 2018/19 in order to help maintain current priority levels into 2018/19.

(Reference: Report by Executive Director - Customer Services dated 2 May 2018, submitted)

Councillor Robin Currie joined the meeting at this point.

Councillor Len Scoullar re-joined the meeting at this point.

* **10. ANTI-POVERTY STRATEGY 2018 - 2022**

Consideration was given to a report which presented a draft Anti-Poverty Strategy and associated Plan which covered the required factors and demonstrated that poverty was being addressed in Argyll and Bute.

Decision

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

1. Approval of the draft Anti-Poverty Strategy and Plan as appended to the submitted report.
2. To note that the strategy and plan, once approved, would be shared with community and participation groups, that mechanisms will be set up to monitor targets and milestones and that a report will be brought back annually reviewing actions achieved at the end of each reporting year.

(Reference: Report by Executive Director – Customer Services dated 16 May 2018, submitted)

* **11. PUBLIC ROOM BOOKING IN HELENSBURGH AND LOMOND CIVIC CENTRE**

The Committee gave consideration to a report which set out proposals for a revised charging structure for the hire of public rooms in the Helensburgh and Lomond Civic Centre following a benchmarking exercise of similar properties in the Helensburgh and Lomond Area.

Decision

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

1. The revised charges for booking each of the public rooms, with separate rates for (a) community use and; (b) commercial use.

2. The introduction of different charges for day time use and for evening and weekend use.
3. The ability to offer Annex Room 2 at a discount to users when booking Annex 1.

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

* **12. REVIEW OF STRATEGIC EVENTS AND FESTIVALS GRANT PROCESS**

Consideration was given to a report which highlighted the importance of the events and festivals industry to economic development and tourism, and which sought approval for the provision of a budget to support a strategic portfolio of events and festivals across Argyll and Bute beyond 2018/19.

Decision

The Policy and Resources Committee agreed to –

1. Recommend to Council that the 19/20 budget be set at £113k (excluding the Mod) and note that future budget levels will be subject to decisions taken as part of the Council's budget process.
2. Approve the key principles of the new grant application process.
3. The new grant process being fully developed by officers over the next two months and open for 2019/20 bids in August 2018 for a period of six weeks (allowing sufficient lead in time to allow organisers to apply to and be given a decision well in advance of any events being held in 2019/20).
4. Following assessment of the funding bids received, that a report will be brought back to the Policy and Resources Committee for consideration and endorsement by Members.
5. Discussions being held with the Royal National Mod in regard to future plans for Argyll and Bute to host the Royal National Mod and that a report is brought back to members for consideration following these discussions to determine the best course of action.

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

13. PROGRESS OF RURAL RESETTLEMENT FUND

A report which provided the Committee with an update on the performance of the one-off Rural Resettlement Fund (RRF) of £500,000 announced in the Argyll and Bute Council budget 2016/17. The report examined current outputs and recommended a redirection of remaining funds to support the vision and key themes of the emerging rural growth deal.

Decision

The Policy and Resources Committee –

1. Noted the outputs of the Rural Resettlement Fund that has helped to attract 170 new residents to Argyll and Bute.
2. Agreed to close the Rural Resettlement Fund to applications from new residents with immediate effect.
3. Approved the redirection of remaining funds to assist the growth of small and medium sized businesses that support the emerging vision and key themes of the Rural Growth Deal.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 11 May 2018, submitted)

14. LORN ARC UPDATE

Consideration was given to a report that updated the Committee on progress with the Lorn Arc Programme and latest budget position as at the end of March 2018.

Decision

The Policy and Resources Committee –

1. Noted the updates on the Lorn Arc Programme provided in the submitted report.
2. Approved the Oban Strategic Development Framework Initiation Document contained at Appendix A to the submitted Report.

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

15. RURAL GROWTH DEAL

A report which sought feedback from the Committee on a draft vision and key themes which had been developed in relation to the Rural Growth Deal was given consideration. It was intended that the draft vision and key themes would form the basis for continued negotiation for the Rural Growth Deal.

Decision

The Policy and Resources Committee agreed to –

1. Endorse further development of the draft vision, key sector support and themes and noted that a further report would be brought to the October Policy and Resources Committee meeting.
2. Approve the proposed consultation approach as set out in Appendix 3 to the submitted report.
3. Approve the additional criteria for the Inward Investment Fund that any future release of funding from this fund be limited exclusively to projects included as part of the Rural Growth Deal proposals in order to maximise the level of match funding available from the Council.

4. Approve the proposals that certain projects may be accelerated ahead of the Rural Deal process where they are deliverable using alternative funding sources.
5. Approve that where considered relevant to the draft vision, key sector support and project themes that the Council's committed capital and revenue expenditure counts as match funding to the Rural Growth Deal.

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

16. REVIEW OF ADVICE SERVICES

The Council, at its meeting on 11 February 2016 agreed to undertake a review of advice services. An independent review was undertaken by ATInnovations in May 2017 which made a number of recommendations to approve the coordination and delivery of advice services but did not cover funding or future delivery models. A report was given consideration which outlined findings in relation to a study undertaken by Regulatory Services in respect of future funding and delivery models for affordable advice services.

Decision

The Policy and Resources Committee –

1. Agreed in principle the overarching strategy for advice services and the general direction outlined in section 5.5 of the submitted report.
2. Noted the timelines outlined in the submitted report and the need for consultation with other partners.
3. Requested that a detailed paper be taken to the Policy and Resources Committee in August 2018.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 16 May 2018, submitted)

The Chair advised that in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, the appendices relating to the following two items of business would require her to exclude the press and public should any Member wish to discuss the content of those appendices on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraph 6 and Paragraphs 8&9 respectively of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

Councillor Rory Colville left the meeting at this point.

17. TARBERT AND LOCHGILPHEAD REGENERATION FUND

The Committee gave consideration to a recommendation by the Mid Argyll, Kintyre and the Islands Area Committee in relation to proposals for the Tarbert Harbour Authority Shore Side Facilities and associated business case.

Decision

The Policy and Resources Committee –

1. Approved the business case and confirmed the grant funding of up to £125,000 from the Tarbert and Lochgilphead Regeneration Fund noting that release of this funding would be in the basis that expenditure can be evidenced and would be subject to a grant agreement between Argyll and Bute Council and Tarbert Harbour Authority.
2. Delegated authority to the Executive Director of Development and Infrastructure Services to confirm the details of the grant agreement.

(Reference: Recommendation from the Mid Argyll, Kintyre and the Islands Area Committee of 7 March 2018 and report by Senior Planning Development Officer, submitted)

Councillor Rory Colville re-joined the meeting at this point.

18. CHORD - DUNOON - QUEENS HALL - PROGRESS AND COMMERCIAL UPDATE

The Committee gave consideration to a report which updated Members on the delivery of the Queens Hall Refurbishment and Public Realm Improvements Project and the current position in respect of the approved budget for the project and the anticipated final cost of the project taking in account of the Mains Work Contract Cost Reports Nos 8 – September 2017 and Cost Reports Nos 14 – March 2018.

Decision

The Policy and Resources Committee –

1. Noted the update provided within the submitted report.
2. Noted the further update covering commercial aspects of the report contained within the exempt appendix.
3. Agreed that a further report be brought to the Committee after the final account is agreed for each of the contracts seeking a substantive decision in respect of the actual overspend once quantified.

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

19. UNACCEPTABLE ACTIONS BY CUSTOMERS PROCEDURE

A report which advised Members of the outcome of a review of the Unacceptable Actions by Customers Procedure was before the Committee for noting.

Decision

The Policy and Resources Committee –

1. Noted the Procedure.

2. Noted that the procedure document will be put onto both the HUB and the Council's website along with links to the "dignity at work", "bullying and harassment" and "social media" policies and procedures.

(Reference: Report by Executive Director – Customer Services dated 15 May 2018, submitted)

20. POLICY AND RESOURCES COMMITTEE WORK PLAN

The Policy and Resources Committee Work Plan as at May 2018 was before the Committee for noting.

Decision

The Committee noted the content of the Work Plan as at May 2018.

(Reference: Policy and Resources Committee Work Plan as at May 2018, submitted)

The Council resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the press and public for the following 2 items of business on the grounds that it was likely to involve the disclosure of exempt information as defined in Paragraphs 8&9 and 6 respectively of Part 1 of Schedule 7A to the Local Government (Scotland) Act 1973.

21. NEW SCHOOLS REDEVELOPMENT PROJECT UPDATE FOR DUNOON PRIMARY SCHOOL

The Committee gave consideration to a report which updated them on the progress of the refurbishment/part new build of Dunoon Primary School and structural issues leading to delay and additional cost.

Decision

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

(Reference: Joint report by Executive Director – Customer Services and Head of Strategic Finance dated 9 May 2018, submitted)

22. REQUEST FOR CASH FLOW LOAN BY MULL AND IONA COMMUNITY TRUST

The Committee gave consideration to a report setting out a request for a cash flow loan which had been received from Mull and Iona Community Trust.

Decision

The Policy and Resources Committee agreed the recommendation to approve the cash flow loan as set out in the submitted report.

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

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ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES COMMITTEE****STRATEGIC FINANCE****16 AUGUST 2018**

EXECUTIVE SUMMARY**FINANCIAL REPORT MONITORING PACK – JUNE 2018**

1. INTRODUCTION

1.1 This report provides a summary of the financial monitoring reports as at the end of June 2018. There are six detailed reports summarised in this Executive Summary:

- Revenue Budget Monitoring Report as at 30 June 2018
- Monitoring of Service Package Policy Options as at 30 June 2018
- Monitoring of Financial Risks as at 30 June 2018
- Capital Plan Monitoring Report as at 30 June 2018
- Treasury Monitoring Report as at 30 June 2018
- Reserves and Balances as at 30 June 2018

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

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

2.1.2 As a result of the accounting treatment recommended by Audit Scotland for the Health and Social Care Partnership (HSCP) overspend, the Council's forecast outturn position will now include any forecast overspend for Social Work (managed by the HSCP). As per the Scheme of Integration, the Integrated Joint Board may retain any underspend and, therefore, only a forecast overspend position will be reported. In the event that the health services managed by NHS Highland are forecasting an underspend, the forecast overspend for Social Work services will be reduced by this amount.

2.1.3 There is a forecast overspend of £2.801m as at the end of June 2018. The overspend is in respect of the following:

- Overspend of £2.389m in Social Work due to unidentified IJB savings allocated to Social Work.
- Overspend of £0.350m in relation to Education ASN due to a significant increase in demand
- Overspend of £0.083m in relation to a shortfall in savings for the Catering and Cleaning project.
- Underspend of £0.021m in relation to the Valuation Joint Board payment

being less than budget.

- 2.1.4 There is a year to date underspend of £1.555m. More focus is on the forecast outturn position, hence why sometimes the year to date position is not updated. There is a variance within Education that relates to an underspend in staffing, however, under the Scheme of Devolved School Management schools are permitted flexibility at year end, therefore no forecast variance has been processed in relation to this. There is also an underspend in relation to the HUB schools due to invoicing delay. Any year to date variances that may impact on the likely outturn position have been reported.

2.2 Monitoring of Service Package Policy Options

- 2.2.1 This report provides an update on the implementation and delivery of the Service Package Policy Options agreed by Council in February 2018. The savings options will be reported as being delivered, on track to be delivered, still to be implemented, being developed, potential shortfall or delayed.
- 2.2.2 Of the 28 savings options, 12 have already been delivered, 10 are on track to be delivered as per their timescale and 6 have still to be implemented. There are none that have been categorised as potential shortfall or delayed at this stage.

Category	No of Options	2018-19 £000	2019-20 £000	2020-21 £000
Delivered	12	395.0	598.2	698.2
On Track to be Delivered	10	942.0	1,556.5	2,250.5
Still to be Implemented	6	-49.0	284.1	776.1
Being Developed	0	0.0	0.0	0.0
Potential Shortfall	0	0.0	0.0	0.0
Delayed	0	0.0	0.0	0.0
Total	28	1,288.0	2,438.8	3724.8

2.3 Monitoring of Financial Risks

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

2.3.2 There are 7 Council wide revenue risks identified for 2018-19 amounting to £4.896m. Only 2 have been assessed as possible in relation to Social Work overspend and higher than anticipated pay award.

2.3.3 There are currently 45 departmental risks totalling £4.566m. Only 4 of the 45 departmental risks are categorised as likely with no risks categorised as almost certain. These will continue to be monitored and action taken to mitigate or manage these risks.

2.3.4 The top 3 risks in terms of their likely financial impact are noted in the table below.

TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	LIKELIHOOD	FINANCIAL IMPACT £000
ASN Support	Demand for ASN support continues to increase which is something that cannot be controlled by the Service.	Continue to review the ASN allocations and monitor vacancies elsewhere within the Service where unspent budget could be used to contribute towards these costs.	4	350
Property - Central Repairs	Increased demands on central as a result of the decrease in capital funding available and increases in supplier/contractor charges.	Joint strategy with procurement colleagues to reduce potential impact of supplier/contractor charges. Close monitoring of central repairs budgets and commitments and instructing only essential repairs.	3	500
Winter Maintenance	Adverse weather conditions which require greater than budgeted number of gritting runs.	Monitor weather conditions and apply gritting policy to minimise costs.	3	700

2.3.5 The changes to the departmental risks since the financial risks report included within the budget pack in February 2018 are noted below:

- ELC 1,140 hours – Funding has now been confirmed so the value of this risk has been reduced from £2.000m to £0.100m.
- ASN Demand – A new risk has been included amounting to £0.350m and the department are actively trying to mitigate this risk.
- Non-Domestic Rates Relief - Likelihood reduced as most changes from Barclay Review increasing reliefs have been implemented and future changes still planned are more likely to restrict relief.
- Microsoft Effective Licensing Position (ELP) - Microsoft audit concluded and settled in March 2018 at a cost of £40k. No further audit for 12 months. However possibility of Oracle audit remains. Currently ULA agreement through Scottish Government is being dissolved and some additional costs might result from this.
- Property - Central Repairs – Increased financial impact of central repairs.

2.4 Capital Plan Monitoring Report

2.4.1 Capital Plan Monitoring Report – this report provides a summary of the current capital plan monitoring position. Information is provided in terms of monitoring year to date budget, current full year budget, future years total budget and funding and non-financial in terms of project performance.

2.4.2 Actual net expenditure to date is £6.086m compared to a budget for the year to date of £5.902m giving rise to an overspend for the year to date of £0.184m (3.1%). This overspend mainly relates to spend on fleet being ahead of profiled budget.

The forecast outturn for the year is a forecasted underspend of £1.324m (2.9%).

2.4.3 The forecast outturn for 2018-19 is a forecasted overspend of £1.342m (2.9%). There are two variances over £50k that contribute to this balance and they are in respect of a timing issue in respect of fleet and an overspend in bridge strengthening.

2.4.4 The forecast total net projects costs on the capital plan are £282.079m compared to a total budget for all projects of £280.862m giving rise to a forecast overspend for the overall capital plan of £1.217m. Consideration will be given as to how this forecast overspend can be brought back into balance.

2.4.5 In respect of total project performance, there are 189 projects within the capital plan, 179 are on track and 10 are off target and recoverable.

2.5 Treasury Monitoring Report

2.5.1 This report provides information on the current levels and recent transactions in relation to the capital financing limit, total borrowing, temporary borrowing and long term borrowing and investments.

2.5.2 The external borrowing of the Council decreased by £0.889m during the period, due to the repayment of the Public Work Loans Board borrowing.

2.5.3 Borrowing is below the Capital Financing Requirement for the period to 30 June 2018. This reflects the approach taken to minimise surplus cash on deposit in order to avoid overdue exposure to investment/credit worthiness risks. However, if it becomes clear that longer term interest rates are likely to increase significantly the position will be reviewed to ensure the Council locks in funding at low interest rates.

2.5.4 The levels of investments were £82.7m at 30 June 2018. The rate of return achieved was 0.760% which compares favourably with the target of 7 day LIBID which was 0.361%.

2.6 Reserves and Balances

2.6.1 This report summarises the overall level of reserves and balances and monitors the spending of the earmarked reserves, providing detailed information on the unspent budget earmarked balances.

2.6.2 The Council has a total of £229.053m unusable reserves that are not

backed with resources. They are required purely for accounting purposes.

- 2.6.3 The Council has a total of £56.152m usable reserves as at the end of 31 March 2018. Of this balance, £1.515m relates to the Repairs and Renewals Fund, £4.326m relates to Capital Funds and the remainder is held in the General Fund, with £43.717m of the balance earmarked for specific purposes.
- 2.6.4 Of the earmarked balance of £43.717m:
- £23.327m is invested or committed for major initiatives
 - £0.071m has already been drawn down as at the end of June.
 - £15.437m is still to be drawn down in 2018-19
 - £4.882m is planned to be spent in future years.
- 2.6.5 The General Fund contingency is set at 2% of net expenditure for 2018-19 and amounts to £4.726m. At the beginning of the financial year there was £1.868m of unallocated General Fund Balance (over and above contingency). After taking into consideration the forecast outturn for 2018-19 and if the forecast outturn remains by the year end, the Council will be using £0.933m of its contingency balance.

	£000
Unallocated balance as at 31 March 2018	1,868
Current Forecast Outturn for 2018-19 as at 30 June 2018	(2,801)
Estimated Unallocated balance as at 31 March 2019	(933)

- 2.6.6 The forecast outturn position needs to be closely monitored, particularly the forecast outturn for Social Work. If there is no improvement in the forecast outturn then consideration will need to be given to putting in place a recovery plan.

3. RECOMMENDATIONS

- 3.1 It is recommended that the Policy and Resources Committee:
- a) Consider the revenue budget monitoring report as at 30 June 2018.
 - b) Note the progress of the service package policy saving options as at 30 June 2018.
 - c) Note the current assessment of the Council's financial risks.
 - d) Consider the capital plan monitoring report as at 30 June 2018.
 - e) Note the treasury monitoring report as at 30 June 2018.
 - f) Consider the reserves and balances report as at 30 June 2018.

4. IMPLICATIONS

4.1	Policy –	None.
4.2	Financial -	Outlines the revenue and capital monitoring for 2018-19 as at 30 June 2018.
4.3	Legal -	None.
4.4	HR -	None.
4.5	Equalities -	None.
4.6	Risk -	Risks are included in financial risks report.
4.7	Customer Service -	None.

Kirsty Flanagan, Head of Strategic Finance

18 July 2018

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

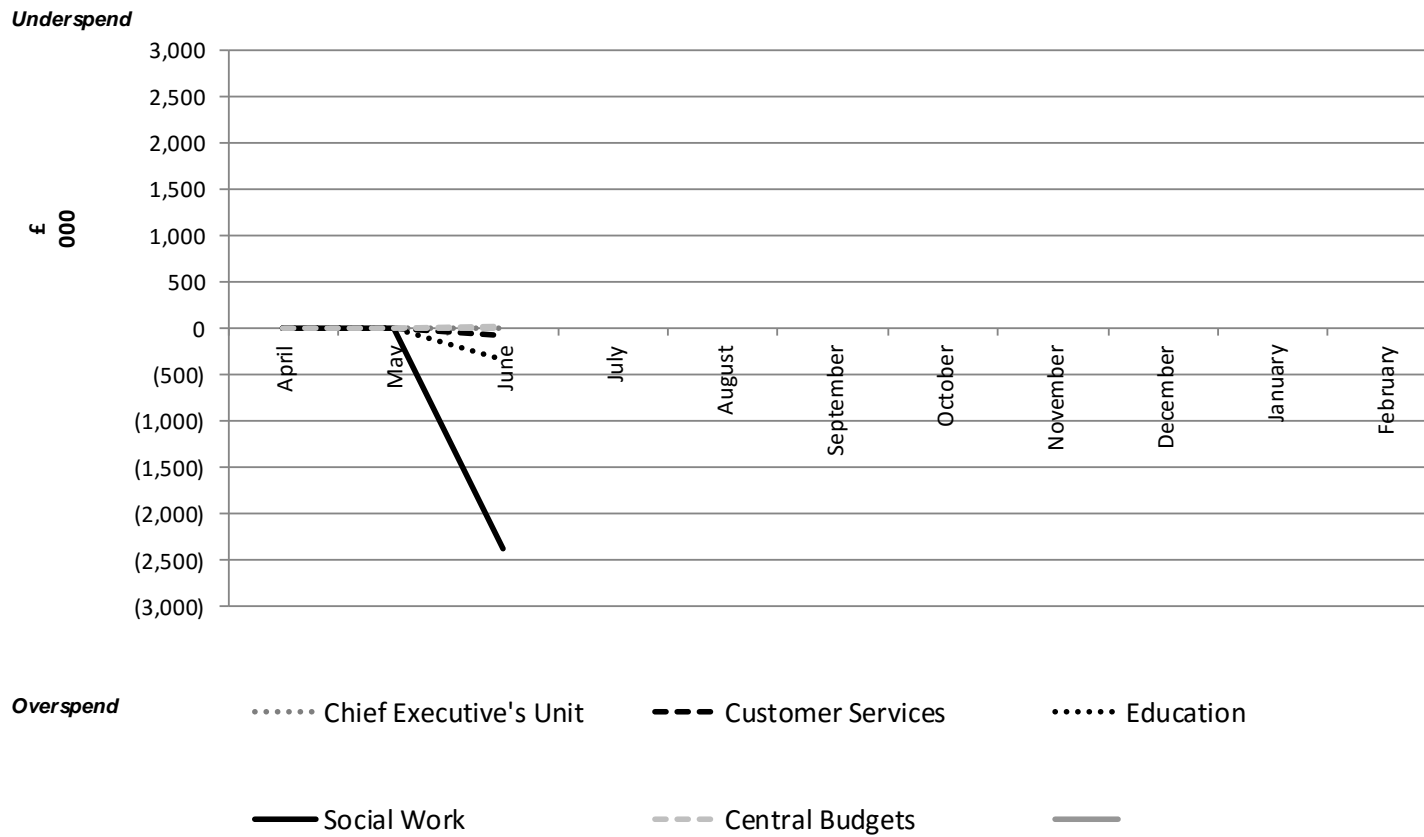
<p>Overall Position:</p> <ul style="list-style-type: none"> • There is a forecast overspend for 2018-19 of £2.801m as at the end of June 2018. The main overspend is in relation to Social Work, where there is an overspend of £2.389m due to unidentified IJB savings allocated to Social Work. There is also an overspend within of £0.350m in relation to Education ASN due to a significant increase in demand and an overspend of £0.083m in relation to a shortfall in savings for the Catering and Cleaning project. These are offset by a small underspend in relation to the Valuation Joint Board payment. • There is a year to date underspend of £1.555m. More focus is on the forecast outturn position, hence why sometimes the year to date position is not updated. There is a variance within Education that relates to an underspend in staffing, however, under the Scheme of Devolved School Management schools are permitted flexibility at year end, therefore no forecast variance has been processed in relation to this. There is also an underspend in relation to the HUB schools due to invoicing delay. Any year to date variances that may impact on the likely outturn position have been reported. 	
<p>Key Highlights as at June 2018: This is the first quarterly report and the forecast outturn is an overspend of £2.801m. Steps will be taken to mitigate against this level of overspend continuing throughout the year.</p>	
<p>Key Financial Successes: The performance against budget for the financial year 2017-18 was an overall underspend of £2.567m (1.03%). There were some one-off factors contributing to this underspend, however, good budget control and financial management have ensured that the Council did not overspend.</p>	
<p>Key Financial Challenges:</p>	
<p>Proposed Actions to address Financial Challenges:</p>	
Achieving a favourable year-end balanced position and achieving savings targets in light of council wide risks to expenditure.	Robust monitoring of the financial position to ensure that any budget issues are fed back into the budget monitoring process.
Monitoring the expenditure within Social Work and more widely the IJB position as any overspend will transfer back to partner bodies, in the first instance.	Work more closely with the CFO of the IJB to ensure that early indication of financial outturn is known and corrective action is agreed as appropriate to reduce the risk to the Council. Review of Scheme of Integration, particularly risk sharing arrangements to reduce any risk to the Council.
Identifying further savings and delivering services more efficiently with less resources.	Continually refine/develop systems to accurately calculate forecast outturns and the future budget outlook.
Maintaining or improving the level of service income recovered, for example planning, building standards and car parking.	Actively monitor income recovery and ensure Council fees and charges policies are reviewed.
Managing spend in service areas which are demand led and, to some extent, outwith service control, for example Winter Maintenance.	Use risk based approach to budget monitoring to focus additional attention to these areas.
Ongoing requirement to fund unavoidable increases in areas like employee costs, utility costs etc.	Ensure emerging issues are highlighted as soon as possible so that the financial impact can be reported through the budget monitoring and preparation processes.

Forecast Outturn Position

There is a forecast overspend for 2018-19 of £2.801m as at the end of June 2018.

Current Forecast Outturn Variance with change from previous month						
Department	Annual Budget £'000	Forecast Outturn £'000	Current Forecast Variance £'000	Previous Forecast Variance £000	Change £000	Explanation
Chief Executive's Unit	2,457	2,457	0	0	0	<p>Customer Services: The overspend relates to the anticipated shortfall in savings re Catering and Cleaning Innovation project - distribution hub £48k construction costs and payback and drinks provision £35k lower than recommended charge rate for milk creating shortfall.</p> <p>Education: The overspend relates to ASN assistants due to significant increase in demand which cannot be avoided. This is a very early estimate at this stage and will be monitored closely going forward with every effort being made to mitigate this overspend.</p> <p>Social Work: The overspend is across a number of services within Social Work but in the main relates to unidentified savings for the year. Work is ongoing to identify additional savings / underspends to cover off the unidentified savings figure of £2.345m.</p> <p>Central Budgets: The underspend relates to the requisition for the Valuation Joint Board less than anticipated.</p>
Customer Services	45,565	45,648	(83)	0	(83)	
Development and Infrastructure Services	32,123	32,123	0	0	0	
Education	75,301	75,651	(350)	0	(350)	
Social Work	56,380	58,769	(2,389)	0	(2,389)	
Central Budgets	25,215	25,194	21	0	21	
Total	237,041	239,842	(2,801)	0	(2,801)	

Movement in the forecast outturn position for each Department from the start of the financial year

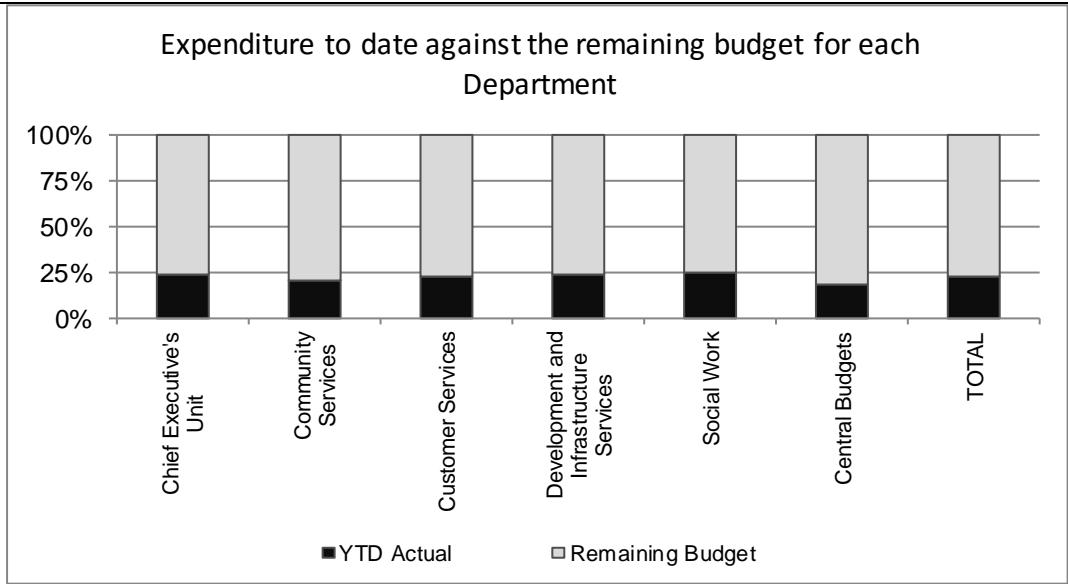


Further information on the departmental forecast variances is included later on in the report.

Year to Date Position

The year to date position as at the end of June 2018 is a deficit of £1.555m (2.9%) and the main variances are noted below.

The current year to date variance position for each Department:				
Department	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Explanation
Chief Executive's Unit	594	620	26	Small variances, mainly profile related.
Community Services	15,473	16,475	1,002	The variance is predominantly in relation to schools to which vacancies in staffing contribute largely towards. Under the Scheme of Devolved School Management schools are permitted flexibility at year end, therefore no forecast variance has been processed in relation to this. There is a further underspend in Pupil Equity Funds which is due to the profiling of funding received at the end of the June period and not a true reflection of the position.
Customer Services	10,320	11,740	1,420	The underspend is mainly in respect of the HUB schools invoicing delay and NPDO insurance and contract management invoice offset by the timing of the management fee payment to Live Argyll.
Development and Infrastructure Services	7,819	7,078	(741)	There are a number of profiling variances that contribute to this overall year to date overspend. There are none that give cause for concern or give rise to a forecast outturn position.
Social Work	14,139	14,156	17	Small variance.
Central Budgets	4,715	4,546	(169)	Profile related and will be refined for the next budget monitoring period.
Total Net Expenditure	53,060	54,615	1,555	



Further information on the departmental year to date variances is included later on in the report.

OBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AT 30 JUNE 2018

	YEAR TO DATE POSITION				CURRENT PROJECTED FINAL OUTTURN			
	YTD Actual	YTD Budget	YTD Variance	Variance	Annual Budget	Forecast Outturn	Forecast Variance	Variance
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
<u>Departmental Budgets</u>								
Chief Executive's Unit	594	620	26	4.2%	2,457	2,457	0	0.0%
Customer Services	10,320	11,740	1,420	12.1%	45,565	45,648	(83)	(0.2%)
Development and Infrastructure Services	7,819	7,078	(741)	(10.5%)	32,123	32,123	0	0.0%
Education	15,473	16,475	1,002	6.1%	75,301	75,651	(350)	(0.5%)
Social Work	14,139	14,156	17	0.1%	56,380	58,769	(2,389)	(4.2%)
Total Departmental Budgets	48,345	50,069	1,724	3.4%	211,826	214,648	(2,822)	(1.3%)
<u>Central Budgets</u>								
Other Operating Income and Expenditure	174	665	491	73.8%	4,033	4,033	0	0.0%
Joint Boards	320	343	23	6.7%	1,374	1,353	21	1.5%
Non-Controllable Costs	4,221	3,538	(683)	(19.3%)	19,808	19,808	0	0.0%
Total Central Budgets	4,715	4,546	(169)	(3.7%)	25,215	25,194	21	0.1%
TOTAL NET EXPENDITURE	53,060	54,615	1,555	2.9%	237,041	239,842	(2,801)	(1.2%)
<u>Financed By</u>								
Aggregate External Finance	(38,869)	(38,869)	0	0.0%	(191,704)	(191,704)	0	0.0%
Local Tax Requirement	(15,111)	(15,111)	0	0.0%	(47,674)	(47,674)	0	0.0%
Contributions to General Fund	0	0	0	0.0%	2,408	2,408	0	0.0%
Supplementary Estimates	0	0	0	0.0%	0	0	0	0.0%
Earmarked Reserves	0	0	0	0.0%	(71)	(71)	0	0.0%
Total Funding	(53,980)	(53,980)	0	0.0%	(237,041)	(237,041)	0	0.0%
Deficit/(Surplus) for Period	(920)	635	1,555		0	2,801	(2,801)	

SUBJECTIVE SUMMARY – OVERALL COUNCIL POSITION AS AT 30 JUNE 2018

	YEAR TO DATE POSITION				CURRENT PROJECTED FINAL OUTTURN			
	YTD Actual £'000	YTD Budget £'000	YTD Variance £'000	Variance %	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	Variance %
Subjective Category								
Employee Expenses	29,437	30,067	630	2.1%	138,961	138,866	95	0.1%
Premises Related Expenditure	5,473	2,118	(3,355)	(158.4%)	14,769	14,775	(6)	(0.0%)
Supplies and Services	5,076	4,178	(898)	(21.5%)	13,343	17,665	(4,322)	(32.4%)
Transport Related Expenditure	2,745	2,634	(111)	(4.2%)	17,033	16,989	44	0.3%
Third Party Payments	29,479	34,749	5,270	15.2%	144,506	143,899	607	0.4%
Capital Financing	(1)	3,705	3,706	100.0%	14,918	14,918	0	0.0%
TOTAL EXPENDITURE	72,209	77,451	5,242	6.8%	343,530	347,112	(3,582)	(1.0%)
Income	(73,129)	(76,816)	(3,687)	4.8%	(343,530)	(344,311)	781	(0.2%)
Deficit/(Surplus) for Period	(920)	635	1,555		0	2,801	(2,801)	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

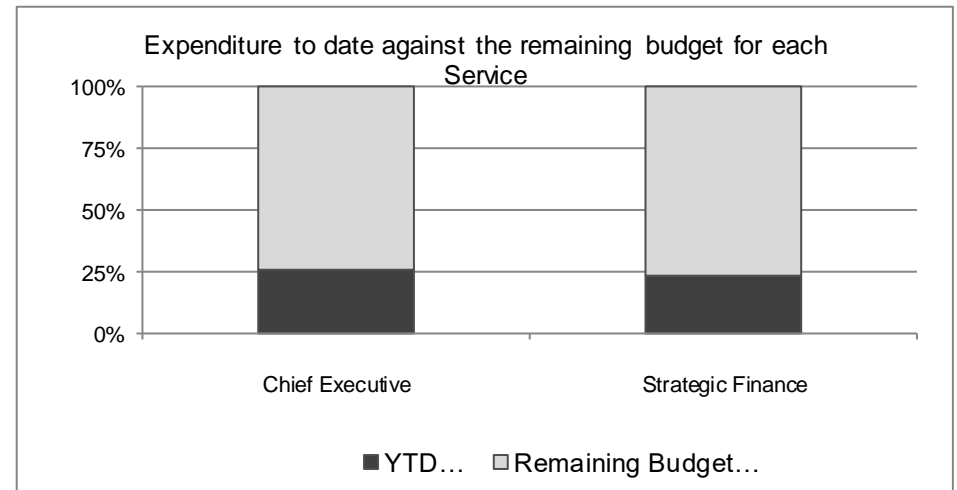
CHIEF EXECUTIVE'S UNIT HIGHLIGHTS – AS AT 30 JUNE 2018

- The department is currently forecasting spend to be in line with budget.
- The department has a year to date underspend of £0.026m (4.2%) which is mainly profile related.

Forecast Outturn Position

Current Forecast Outturn Variance with change from previous month					
Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Chief Executive	813	813	0	0	0
Strategic Finance	1,643	1,643	0	0	0
Totals	2,456	2,456	0	0	0

Year to Date Position



Key Financial Successes:

The department are currently forecasting that spend will be in line with budget for 2018-19. All Service Choices savings options have been delivered. The department outturn position at the end of 2017-18 was an underspend of £0.070m due to effective management and monitoring of the budget.

Key Financial Challenges:

To continue to deliver high quality support service function during a time of continued budget cuts, particularly as the majority of the costs within Chief Executive's Unit are employee costs.

Proposed Actions to address Financial Challenges:

To ensure that the team are operating as efficiently and effectively as possible to enable continued support to departments with reduced resources.

CHIEF EXECUTIVE'S UNIT – OBJECTIVE SUMMARY AS AT 30 JUNE 2018

Business Outcome	Service Area	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Central/Management Costs	Central/Management Costs	61	62	1	1.6%	295	295	0	0.0%	Outwith reporting criteria
BO15 - Argyll and Bute is open for business	Community Planning	11	28	17	60.7%	124	124	0	0.0%	Small variance that is linked to the profile of the budget versus when actual spend is incurred.
BO33 - Information and support are available for our communities	Community Development and Grants to Third Sector	141	138	(3)	(2.2%)	394	394	0	0.0%	Outwith reporting criteria
Chief Executive Total		213	228	15	6.6%	813	813	0	0.0%	
BO28 - Our processes and business procedures are efficient, cost effective and compliant	Departmental Support, Corporate Accounting, Treasury & Internal Audit	381	392	11	2.8%	1,643	1,643	0	0.0%	Outwith reporting criteria
Strategic Finance Total		381	392	11	2.8%	1,643	1,643	0	0.0%	
GRAND TOTAL		594	620	26	4.2%	2,456	2,456	0	0.0%	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

CHIEF EXECUTIVE'S UNIT – SUBJECTIVE SUMMARY AS AT 30 JUNE 2018

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	477	504	27	5.4%	2,333	2,333	0	0.0%	Outwith reporting criteria
Premises	0	0	0	0.0%	0	0	0	0.0%	Outwith reporting criteria
Supplies and Services	28	20	(9)	(45.0%)	56	56	0	0.0%	The variance relates to supplies in Strategic Finance where there is a mismatch between actuals and profiled budget - this will be reviewed.
Transport	6	8	3	37.5%	31	31	0	0.0%	Small variance.
Third Party	111	95	(16)	(16.8%)	188	188	0	0.0%	Small year to date overspend due to profiling within grants to third sector organisations.
Capital Financing	0	0	0	0.0%	0	0	0	0.0%	Outwith reporting criteria
Income	(28)	(7)	21	(300.0%)	(152)	(152)	0	0.0%	Higher than anticipated income as debtor account raised in respect of CPP to NHS in first quarter and income budget is spread across the year, this profile will be updated.
Totals	594	620	26	4.2%	2,456	2,456	0	0.0%	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

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An explanation is given for any variance which exceeds £50,000 or 10%.

CHIEF EXECUTIVE'S UNIT – RED VARIANCES AS AT 30 JUNE 2018

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	

A red variance is a forecast variance which is greater than +/- £50,000.

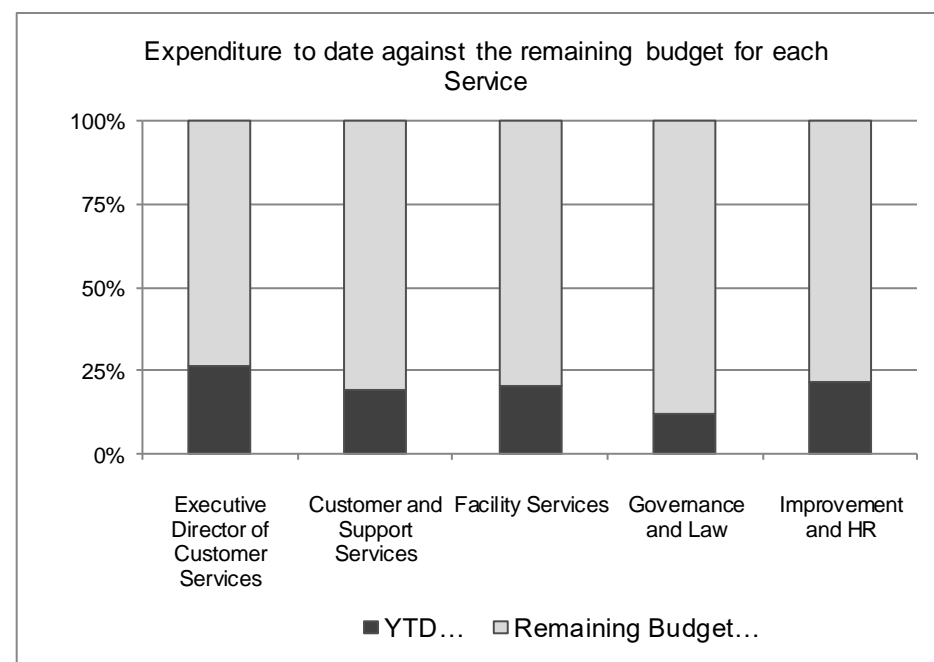
CUSTOMER SERVICES – AS AT 30 JUNE 2018

- The department is currently forecasting an overspend of £0.083m. This is in relation to an anticipated shortfall in savings re the Catering and Cleaning Innovation project, distribution hub £0.043m due to construction costs and payback and drinks provision where there was £0.035m due to lower than recommended charge rate for milk creating the shortfall.
- The department has a year to date underspend of £1.420m (12.1%). There are a number of variances contributing to this underspend including underspend of £0.873m Hub schools due to Hubco behind with invoicing, £0.484m NPDO due to insurance contract management savings and timing of water billing within the contract. Timing of property expenditure compared to budget.

Forecast Outturn Position

Current Forecast Outturn Variance with change from previous month					
Service	Annual Budget	Forecast Outturn	Current Forecast Variance	Previous Forecast Variance	Change
	£000	£000	£000	£000	£000
Executive Director of Customer Services	19,342	19,342	0	0	0
Customer and Support Services	8,683	8,683	0	0	0
Facility Services	12,796	12,879	(83)	0	(83)
Governance and Law	1,945	1,945	0	0	0
Improvement and HR	2,802	2,802	0	0	0
Totals	45,568	45,651	(83)	0	(83)

Year to Date Position



Key Financial Successes:

The 2017-18 year-end outturn position was an underspend of £1.306m. This was mainly as a result of over-recovery of vacancy savings, lower than expected insurance and utility cost savings arising as a result of the annual renegotiation of insurance costs which forms part of the contract management arrangements which are in place for the NPDO, lower than planned expenditure on the Catering Innovation Project which was delayed and lower than expected expenditure on school transport due to reduced contract and fuel costs.

A number of the service choices savings have also been secured to date.

Key Financial Challenges:	Proposed Actions to address Financial Challenges:
Impact of Welfare reforms.	Input ongoing to multi agency working group to ensure robust arrangements are put in place.
Delivering the proposed Facility Services budget reductions identified in the Transformation programme.	Provide the Transformation Board with robust information upon which decisions can be made and develop any savings proposals as necessary.
Impact of numbers/uptake in demand led service areas like transport, benefits and licensing.	Continually refine/develop systems to accurately calculate forecast outturns and the impact on the future financial outlook.
Support longer term service re-design project for Catering and Cleaning services to ensure efficiencies and financial savings are secured for the Council. Success dependant on buy-in from Argyll & Bute Health and Social Care Partnership.	Effective working with consultants and support with implementation of preferred service delivery method.
New legislative/policy requirements not fully funded by Scottish Government which put additional burdens on the Council. For example, additional demands from IJB, requirement to register all property in land register by 2019, new education arrangements know on impact for all support services.	Analysis of new obligations and whether they incur additional costs not met through increased grant.

CUSTOMER SERVICES – OBJECTIVE SUMMARY AS AT 30 JUNE 2018

Business Outcome	Service Area	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Central/Management Costs	Central/Management Costs, NPDO, Special Projects & Estates	5,164	6,320	1,155	18.3%	19,342	19,342	0	0.0%	NPDO - YTD underspend £484k, pending water costs from Anglian Water circa £100k and insurance/contract management. HUB Schools - YTD underspend £873k Hubco behind with invoicing, profile will catch up by yearend
Executive Director of Customer Services Total		5,164	6,320	1,155	18.3%	19,342	19,342	0	0.0%	
Central/Management Costs	Central/Management Costs	81	81	0	0.0%	352	352	0	0.0%	Outwith reporting criteria
BO04 - Benefits are paid promptly and accurately	Benefits, SWF & Welfare Reform	499	474	(25)	(5.3%)	1,616	1,616	0	0.0%	Outwith reporting criteria
BO23 - Economic Growth is supported	NDR Disc Relief, Creditors & Procurement	208	205	(3)	(1.5%)	1,155	1,155	0	0.0%	Outwith reporting criteria
BO27 - Infrastructure and assets are fit for purpose	ICT Applications & Infrastructure	527	589	62	10.5%	3,690	3,690	0	0.0%	HQ Reprographics - YTD underspend equipment leasing £7k and postages £25k. ICT Infrastructure YTD underspend £18k, mainly Gamma costs network line charges credit £13k and £5k employee costs underspend
BO28 - Our processes and business procedures are efficient, cost effective and compliant	Local Tax, Debtors, Debt Recovery, Customer Service Centres & Registrars	345	379	34	9.0%	1,870	1,870	0	0.0%	Outwith reporting criteria
Customer and Support Services Total		1,660	1,728	68	3.9%	8,683	8,683	0	0.0%	
BO09 - Our assets are safe, efficient and fit for purpose	Shared Offices, Property, Pool Cars, Public Transport and Cleaning.	2,721	2,990	269	9.0%	12,307	12,307	0	0.0%	Property design £87k underspend Ytd - employee costs and spend/income budget profile. Live Argyll Premises budget profile £31k. Public Transport £66k underspend YTD - mainly school operator payments. Shared office accommodation £29k - central repairs timing
BO18 - Improved lifestyle choices are available	School Meals	(120)	(192)	(73)	38.0%	206	289	(83)	(40.3%)	£83k forecast overspend anticipated due to shortfall in savings re Catering and Cleaning Innovation project - distribution hub £48k construction costs and payback and drinks provision £35k lower than recommended charge rate for milk creating shortfall. Ytd timing of school meal recharge.
Central/Management Costs	Central/Management Costs	46	57	11	19.3%	283	283	0	0.0%	Property services admin support employee costs ytd underspend
Facility Services Total		2,647	2,855	207	7.3%	12,796	12,879	(83)	(0.6%)	

BO10 - Quality of life is improved by managing risk	Civil Contingencies & Anti Social Behaviour	26	24	(2)	(8.3%)	128	128	0	0.0%	Outwith reporting criteria
BO17 - The support needs of children and their families are met	Childrens Panel	0	2	2	100.0%	34	34	0	0.0%	Small underspend due to budget profiling - children's panel expenses
BO23 - Economic Growth is supported	Licensing	(138)	(119)	19	(16.0%)	(116)	(116)	0	0.0%	YTD underspend Civic Government Income £16k
BO28 - Our processes and business procedures are efficient, cost effective and compliant	Democratic Serives, Governance & Legal Services	312	308	(5)	(1.6%)	1,701	1,701	0	0.0%	Outwith reporting criteria
Central/Management Costs	Central/Management Costs	39	40	1	2.5%	198	198	0	0.0%	Outwith reporting criteria
Governance and Law Total		239	255	15	5.9%	1,945	1,945	0	0.0%	
BO06 - Quality culture, archives, libraries and museums are provided to promote wellbeing	Gaelic Language Plan	4	0	(4)	#DIV/0!	0	0	0	0.0%	Outwith reporting criteria
BO28 - Our processes and business procedures are efficient, cost effective and compliant	HR Services	146	145	(1)	(0.7%)	695	695	0	0.0%	Outwith reporting criteria
BO29 - Health and safety is managed effectively	Health & Safety	58	61	4	6.6%	294	294	0	0.0%	Outwith reporting criteria
BO30 - We engage with our customers, staff and partners	Communications	37	44	7	15.9%	271	271	0	0.0%	Small underspend due to budget profiling - communications
BO31 - We have a culture of continuous improvement	Service Improvements	189	158	(30)	(19.0%)	736	736	0	0.0%	Resource link review £14k earmarking to be drawdown, HR development team £6k, Systems Development £5k - underspend employee costs offset by overspend in purchase of software licences
BO32 - Our workforce is supported to realise its potential	Learning & Development	120	119	(2)	(1.7%)	535	535	0	0.0%	Outwith reporting criteria
Central/Management Costs	Central/Management Costs	56	58	1	1.7%	271	271	0	0.0%	Outwith reporting criteria
Improvement and HR Total		610	585	(25)	(4.3%)	2,802	2,802	0	0.0%	
GRAND TOTAL		10,320	11,743	1,420	12.1%	45,568	45,651	(83)	(0.2%)	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

CUSTOMER SERVICES – SUBJECTIVE SUMMARY AS AT 30 JUNE 2018

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	4,058	4,098	40	1.0%	19,844	19,844	0	0.0%	Outwith Reporting Criteria
Premises	244	337	93	27.6%	2,311	2,311	0	0.0%	Central repairs timing £75k and Other property costs £22k
Supplies and Services	603	701	98	14.0%	4,666	4,749	(83)	(1.8%)	Profile of catering purchases budget £95k
Transport	205	294	89	30.3%	6,421	6,421	0	0.0%	Internal transport £45k, Staff travel and tolls £12k, Fuel Ex Tranman £10k, Fleet Retained £8k
Third Party	12,650	14,343	1,692	11.8%	56,797	56,797	0	0.0%	Benefit Afforded £461k offset by income below, Payment to other bodies £1,422k (Hub Schools £873k - Hubco invoicing delay, NPDO £482k - insurance and contract management) and -£298k LiveArgyll Management Fee (July Payment issued in June)
Capital Financing	0	0	0	0.0%	0	0	0	0.0%	Outwith Reporting Criteria
Income	(7,441)	(8,032)	(591)	7.4%	(44,474)	(44,474)	0	0.0%	HB Subsidy £465k - offset by Third party payments, Catering Variable Bid £104k timing of charge, Charged to Clients £32k, debtor account pending
Totals	10,319	11,741	1,421	12.1%	45,565	45,648	(83)	(0.2%)	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

CUSTOMER SERVICES – RED VARIANCES AS AT 30 JUNE 2018

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
School Meals	206	289	(83)	(40.3%)	£83k forecast overspend anticipated due to shortfall in savings re Catering and Cleaning Innovation project - distribution hub £48k construction costs and payback and drinks provision £35k lower than recommended charge rate for milk creating shortfall.
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	

A red variance is a forecast variance which is greater than +/- £50,000.

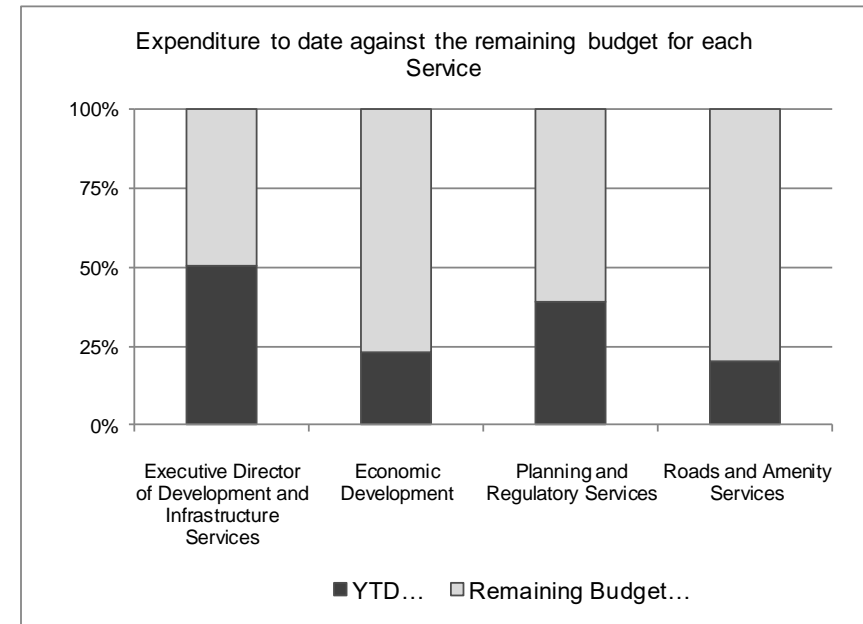
DEVELOPMENT AND INFRASTRUCTURE HIGHLIGHTS – AS AT 30 JUNE 2018

- The department is currently forecasting spend to be in line with budget.
- The department has a year to date overspend of £0.741m (10.5%) against budget.

Forecast Outturn Position

Current Forecast Outturn Variance with change from previous month					
Service	Annual Budget	Forecast Outturn	Current Forecast Variance	Previous Forecast Variance	Change
	£000	£000	£000	£000	£000
Executive Director of Development and Infrastructure Services	199	199	0	0	0
Economic Development	4,232	4,232	0	0	0
Planning and Regulatory Services	5,888	5,888	0	0	0
Roads and Amenity Services	21,804	21,804	0	0	0
Totals	32,123	32,123	0	0	0

Year to Date Position



Key Financial Successes:

The department is not currently predicting any variance against budget but this will continue to be reviewed on a monthly basis. All Service Packages Policy Options are on track to be delivered and again this will be closely monitored over the coming months. The Department's outturn for 2017-18 was an overspend of £0.087m and this was due a variety of factors including a severe winter period which was partially offset by an over recovery on vacancy savings.

Key Financial Challenges:

Department / Service ongoing ability to meet future savings / efficiency requirements.

Proposed Actions to address Financial Challenges:

Monitoring of trend / expenditure levels / service configuration and the Service Packages Policy Options savings process.

<p>Potential shortfall in income within building standards, planning, Car Parking, Planning and Decriminalised Parking Enforcement (DPE).</p>	<p>Closely monitoring of income levels, regular performance management reviews and reporting of the financial implications through budget monitoring process.</p>
<p>Dangerous buildings, there is no budget for this expenditure and the council have no control over the demand for the service.</p>	<p>Building Standards, Legal Services and Strategic Finance are working closely to manage debt recovery and to consider other options to minimise corporate risk exposure.</p>
<p>Due to the nature of the various components of Waste Management there are ongoing challenges with:</p> <ul style="list-style-type: none"> • Island haulage costs • Uncertainty with recycling income/ gate fee costs due to the volatility of the market • Challenges in the legislative changes around the disposal of Biodegradable Municipal Waste 	<p>To closely monitor all service components of Waste Management and review Waste Strategy in conjunction with our contractual partner Renewi (previously Shanks).</p>
<p>Winter Maintenance costs are difficult to estimate as they are very much dependant on the weather.</p>	<p>Close monitoring of Winter Maintenance and reporting of the financial implications through budget monitoring process. The Council agreed the winter policy, setting out the intervention level and locations to be treated. The numbers of treatments are determined by weather conditions. The current budget provision provides for 58 full equivalent runs. There is a sophisticated weather monitoring system in place consisting of several weather stations, this is supported by a forecasting and metrological service which is collaboratively procured by West of Scotland local authorities.</p>

DEVELOPMENT AND INFRASTRUCTURE – OBJECTIVE SUMMARY AS AT 30 JUNE 2018

Business Outcome	Service Area	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Central/Management Costs	Central/Management Costs	100	117	17	14.5%	199	199	0	0.0%	Vacancy savings plus spend on training behind profile
Executive Director of Development and Infrastructure Total		100	117	17	14.5%	199	199	0	0.0%	
BO06 - Quality culture, archives, libraries and museums are provided to promote wellbeing	Events and Festivals	33	49	16	32.7%	226	226	0	0.0%	Expenditure incurred according to timing of individual events and festivals whereas budget has been split evenly over the year.
BO15 - Argyll and Bute is open for business	Airports & Strategic Transportation	478	516	38	7.4%	2,288	2,288	0	0.0%	Outwith reporting criteria
BO22 - Adults are supported to realise their potential	Business Gateway	132	69	(63)	(91.3%)	325	325	0	0.0%	Business Grants are paid out according to applications the timing of which is unpredictable.
BO23 - Economic growth is supported	Projects, TIF & European Team	230	230	0	0.0%	960	960	0	0.0%	Outwith reporting criteria
BO27 - Infrastructure and assets are fit for purpose	Economic Development Intelligence	39	27	(12)	(44.4%)	135	135	0	0.0%	Expenditure does not follow a set pattern and is dependant on external factors.
Central/Management Costs	Central/Management Costs	58	67	9	13.4%	298	298	0	0.0%	Budget profiling requires to be reviewed
Economic Development Total		970	958	(12)	(1.3%)	4,232	4,232	0	0.0%	

BO01 - The health of our people is protected through effective partnership working	Private Water Supplies	38	(5)	(43)	860.0%	3	3	0	0.0%	Grant claim still to be submitted for 1st quarter but budget profile assumes it is claimed evenly across whole year.
BO03 - Prevention and support reduces homelessness	Homelessness and Housing Support Services	479	433	(45)	(10.4%)	2,184	2,184	0	0.0%	Temporary accomodation ahead of profile - this will be closely monitored in coming months
BO05 - Information and support are available for everyone	Trading Standards	94	102	7	6.9%	505	505	0	0.0%	Outwith reporting criteria
BO12 - High standards of Public health and health protection are promoted	Environmental Health	169	187	17	9.1%	1,064	1,064	0	0.0%	Outwith reporting criteria
BO13 - Our built environment is safe and improved	Building Standards & Environmental Safety	(26)	(8)	19	(237.5%)	92	92	0	0.0%	Building standards income behind profile. This will be closely monitored in the coming months.
BO15 - Argyll and Bute is open for business	Development Policy	78	92	14	15.2%	456	456	0	0.0%	Vacancy savings.
BO23 - Economic growth is supported	Development Management	(28)	13	40	307.7%	275	275	0	0.0%	Planning income ahead of profile and this is closely monitored on a monthly basis. It is not anticipated
BO25 - Access to and enjoyment of the natural and built environments is improved	Corepath Plan	11	11	0	0.0%	56	56	0	0.0%	Outwith reporting criteria
BO26 - People have a choice of suitable housing options	Housing	1,144	1,053	(91)	(8.6%)	687	687	0	0.0%	HEEPS grant still to be received
BO27 - Infrastructure and assets are fit for purpose	Marine & Coastal	10	19	9	47.4%	92	92	0	0.0%	Vacancy savings.
BO31 - We have a culture of continuous improvement	Strategic Housing Fund	248	0	(248)	#DIV/0!	0	0	0	0.0%	Strategic Housing fund earmarking still to be drawn down.
Central/Management Costs	Central/Management Costs	86	91	5	5.5%	474	474	0	0.0%	Outwith reporting criteria
Planning and Regulatory Total		2,303	1,988	(316)	(15.9%)	5,888	5,888	0	0.0%	

BO14 - Our transport infrastructure is safe and fit for purpose	Road & Lighting, Roads Design, Network & Environment & Marine Services	1,691	1,305	(386)	(29.6%)	6,351	6,351	0	0.0%	BO14 - The main contributing factor to the YTD variance is the Roads & Lighting Operational Holding Account which relates to budget profiling due to its unpredictable nature caused by many factors e.g. weather, reactive v planned works, timing of capital works and timing of contractors invoices. The budget profiling for winter and street lighting electricity also needs to be reviewed.
BO15 - Argyll and Bute is open for business	Marine Management	37	36	(1)	(2.8%)	170	170	0	0.0%	Outwith reporting criteria
BO24 - Waste is disposed of sustainably	Waste Management	1,926	2,306	379	16.4%	12,377	12,377	0	0.0%	Budget profiling requires to be reviewed.
BO25 - Access to and enjoyment of the natural and built environments is improved	Amenity Services	913	717	(196)	(27.3%)	3,771	3,771	0	0.0%	Income due back from insurance as a result of fire at Millpark Oban plus budget profiling needs reviewed.
BO27 - Infrastructure and assets are fit for purpose	Fleet	(137)	(332)	(195)	58.7%	(1,052)	(1,052)	0	0.0%	This has been caused by timing differences between expenditure and income and will be closely monitored in the coming months.
Central/Management Costs	Central/Management Costs	14	(17)	(31)	182.4%	187	187	0	0.0%	Budget profiling requires to be reviewed.
Roads and Amenity Total		4,444	4,015	(430)	(10.7%)	21,804	21,804	0	0.0%	
GRAND TOTAL		7,817	7,078	(741)	(10.5%)	32,123	32,123	0	0.0%	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

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An explanation is given for any variance which exceeds £50,000 or 10%.

DEVELOPMENT AND INFRASTRUCTURE – SUBJECTIVE SUMMARY AS AT 30 JUNE 2018

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	4,827	4,979	152	3.1%	24,280	24,280	0	0.0%	Vacancies within Roads plus an accrual for backdated standby payments which have still to be settled.
Premises	511	564	53	9.4%	3,067	3,067	0	0.0%	Street lighting electricity behind profile
Supplies and Services	2,527	1,374	(1,153)	(83.9%)	5,333	5,333	0	0.0%	Supplies and services are ahead of profile due to quarry purchases within the Roads & Lighting holding account as a result of additional capital work. This will be offset by additional income in the coming months.
Transport	2,259	2,066	(193)	(9.3%)	9,079	9,079	0	0.0%	Fuel costs ahead of profile.
Third Party	6,226	6,567	341	5.2%	28,415	28,415	0	0.0%	Payments to contractors behind profile.
Capital Financing	0	167	167	100.0%	670	670	0	0.0%	Capital charges only get put through at year end and this requires to be reprofiled.
Income	(8,531)	(8,639)	(108)	1.3%	(38,720)	(38,720)	0	0.0%	Income behind profile
Totals	7,819	7,078	(741)	(10.5%)	32,124	32,124	0	0.0%	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

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DEVELOPMENT AND INFRASTRUCTURE – RED VARIANCES AS AT 30 JUNE 2018

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	
			0	0.0%	

A red variance is a forecast variance which is greater than +/- £50,000.

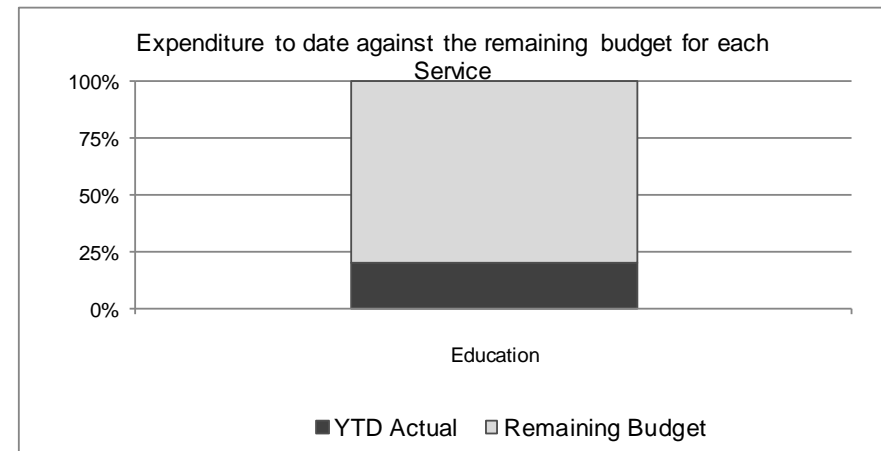
EDUCATION HIGHLIGHTS – AS AT 30 JUNE 2018

- The department is currently forecasting an overspend of £0.350m in relation to a significant increase in demand within ASN support. This is a very early estimate at this time of year and will be monitored closely going forward with every effort being made to mitigate this spend.
- The department has a year to date underspend of £1.002m (6.1%) against budget. This predominately relates to underspends within schools. Under the scheme of devolved school management (DSM) schools are permitted flexibility at year end therefore no forecast variance is required to be processed. This variance will reduce going forward.

Forecast Outturn Position

Current Forecast Outturn Variance with change from previous month					
Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Education	75,302	75,652	(350)	0	(350)
Totals	75,302	75,652	(350)	0	(350)

Year to Date Position



Key Financial Successes:

The department have delivered all their service choices savings, with the exception of demand led services in relation to ASN support and residential schools placement and the Psychological Services associated with these.

The 2017-18 year-end outturn position for Education, excluding earmarkings to be carried forward and the Bad Debt Provision Adjustment in relation to Housing moving to DIS, was an overspend of £0.199m which was exactly the figure projected as a forecast variance in the months prior to year end. This accuracy was due to the effective management and monitoring of the budget position.

Key Financial Challenges:

Ensuring the Education service can continue to contribute to Council saving programmes whilst adhering to Scottish Government national

Proposed Actions to address Financial Challenges:

Ongoing robust financial monitoring and forecasting with the provision of supporting management information to ensure deliverable saving options are presented.

initiatives (i.e. maintaining Pupil Teacher ratio across the Education service).	
Evaluating and managing the financial impact of new legislation (i.e. Children and Young People Act, Education (Scotland) Bill).	Full participation in consultation process to assist in the identification of potential cost pressures as early as possible.
Impact of the Education Governance Review, particularly in relation to the Fair Funding consultation, and how this informs potential changes to funding arrangements for the Education Service.	Respond to Fair Funding consultation, engage with SG through COSLA and ensure implications for resources and financial management arrangements are clearly identified.
Continued increased demand on the Service for ASN Support.	Continue to review the ASN allocations and monitor vacancies elsewhere within the Service where unspent budget could be used to contribute towards these unavoidable costs.
Delivery plan of 1140 hours expansion in ELC due to a change in the timing of the distribution of funding. While the level of funding remains at what was expected, the period in which the funding will be received has been altered.	Spend will be re-profiled in accordance with the timing of funding allocations and hence the phasing in element of the delivery plan will need to be adapted accordingly.

EDUCATION – OBJECTIVE SUMMARY AS AT 30 JUNE 2018

Business Outcome	Service Area	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Central/Management Costs	Central/Management Costs	74	71	(3)	(4.2%)	366	366	0	0.0%	Outwith reporting criteria.
BO16 - We wholly embrace our Corporate Parenting responsibilities	Additional Support Needs (ASN)	1,834	1,850	16	0.9%	8,860	9,210	(350)	(4.0%)	Overspend forecast within ASN assistants due to significant increase in demand which cannot be avoided. This is a very early estimate at this stage and will be monitored closely going forward with every effort being made to mitigate this overspend.
BO17 - The support needs of children and their families are met	Early Years	1,444	1,441	(3)	(0.2%)	6,775	6,775	0	0.0%	Outwith reporting criteria.
BO19 - All children and young people are supported to realise their potential	Primary & Secondary Education	10,693	12,153	1,460	12.0%	53,942	53,942	0	0.0%	The variance is predominantly in relation to schools to which vacancies in staffing contribute largely towards. Under the Scheme of Devolved School Management schools are permitted flexibility at year end, therefore no forecast variance has been processed in relation to this. There is a further underspend in Pupil Equity Funds which is due to the profiling of funding received at the end of the June period and not a true reflection of the position.
BO21 - Our young people participate in post-16 learning, training or work	Youth Services	142	123	(18)	(14.6%)	653	653	0	0.0%	Youth Employment Opportunities are funded by an Earmarked Reserve which has not yet been drawn down as they were only approved at the end of June therefore not a true reflection of the financial position.
BO22 - Adults are supported to realise their potential	Adult Learning	104	128	24	18.8%	605	605	0	0.0%	Various immaterial underspends contribute to the small variance.
BO30 - We engage with our customers, staff and partners	Support for Parents	0	0	0	0.0%	21	21	0	0.0%	Outwith reporting criteria.
BO31 - We have a culture of continuous improvement	Edducation Initiatives (GIRFEC, SEEMIS, Languages 1+2, Music) Education Support Team, Quality Improvement Team, Schools Development Team	1,183	709	(474)	(66.9%)	4,063	4,063	0	0.0%	This variance is largely due to overspends within teacher cover. The allocation process has not taken place for 18/19 as yet and will be distributed in July, at which point the variance will reduce significantly.
BO32 - Our workforce is supported to realise its potential	Leadership & Professional Learning	1	1	0	0.0%	17	17	0	0.0%	Outwith reporting criteria.
Education Total		15,475	16,476	1,002	6.1%	75,302	75,652	(350)	(0.5%)	
GRAND TOTAL		15,475	16,476	1,002	6.1%	75,302	75,652	(350)	(0.5%)	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

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An explanation is given for any variance which exceeds £50,000 or 10%.

EDUCATION – SUBJECTIVE SUMMARY AS AT 30 JUNE 2018

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	14,376	14,441	65	0.5%	61,687	62,037	(350)	(0.6%)	The YTD variance largely relates to vacancies within schools. Under the scheme of devolved school management (DSM) schools are permitted flexibility at the year-end, within the agreed limits, therefore no forecast variance is required to be processed. The forecast overspend relates to an increased demand for ASN support.
Premises	349	1,012	662	65.4%	3,054	3,054	0	0.0%	The budget for the Cleaning Trading Account requires to be realigned in July to reflect anticipated charges. This will reduce the underspend significantly.
Supplies and Services	1,677	1,539	(139)	(9.0%)	6,952	6,952	0	0.0%	Various small overspends contribute to this including Education Equipment and repair costs which will be covered by underspends elsewhere within the Service.
Transport	71	45	(25)	(55.6%)	227	227	0	0.0%	Fleet Year End adjustments creating a YTD variance. This will be reprofiled in July to reduce this variance.
Third Party	991	1,104	113	10.2%	8,554	8,554	0	0.0%	Timing of exam fees paid by schools has created this variance which will level out in following months.
Capital Financing	0	0	0	0.0%	0	0	0	0.0%	Outwith reporting criteria.
Income	(1,991)	(1,666)	325	(19.5%)	(5,173)	(5,173)	0	0.0%	Receipt of Pupil Equity Fund Grant at the very end of June has created a timing difference which will level out in future months.
Totals	15,473	16,475	1,001	6.1%	75,301	75,651	(350)	(0.5%)	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

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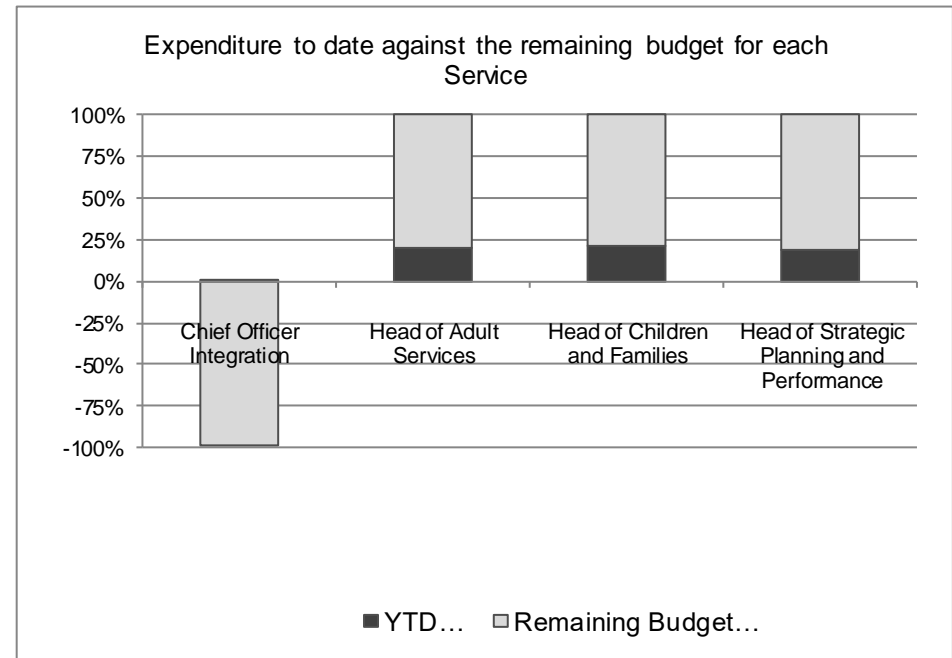
SOCIAL WORK – AS AT 30 JUNE 2018

- The service is currently forecasting an overspend of £2.388m which is mainly due to an unidentified savings figure of £2.345m included in the budget.
- The service has a year to date underspend of £0.018m (0.1%) against budget.

Forecast Outturn Position

Current Forecast Outturn Variance with change from previous month					
Service	Annual Budget £000	Forecast Outturn £000	Current Forecast Variance £000	Previous Forecast Variance £000	Change £000
Chief Officer Integration	(13,023)	(11,347)	(1,676)	0	(1,676)
Head of Adult Services	55,361	55,510	(149)	0	(149)
Head of Children and Families	13,647	14,211	(564)	0	(564)
Head of Strategic Planning and Performance	396	395	1	0	1
Totals	56,381	58,769	(2,388)	0	(2,388)

Year to Date Position



Key Financial Successes:

Identified approximately £0.500m towards a total of £1.6m in unidentified savings towards the end of 2017/18. Whilst the service were still overspent the overspend was reduced.

Key Financial Challenges:

Address the £2.345m unidentified savings figure included in the 2018/19 budget.

Proposed Actions to address Financial Challenges:

Completion of a budget challenge exercise to identify underspends which can be used to reduce unidentified savings figure and ongoing work between management, operational and finance staff to identify opportunities for additional deliverable savings.

Successful delivery of £3.672m of identified savings by the end of 2018/19.	Implementation of a robust performance management mechanism to track the delivery of the savings options.
Development and delivery of future service redesigns which will be necessary to contain service expenditure within the allocated resource.	Support from finance to assist strategic managers to look beyond the short term to identify and plan the changes which will be needed to address the expected ongoing budget challenge over the next 3 to 5 years.

SOCIAL WORK – OBJECTIVE SUMMARY AS AT 30 JUNE 2018

Service	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Chief Officer Integration	169	(2,618)	(2,786)	106.4%	(13,023)	(11,347)	(1,676)	12.9%	The YTD variance arises due to a profiling issue in relation to the timing of the transfer of funds from NHS Highland to the Council. The forecast variance is a combination of the unidentified savings total and estimated slippage on identified efficiency savings partially offset by estimated additional vacancy savings and slippage on the Community Services Investment Fund expenditure.
Head of Adult Services	11,027	13,666	2,640	19.3%	55,361	55,510	(149)	(0.3%)	The YTD variance reflects lower than budgeted activity in homecare and care home placements for older people and a combination of budget profiling and the timing of receipt/ payment of supplier invoices across the service. The forecast variance reflects a combination lower than budgeted demand in homecare and care home placements for older people offset by overspends in supported living and estimated slippage on the delivery of efficiency savings.
Head of Children and Families	2,870	3,031	162	5.3%	13,647	14,211	(564)	(4.1%)	The YTD variance is a combination of a number of over and underspends across the service. The main underspends relate to lower than expected demand for support at Ardlui Respite Centre, underspends in the two Education Hostels, budget profiling issues with 3rd Sector Grants and office rent payments and an outstanding accrual from 2017/18 and lower than expected spend against Service Strategy and Regulation. The forecast overspend is mainly related to demand pressure and estimated slippage on efficiency savings against external residential placements and the costs associated with engaging agency staff in the Area and CARO Teams. These overspends are partially offset by a forecast underspend against Criminal Justice.
Head of Strategic Planning and Performance	74	76	2	2.6%	396	395	1	0.3%	Outwith reporting criteria
GRAND TOTAL	14,140	14,155	18	0.1%	56,381	58,769	(2,388)	(4.2%)	

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An explanation is given for any variance which exceeds £50,000 or 10%.

SOCIAL WORK – SUBJECTIVE SUMMARY AS AT 30 JUNE 2018

Subjective Category	YTD Actual £000	YTD Budget £000	YTD Variance £000	% Variance	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Employee	5,198	5,582	384	6.9%	27,455	27,010	445	1.6%	The YTD underspend arises due to a number of staffing underspends across the service. The most significant relate to home care for older people, Mull Progressive Care Centre, Lorn Resource Centre, Criminal Justice and the Education Hostels. The forecast underspend relates to the latest estimated outturn for vacancy savings across the service.
Premises	145	205	60	29.3%	1,014	1,021	(6)	(0.6%)	The YTD underspend arises mainly due to profiling issues in relation to the timing of office rental and cleaning charges. The forecast variance is outwith reporting criteria.
Supplies & Services	378	371	(7)	(1.9%)	(4,445)	(206)	(4,239)	95.4%	The YTD variance is outwith reporting criteria. The forecast variance relates to unidentified savings and estimated slippage on the delivery of identified savings. Work is ongoing with the service to identify additional savings/underspends which could be used to cover the unidentified savings figure of £2.345m. Additionally, Finance staff are working closely with management to track the progress of the delivery of identified efficiency savings and update the estimated impact on the forecast outturn.

Transport	185	203	18	8.9%	984	941	44	4.5%	Outwith reporting criteria
Third Party	9,060	12,100	3,040	25.1%	48,589	48,002	587	1.2%	The YTD underspend reflects a combination of lower than budgeted demand for home care and care home placements for older people and budget profiling and invoice receipt/payment timing differences across the service. The forecast underspend reflects lower than budgeted demand for home care and care home placements for older people and slippage on the Community Investment Fund expenditure offset by forecast overspends due to demand on supported living and residential care services for people with learning and physical disabilities.
Capital Financing	0	0	0	0.0%	0	0	0	0.0%	The YTD variance relates mainly to budget profiling and payment timing issues across the service, the most significant of which relates to the transfer of funds from NHS Highland to the Council which have yet to be finalised. The forecast variance reflects the expected over-recovery of income from non-residential care charging, fees and charge in the Council's older people's care homes and from new secured debt linked to interim funding arrangements for older people who own their own homes entering long term residential and nursing care.
Income	(827)	(4,305)	(3,478)	80.8%	(17,217)	(17,998)	781	(4.5%)	
Totals	14,139	14,156	17	0.1%	56,380	58,770	(2,388)	(4.2%)	

YTD is year to date and represents the actual or budgeted expenditure and income for the financial year so far.

Forecast Outturn is the estimate now of what expenditure or income will be for the whole of the financial year.

The Variance is the difference between budget and actual or forecast outturn.

A positive variance is when actual or forecast expenditure is less than budget or actual or forecast income is more than budget.

A negative variance is shown in brackets and is when actual or forecast expenditure is more than budget or actual or forecast income is less than budget.

An explanation is given for any variance which exceeds £50,000 or 10%.

SOCIAL WORK – RED VARIANCES AS AT 30 JUNE 2018

Service Area	Annual Budget £000	Forecast Outturn £000	Forecast Variance £000	% Variance	Explanation
Chief Officer	(13,023,273)	(11,346,916)	(1,676,357)	12.9%	Unidentified savings figure partially offset by estimated slippage on the Community Services Investment Fund and a forecast over-recovery on vacancy savings. Work is ongoing to identify additional savings / underspends to cover off the unidentified savings figure of £2.345m.
Looked After Children	6,856,770	7,219,079	(362,309)	(5.3%)	Overspend arises mainly due to the high cost of meeting demand for expensive external care home placements and estimated slippage on efficiency savings designed to reduce this cost. This is currently partially offset by a forecast underspend on foster care although this underspend could potentially be used to reduce the central unidentified savings figure.
Child Protection	3,330,910	3,537,769	(206,859)	(6.2%)	Overspend arises mainly due to the engagement of agency staff to cover vacant posts, sickness absence and maternity leave.
Criminal Justice	96,772	3,671	93,101	96.2%	Underspend arises mainly due to vacant posts and estimated lower than budgeted spend on external services.
Children and Families Central Management Costs	2,605,803	2,698,188	(92,385)	(3.6%)	Overspend arises due to estimated slippage on the delivery of efficiency savings. Finance staff are working closely with service management to monitor progress and assess the potential impact of delays in savings delivery.
Older People	35,733,026	34,492,473	1,240,553	3.5%	Underspend arises mainly due to lower than budgeted demand for home care and care home placement services, the latter mainly due to high attrition levels during early 2018. It is planned to use this underspend to reduce the central unidentified savings figure.
Physical Disability	2,013,282	2,572,827	(559,545)	(27.8%)	Overspend arises mainly due to higher than budgeted demand for supported living services.
Learning Disability	14,120,512	15,185,025	(1,064,513)	(7.5%)	Overspend arises due to a combination of higher than budgeted demand for supported living and care home services and estimated slippage on savings developed to reduce both of these commitments.

A red variance is a forecast variance which is greater than +/- £50,000.

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES COMMITTEE

STRATEGIC FINANCE

16 AUGUST 2018

MONITORING OF SERVICE PACKAGE POLICY OPTIONS – JUNE 2018

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide Members with an update on the implementation and delivery of the Service Package Policy Options agreed by Council in February 2018.
- 1.2 The savings options will be reported as being delivered, on track to be delivered, still to be implemented, being developed, potential shortfall or delayed.
- 1.3 Of the 28 savings options, 12 have already been delivered, 10 are on track to be delivered as per their timescale and 6 have still to be implemented. There are none that have been categorised as potential shortfall or delayed at this stage.

MONITORING OF SERVICE PACKAGE POLICY OPTIONS – JUNE 2018

2. INTRODUCTION

- 2.1 The purpose of this report is to provide Members with an update on the implementation and delivery of the Service Package Policy Options agreed by Council in February 2018.
- 2.2 The savings options will be reported as being delivered, on track to be delivered, still to be implemented, being developed, potential shortfall or delayed.

3. DETAIL

- 3.1 New policy savings options were identified for the three year period 2018-19 to 2020-21 and these were reported to Council on 26 October 2017 and were subject to the Council's budget consultation exercise. Council agreed to policy savings of £1.288m in 2018-19 rising to £3.725m by 2020-21.
- 3.2 The savings for 2018-19 have been removed from departmental budgets, however, it is important to monitor whether the saving has actually been delivered to ensure that costs are not continuing resulting in an overspend by the end of the year. It is also important to ensure that any preparatory work required to deliver savings in future years is on track.
- 3.3 Savings have been categorised as follows:

Category	Explanation
Delivered	Savings already delivered in full.
On track to be Delivered	Saving is in line with profile however the full saving cannot be guaranteed until later in the year.
Still to be implemented	Planned date of implementation is in the future. Should the implementation date move backwards then this would be classified as delayed.
Being Developed	Further redesign required before option can be implemented.

Potential Shortfall	There is a risk that the original saving will not be achieved in full. Departments are asked to provide further information for any savings within this category.
Delayed	The full saving will not be achieved in line with the original estimated timescale. Departments are asked to provide further information for any savings within this category.

3.4 The table below outlines the progress as at 30 June 2018. Further detail is included within Appendix 1.

Category	No of Options	2018-19 £000	2019-20 £000	2020-21 £000
Delivered	12	395.0	598.2	698.2
On Track to be Delivered	10	942.0	1,556.5	2,250.5
Still to be Implemented	6	-49.0	284.1	776.1
Being Developed	0	0.0	0.0	0.0
Potential Shortfall	0	0.0	0.0	0.0
Delayed	0	0.0	0.0	0.0
Total	28	1,288.0	2,438.8	3724.8

4. CONCLUSION

4.1 This report outlines the progress of the Service Package Policy Options as at 30 June 2018.

4.2 Of the 28 savings options, 12 have already been delivered, 10 are on track to be delivered as per their timescale and 6 have still to be implemented. There are none that have been categorised as potential shortfall or delayed at this stage.

5. IMPLICATIONS

- 5.1 Policy Individual options have policy implications – all have been approved by Members.
- 5.2 Financial Summarises the delivery of the service package policy options.
- 5.3 Legal None.
- 5.4 HR Individual options have HR implications – all have been approved by Members.
- 5.5 Equalities EQIAs have already been carried out on the options prior to Member approval.
- 5.6 Risk The monitoring process outlined within this report will minimise the risk that the service package policy options are not delivered.

5.7 Customer Services None.

Kirsty Flanagan
Head of Strategic Finance
18 July 2018

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

APPENDICES:

Appendix 1 – Monitoring of Service Package Policy Options Agreed February 2018

MONITORING OF SERVICE PACKAGE POLICY OPTIONS AGREED FEBRUARY 2018
SUMMARY

Appendix 1

POSITION AS AT 30 JUNE 2018

Category	No. of Options	2018-19 £000	2018-19 FTE	2019-20 £000	2019-20 FTE	2020-21 £000	2020-21 FTE
Delivered	12	395.0	1.6	598.2	3.6	698.2	3.6
On Track to be Delivered	10	942.0	5.0	1,556.5	3.0	2,250.5	5.0
Still to be Implemented	6	-49.0	1.0	284.1	4.0	776.1	9.0
Being Developed	0	0.0	0.0	0.0	0.0	0.0	0.0
Potential Shortfall	0	0.0	0.0	0.0	0.0	0.0	0.0
Delayed	0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	28	1,288.0	7.6	2,438.8	10.6	3,724.8	17.6

**MONITORING OF SERVICE PACKAGE POLICY OPTIONS AGREED FEBRUARY 2018
DETAIL**

Appendix 1

POSITION AS AT 30 JUNE 2018

Ref	Service area	Saving	2018-19	2018-19	2019-20	2019-20	2020-21	2020-21	Status of Implementation	Additional Comment (if required)
			£000	FTE	£000	FTE	£000	FTE		
TB01-1	Development and Infrastructure (roads and amenity, planning, economic development)	Review central support to D&I Services	112.5	4.0	150.0	4.0	150.0	4.0	On Track to be Delivered	One member of staff left prior to year end and remaining staff are due to leave over the coming months.
TB03-1	Environmental Health and Animal Health	Raise environmental/animal health fees to match other councils	140.0	0.0	140.0	0.0	140.0	0.0	On Track to be Delivered	
TB04-2	Regulatory Services	Trading Standards re-design	27.5	0.6	80.1	1.6	80.1	1.6	Delivered	
TB04-4	Regulatory Services	Advice Services remodelling	0.0	0.0	57.1	1.0	105.1	2.0	Still to be Implemented	
TB06-1	Planning/Other Planning Services	Introduce charges for non-statutory pre-application services for all scales of development.	55.0	0.0	60.0	0.0	65.0	0.0	Delivered	We will continue to monitor the income closely over the coming months
TB06-2	Planning/Other Planning Services	Planning applications displayed online and not in post offices	5.0	0.0	5.0	0.0	5.0	0.0	Delivered	
TB06-4	Planning/Other Planning Services	Reduce planning team leadership posts	0.0	0.0	52.0	1.0	52.0	1.0	Still to be Implemented	
TB06-5	Planning/Other Planning Services	Planning technician team reduction	35.0	1.0	88.0	2.0	88.0	2.0	Delivered	
TB06-9	Planning/Other Planning Services	3% increase in charges for street names/numbering	13.0	0.0	21.6	0.0	31.6	0.0	Delivered	
TB07	Depots	Create one main depot in key areas to reduce costs	16.5	0.0	115.5	0.0	172.5	0.0	On Track to be Delivered	
TB08	Parking	Increase parking charges and introduce additional parking charges, to places currently not charging, to keep traffic moving, manage demand for parking, and contribute to maintenance of roads infrastructure.	180.0	-1.0	345.0	-3.0	527.0	-3.0	On Track to be Delivered	We will continue to monitor the income closely over the coming months
TB09	Public Conveniences	Progress sustainable models including turnstiles and franchising; establish simpler asset transfer process	10.0	0.0	24.0	0.0	24.0	0.0	Still to be Implemented	
TB10	Ferries	Ferry service management and cost recovery	55.0	-1.0	85.0	-1.0	110.0	-1.0	Delivered	
TB11	Piers and Harbours	Commercial approach to piers and harbours charging	284.0	0.0	404.0	0.0	524.0	0.0	On Track to be Delivered	
TB12a	Amenity Services	Provision of enhanced funeral and burial services	-10.0	-1.0	35.0	-1.0	50.0	-1.0	On Track to be Delivered	

MONITORING OF SERVICE PACKAGE POLICY OPTIONS AGREED FEBRUARY 2018
DETAIL

Appendix 1

POSITION AS AT 30 JUNE 2018

Ref	Service area	Saving	2018-19	2018-19	2019-20	2019-20	2020-21	2020-21	Status of Implementation	Additional Comment (if required)
			£000	FTE	£000	FTE	£000	FTE		
TB12b	Amenity Services	Review charges for stadiums to enable improvement work	10.0	0.0	20.0	0.0	30.0	0.0	Delivered	We will continue to monitor the income closely over the coming months
TB13b	Roads and Infrastructure	Roads & Amenity Services charging (non-statutory services)	10.0	0.0	50.0	0.0	150.0	0.0	On Track to be Delivered	We will continue to monitor the income closely over the coming months
TB13c & T	Roads and Infrastructure	Combine Roads and Amenity teams into one team and review the services provided.	82.0	2.0	82.0	2.0	164.0	4.0	On Track to be Delivered	
TB14	Waste	Waste services - increase commercial income; reduce costs of collection and disposal	-130.0	0.0	13.0	0.0	286.0	1.0	Still to be Implemented	
TB15	Airports	Review existing air service contracts and pursue more commercial opportunities	80.0	-1.0	160.0	-1.0	298.0	-1.0	On Track to be Delivered	
TB16-10	Economic Development - Economic Growth	Redesign Economic Development Service to focus on higher impact activities	0.0	0.0	57.0	1.0	218.0	4.0	Still to be Implemented	
TB16-12	Economic Development - Economic Growth	Remove direct funding for Visit Scotland following their shift in delivery model	91.0	0.0	91.0	0.0	91.0	0.0	Delivered	
TB16-14	Economic Development - projects and regeneration	Remove renewable energy budget	30.0	0.0	30.0	0.0	30.0	0.0	Delivered	
TB16-19	Economic Development - economic growth	Stop membership of CPMR (Conference of Peripheral Maritime Regions)	10.0	0.0	10.0	0.0	10.0	0.0	Delivered	
TB17	Property Services	Identify opportunities for office rationalisation and raising income	27.5	0.0	71.5	0.0	121.5	0.0	Delivered	
TB19	Transport	Transport redesign and cost reduction	71.0	1.0	81.0	1.0	91.0	1.0	Still to be Implemented	
TB21-1	Design and Project Management Teams	Cross-departmental review and restructure of design and project management teams	36.0	1.0	36.0	1.0	36.0	1.0	Delivered	
TB23	Education - other	Adjust janitorial staffing deployment following roll reductions in 8 schools	47.0	2.0	75.0	2.0	75.0	2.0	On Track to be Delivered	
TOTAL			1,288.0	7.6	2,438.8	10.6	3,724.8	17.6		

FINANCIAL RISKS ANALYSIS 2018-19

1 EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to provide a summary of the key financial risks facing the Council.
- 1.2 A number of Council wide risks, both revenue and capital have been identified along with risks for each department and service of the Council. For each departmental risk the financial impact has been quantified and the likelihood assessed based on the standard risk matrix.
- 1.3 There are 7 Council wide revenue risks identified for 2018-19 amounting to £4.896m. Only 2 have been assessed as possible in relation to Social Work overspend and higher than anticipated pay award.
- 1.4 There are currently 45 departmental risks totalling £4.566m. Only 4 of the 45 departmental risks are categorised as likely with no risks categorised as almost certain.
- 1.5 The financial risks are monitored routinely and actions put in place to continue to mitigate the risks.

FINANCIAL RISKS ANALYSIS 2018-19

2. INTRODUCTION

- 2.1 This report outlines the process and approach developed in carrying out a financial risks analysis and provides a note of the current assessment of financial risks for 2018-19.

3 DETAIL**3.1 Introduction**

- 3.1.1 The Council is currently in a period of significant financial challenge. In developing its budget to address both restricted resources and cost and demand pressures there are a number of financial risks the Council needs to consider and manage.

- 3.1.2 There are a number of risks that affect the income or expenditure across the whole council and these have been identified. Financial risks have been considered by each department and service of the Council.

- 3.1.3 For each risk, the financial impact has been quantified and the likelihood assessed based on the standard risk matrix as follows:

- 1 – Remote
- 2 – Unlikely
- 3 – Possible
- 4 – Likely
- 5 – Almost Certain

- 3.1.4 The Argyll and Bute Integrated Joint Board (IJB) with responsibility for Social Work and a range of Health services was established and came into effect on 1 April 2016. The IJB will be responsible for financial and strategic oversight of these services. It will be the responsibility of the IJB to consider the individual financial risks associated with Integration Services and they are therefore not contained within this report. A Council wide risk has been included in respect of the IJB being unable to deliver the social care service within the budget allocated.

3.2 Council Wide Risks**Revenue**

- 3.2.1 The estimated level of council tax income is based on current and forecast Band D equivalents and non-payment rates. This reflects our most recent experience in terms of the council tax base and likely collection rates. A 1% variation in council tax income amounts to approximately £0.477m.

- 3.2.2 As part of the budget for 2018-19 the Council agreed to implement 28 Service Package policy option with a saving of £1.288m in 2018-19. The Council has a good track record of delivering savings, however, a 10% shortfall in savings would amount to £0.128m.
- 3.2.3 In respect of the Health and Social Care Partnership, it is the responsibility of the Chief Officer and Chief Financial Officer to manage the HSCP financial position. If an overspend is forecast, a budget recovery plan will be prepared submitted to the IJB, the Council and NHS Highland. Where recovery plans are unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the partners will be required to make additional payments to the HSCP. Whilst any additional payments by the Council and NHS Highland will be deducted from future years funding, there is still a financial risk that the Council may have to pay out additional monies. The overspend on the HSCP as at 30 June 2018 is £4.4m and £2.389m relates to Social Work services. A copy of the monitoring report is attached as Appendix 2.
- 3.2.4 They pay award for 2018-19 has still to be agreed and there is a risk that the pay award could be greater than the provision within the budget. The budget is based on the public sector pay commitment: 3% for those earning less than £36,500, 2% for those above this level capped at £1,600. If the pay award is 0.5% above budget, then this would cost the Council an additional £0.540m. This is an area that will be kept under close review.
- 3.2.5 The Council wide risks noted above, in addition to other Council wide risks, are noted within the table below. The financial impact noted in the previous report has now been compared to the potential financial that could still materialise before now and the year end.

Description	Likelihood	Assessed Financial Impact £000
1% variation in Council Tax Income	2	477
10% shortfall on Savings Options	2	128
IJB refer to Council for additional funding to deliver social work services	3	2,389
0.5% pay award over and above estimate	3	540
Energy costs increase by 10% greater than anticipated	2	412
Repairs and Maintenance costs increase, due to unforeseen emergencies, by 10%	2	200
1% variation of General Inflation Risk	2	750
Total		4,896

Capital

- 3.2.6 The finance settlement announcement on 14 December 2017 provided details of the Local Government funding for 2018-19 and we are therefore certain what our funding is in respect of General Capital Grant and the specific capital grants which have been distributed.
- 3.2.7 The capital plan includes an estimate of £3.1m of capital receipts in 2018-19. The estimated level of receipts will be kept under review as market conditions will change, as will values following due diligence undertaken by prospective purchasers on the condition of assets. A 10% shortfall in capital receipts would amount to £0.310m.
- 3.2.8 In respect of TIF, the Scottish Futures Trust (SFT) acknowledge that the information presented by the council regarding current and potential scale and makeup of the office and retail market along with the current external market conditions was unlikely to generate the required increase in NDR. Officers are reviewing the financial model and the council and SFT are exploring potential alternative financial model to augment TIF. £1.395m has been expended to date and additional approved expenditure will be minimised until a viable alternative model has been agreed upon.

3.3 Departmental/Service Risks

- 3.3.1 The detail of each departmental financial risk is included within Appendix 1. The following table provides a summary of the number of risks within each department and likelihood category with the financial impact.

Department	1 - Remote		2 - Unlikely		3 - Possible		4 - Likely		5 - Almost Certain		Total	
	No.	£000	No.	£000	No.	£000	No.	£000	No.	£000	No.	£000
Education	0	0	2	150	3	150	4	350	0	0	9	650
Customer Services	2	20	7	570	12	1,429	0	0	0	0	21	2,019
Development & Infrastructure	2	120	1	10	12	1,767	0	0	0	0	15	1,897
Total	4	140	10	730	27	3,346	4	350	0	0	45	4,566

- 3.3.2 The current top three risks in terms of the financial impact are noted in the table below.

TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	LIKELIHOOD	FINANCIAL IMPACT £000
ASN Support	Demand for ASN support continues to increase which is something that cannot be controlled by the Service.	Continue to review the ASN allocations and monitor vacancies elsewhere within the Service where unspent budget could be used to contribute towards these costs.	4	350
Property - Central Repairs	Increased demands on central as a result of the decrease in capital funding available and increases in supplier/contractor charges.	Joint strategy with procurement colleagues to reduce potential impact of supplier/contractor charges. Close monitoring of central repairs budgets and commitments and instructing only essential repairs.	3	500
Winter Maintenance	Adverse weather conditions which require greater than budgeted number of gritting runs.	Monitor weather conditions and apply gritting policy to minimise costs.	3	700

3.3.3 The current top four risks in terms of the likely impact are noted in the table below.

TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	LIKELIHOOD	FINANCIAL IMPACT £000
Legislative Requirements: New Education Bill 2018	This includes a statutory requirement to prepare and publish an annual education plan and performance report which creates additional resource pressures.	Planning to incorporate within work pattern for schools and officers. However the full effect of the new bill is yet known.	4	Unable to quantify at this stage
Regional Collaboratives	The implementation of regional collaboratives would result in additional work associated with the delivery of the Regional Improvement Plan.	Planning to incorporate within work pattern for schools and officers. The full impact of the contribution to Regional Collaboratives and the time allocation required by each authority is yet unknown.	4	Unable to quantify at this stage
Enhanced Inspections	The announcement of enhanced inspections by Education Scotland will add pressure to the existing workload for Education Services, both in supporting schools and during the inspection process. There will be further pressure for Education in responding to and following up on inspections.	Currently looking at remit of central education officers in supporting schools with the new process for inspections.	4	Unable to quantify at this stage
ASN Support	Demand for ASN support continues to increase which is something that cannot be controlled by the Service.	Continue to review the ASN allocations and monitor vacancies elsewhere within the Service where unspent budget could be used to contribute towards these costs.	4	350

3.4 Changes to Financial Risks since February Budget meeting

3.4.1 The changes to the departmental risks since the financial risks report included within the budget pack in February 2018 are noted below:

- ELC 1,140 hours – Funding has now been confirmed so the value of this risk has been reduced from £2.000m to £0.100m.
- ASN Demand – A new risk has been included amounting to £0.350m and the department are actively trying to mitigate this risk.
- Non-Domestic Rates Relief - Likelihood reduced as most changes from Barclay Review increasing reliefs have been implemented and future changes still planned are more likely to restrict relief.

- Microsoft Effective Licensing Position (ELP) - Microsoft audit concluded and settled in March 2018 at a cost of £40k. No further audit for 12 months. However possibility of Oracle audit remains. Currently ULA agreement through Scottish Government is being dissolved and some additional costs might result from this.
- Property - Central Repairs – Increased financial impact of central repairs.

3.5 Monitoring of Financial Risks

- 3.5.1 Financial risks will be reviewed and monitored on a two monthly basis and will be included in the pack of financial reports submitted to Policy and Resources Committee.

4 CONCLUSION

- 4.1 This report summarises the key financial risks facing the Council. There are a number of Council wide risks and there are 45 departmental risks identified. Only 4 of the 45 departmental risks are categorised as likely with no risks categorised as almost certain. The financial risks are monitored routinely and actions put in place to continue to mitigate the risks.

5 IMPLICATIONS

- | | | |
|-----|--------------------|---|
| 5.1 | Policy - | None. |
| 5.2 | Financial - | The financial value of each risk is included within the appendix. |
| 5.3 | Legal - | None. |
| 5.4 | HR - | None. |
| 5.5 | Equalities - | None. |
| 5.6 | Risk - | Financial risks are detailed within the appendix. |
| 5.7 | Customer Service - | None. |

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

**Kirsty Flanagan
Head of Strategic Finance
18 July 2018**

APPENDICES

Appendix 1 – Detail of Department/Service financial risks.

Appendix 2 – IJB Budget Monitoring Report as at 30 June 2018

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS AS AT 30 JUNE 2018

DEPARTMENT	SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at February 2018 (Budget Setting)		As at 30 June 2018	
					LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Education	Education	Pre-Five Units - number of providers	Failure in commissioning pre-five partner provider units together with reducing budgetary support for partners resulting in an increased pressure on the Council of providing the service.	Annual financial appraisal; Support network; Short-term cash injections.	3	50	3	50
Education	Education	Central Repairs	Previously agreed savings result in budget only available for statutory and emergency repairs.	Regular liaison with Property Services re prioritisation and commitment of in-year spend.	3	50	3	50
Education	Education	Legislative Requirements - Education (Scotland) Act	Education (Scotland) Act 2000 was enacted March 2016. This places additional requirements on Councils in terms of Gaelic Education.	Monitoring developments of the implementation of the Act and statutory guidance produced. This will include responding to any consultations.	3	50	3	50
Education	Education	Legislative Requirements - Children and Young People (Scotland) Act	Children and Young People (Scotland) Act places a duty on the Council to consult and plan on delivery of early learning and childcare with service users. This may result in demands for changes in the way the service is delivered to adopt a more flexible tailored approach.	Ongoing monitoring of additional funding provided to implement the Act and the financial capacity to implement any changes in the approach to service delivery.	2	50	2	50
Education	Education	Legislative Requirements - Children and Young People (Scotland) Act - ELC 1,140 hours	The Council has a requirement to deliver 1,140 hours of early learning and childcare by 2021. Scottish Government have committed to funding this, however, the profile of the funding is different to what was returned in our template which may impact the delivery plan.	The timeline of the delivery plan has been revised in line with the confirmed funding. The risk has been reduced to £0.100m as funding has now been confirmed for 2018-19, however, a risk remains that actual spend is higher than estimate.	2	2,000	2	100
Education	Education	Legislative Requirements: New Education Bill 2018	This includes a statutory requirement to prepare and publish an annual education plan and performance report which creates additional resource pressures.	Planning to incorporate within work pattern for schools and officers. However the full effect of the new bill is yet known.	4	Unable to quantify at this stage	4	Unable to quantify at this stage

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS AS AT 30 JUNE 2018

DEPARTMENT	SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at February 2018 (Budget Setting)		As at 30 June 2018	
					LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Education	Education	Regional Collaboratives	The implementation of regional collaboratives would result in additional work associated with the delivery of the Regional Improvement Plan.	Planning to incorporate within work pattern for schools and officers. The full impact of the contribution to Regional Collaboratives and the time allocation required by each authority is yet unknown.	4	Unable to quantify at this stage	4	Unable to quantify at this stage
Education	Education	Enhanced Inspections	The announcement of enhanced inspections by Education Scotland will add pressure to the existing workload for Education Services, both in supporting schools and during the inspection process. There will be further pressure for Education in responding to and following up on inspections.	Currently looking at remit of central education officers in supporting schools with the new process for inspections.	4	Unable to quantify at this stage	4	Unable to quantify at this stage
Education	Education	ASN Support	Demand for ASN support continues to increase which is something that cannot be controlled by the Service.	Continue to review the ASN allocations and monitor vacancies elsewhere within the Service where unspent budget could be used to contribute towards these costs.			4	350
Customer Services	Customer and Support Services	Housing Benefit Subsidy	Loss of Housing Benefit Subsidy due to exceeding LA error threshold.	Processes in place for handling of claims accurately and efficiently.	2	125	3	125
Customer Services	Customer and Support Services	Sundry Debt Recovery	Recovery of debt becomes more difficult to pursue in the current economic climate.	Robust monitoring of arrangements with debt collection agency. Joint working with Legal Services to assist services with the recovery of aged debt.	3	85	3	85
Customer Services	Customer and Support Services	Council Tax Debt Collection Recovery	Recovery of debt becomes more difficult to pursue in the current economic climate.	Robust monitoring of arrangements with debt collection agency and performance against target collection rates.	3	100	3	100
Customer Services	Customer and Support Services	Non-Domestic Rates Relief	Risk of demand changing due to legislative changes outwith our control or new charitable businesses.	Outwith direct management control.	4	30	3	30

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS AS AT 30 JUNE 2018

DEPARTMENT	SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at February 2018 (Budget Setting)		As at 30 June 2018	
					LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Customer Services	Customer and Support Services	Microsoft Effective Licensing Positon (ELP)	Audit findings of Measurement of effective use against registered entitlement. Entitlement has been measured against effective use and currently suggests underlicensed position	Negotiations with Ernst and Young and challenge of finding following audit of Microsoft Licences. Extrapolation of scanned network data being investigated, perpetual licencing and remote desktop service also being challenged. Prior to submission to Microsoft.	4	250	2	40
Customer Services	Facility Services	Property - Central Repairs	Increased demands on central as a result of the decrease in capital funding available and increases in supplier/contractor charges.	Joint strategy with procurement colleagues to reduce potential impact of supplier/contractor charges. Close monitoring of central repairs budgets and commitments and instructing only essential repairs.	3	200	3	500
Customer Services	Facility Services	Energy Costs	Increase in energy costs and consumption. The Council are required to participate in the CRC (Carbon Reduction Commitment) Energy Efficiency Scheme, there is a risk that the required carbon emission reductions are not met and the cost of the allowances could increase.	Energy Management Team actions to reduce energy consumption and efficiency and ensure more accurate billing by energy providers. Regular monitoring of energy budgets to ensure any issues are raised and resolved as soon as possible.	3	200	3	200
Customer Services	Facility Services	Catering Costs - Provision of Meals to Early Years Children	The Children and Young People (Scotland) Act places duties on Councils to provide meals in an Early Years setting to entitled children where sessions span over lunch time. The total quantum of funding of £1.2m may not be sufficient to fund the additional costs depending on uptake and the additional costs to support the meal provision in partner provider settings.	Joint strategy with Education colleagues to implement requirements and closely monitor financial implications. Responding to consultations by COSLA on the distribution and allocation of additional funding.	3	100	3	100

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS AS AT 30 JUNE 2018

DEPARTMENT	SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at February 2018 (Budget Setting)		As at 30 June 2018	
					LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Customer Services	Facility Services	School and Public Transport - provider charges	Increased provider charges	Joint strategy with procurement colleagues to reduce potential impact.	3	150	3	150
Customer Services	Facility Services	Catering Purchases	Increased supplier charges.	Joint strategy with procurement colleagues to reduce potential impact. Control food wastage/portion controls.	2	60	2	60
Customer Services	Governance and Law	Elections	More than 1 by-election required outwith standard election cycle.	Outwith direct management control.	3	34	3	34
Customer Services	Governance and Law	Licensing	Reduced numbers of licensing applications leading to reduced income.	Monitoring of trends.	3	30	3	30
Customer Services	Governance and Law	Children's Panel	Increased number of referrals.	Liaise with Community Services colleagues to maximise council facilities/resources in the first instance.	1	10	1	10
Customer Services	Governance and Law	Legal Services	Failure to minimise Council wide use of external legal advice.	Ensure legal services are gateway to access all legal advice.	1	10	1	10
Customer Services	Hub Schools	Contract RPI	Increase in RPI.	Monitoring annual alteration to contract RPI rate and mitigation through financial forecasting and review of existing budget.	2	150	2	150
Customer Services	NPDO	Contract RPI	Increase in RPI.	Monitoring annual alteration to contract RPI rate and mitigation through financial forecasting and existing budget.	2	150	2	150
Customer Services	Special Projects	Surplus Properties	Ongoing market difficulties lead to increased numbers of surplus properties, there are residual running costs associated with surplus properties.	Asset Management Strategy and more proactive work to market the Councils property portfolio.	3	50	3	50

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS AS AT 30 JUNE 2018

DEPARTMENT	SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at February 2018 (Budget Setting)		As at 30 June 2018	
					LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Customer Services	Special Projects	Rental Income from Properties	Due to current economic climate there may be reduced ability to recover rental income from leased properties or place suitable tenants in properties as leases come to an end.	Management of leasehold properties by Estates team, any issues with debt recovery being dealt with in line with Council debt recovery policy.	2	20	2	20
Customer Services	Special Projects	Leisure Trust - Management Fee	Increase in RPI - inflation on Employee Costs.	Monitoring annual alteration to contract RPI rate and mitigation through financial forecasting and review of existing budget.	2	50	2	50
Customer Services	Special Projects	LiveArgyll - Company 2.	LiveArgyll overspend or under recover anticipated income outwith Management Fee which is fixed for first 3 years.	Ongoing monitoring net spend against profile. Strategic Finance liaise with SPT and Live Argyll to ensure accurate and timely reporting with action taken to mitigate when identified.	2	100	2	100
Customer Services	Special Projects	Leisure Service Level Agreements	Increase in RPI - requests for additional funding.	Monitoring annual alteration to contract RPI rate and mitigation through financial forecasting and review of existing budget.	3	25	3	25
Development & Infrastructure	Economic Development	Airfields and Air Services - fuel costs	Increased fuel costs on PSO flights being passed onto the Council.	Scrutinise all claims for increased costs to ensure that they are in accordance with the contract.	3	30	3	30
Development & Infrastructure	Economic Development	Airfields and Air Services - usage	Reduced number of aircraft using the airports.	Monitor usage and market the facilities.	2	10	2	10
Development & Infrastructure	Planning and Regulatory Services	Homelessness Temporary Accommodation Income	Introduction of Universal Credit has an impact on the level and method of benefits recovered for temporarily accommodated individuals.	Provision of Housing Options information and advice service to minimise number of applicants proceeding to full homeless application.	3	25	3	25
Development & Infrastructure	Planning and Regulatory Services	Dangerous Buildings interventions	Deal in Building Standards with an increasing level of dangerous building work which has significant financial implications for Council	Monitor activity and seek to recover costs from the owner.	3	100	3	100
Development & Infrastructure	Planning and Regulatory Services	Planning fees reduced by Scottish Government	Planning revenue budgets negatively affected by Better Regulation Bill. Scottish Government reducing planning fees due to poor performance by the Planning Authority.	Maintain high levels of performance as articulated by performance markers detailed in Planning Performance Framework annual report.	1	100	1	100

APPENDIX 1

DEPARTMENT/SERVICE FINANCIAL RISKS AS AT 30 JUNE 2018

DEPARTMENT	SERVICE	TITLE OF RISK	DESCRIPTION OF RISK	MITIGATIONS ACTIONS IN PLACE	As at February 2018 (Budget Setting)		As at 30 June 2018	
					LIKELIHOOD	FINANCIAL IMPACT £000	LIKELIHOOD	FINANCIAL IMPACT £000
Development & Infrastructure	Planning and Regulatory Services	Planning fee shortfalls	Due to downturn in economic / building activity, in particular renewable energy development and other major developments could lead to planning fee income shortfalls leading to revenue budget pressures.	Continue to monitor Development Management income and expenditure tightly and investigate further income generation streams. Lobby Scottish Ministers through professional organisations to increase planning fees to a sustainable level.	3	100	3	100
Development & Infrastructure	Planning and Regulatory Services	Building Warrant fee shortfalls	Due to downturn in economic / building activity, building warrant fee income shortfalls leading to revenue budget pressures.	Continue to monitor Building Standards income and expenditure tightly and investigate further income generation streams.	3	75	3	75
Development & Infrastructure	Planning and Regulatory Services	Animal Health	Carrying out livestock seizure to protect welfare of the animals	Monitor activity and seek to recover costs from the disposal of the animals.	1	20	1	20
Development & Infrastructure	Roads and Amenity Services	Ferry Services - income	Changes to ferry services resulting in reduced passenger income.	Ensure that ferry operators are charged for the correct number of passengers	3	40	3	40
Development & Infrastructure	Roads and Amenity Services	Piers and Harbours	Reduced fishing fleet resulting in lower number of fish landings.	Monitor fish landings and ensure that all income is collected.	3	40	3	40
Development & Infrastructure	Roads and Amenity Services	Roads Maintenance - Roads Network	Adverse weather conditions result in deterioration of the road network necessitating greater spend on repair of defects.	Manage maintenance budgets to ensure that spend is prioritised to deal with safety defects.	3	230	3	230
Development & Infrastructure	Roads and Amenity Services	Street Lighting	Age of lighting stock requires greater maintenance as health and safety becomes a consideration.	Manage maintenance budgets to ensure that spend is prioritised to deal with safety defects.	3	100	3	100
Development & Infrastructure	Roads and Amenity Services	Roads Maintenance - Bridges, Culverts & Sea Defences	Extreme localised weather may result in loss of bridge, culvert , road or sea defence.	Routine inspections to deal with potential weak areas - based on a stitch in time repair regime.	3	300	3	300
Development & Infrastructure	Roads and Amenity Services	Winter Maintenance	Adverse weather conditions which require greater than budgeted number of gritting runs.	Monitor weather conditions and apply gritting policy to minimise costs.	3	700	3	700
Development & Infrastructure	Roads and Amenity Services	Waste Disposal	Re-tender for island haulage and potential for increased prices	Competitive tendering process may assist in minimising the impact of increased prices	3	27	3	27
Total					44	6,026	45	4,566



Argyll & Bute Health & Social Care Partnership

Integration Joint Board

Agenda item: X

Date of Meeting: 1 August 2018

Title of Report: Budget Monitoring Report

**Prepared by: George Morrison, Head of Finance
David Forshaw, Principal Accountant**

The Integration Joint Board is asked to note:

- Funding offers from NHS Highland and Argyll & Bute Council have yet to be accepted for 2018/19
- Budgets have been set based on the funding offers made
- Planned expenditure exceeds the funding offers by £12.2m
- A savings plan of £10.6m is in place and is being risk assessed, however schemes for the balance of £1.6m remain to be confirmed
- There is concern around the pace of delivery of the savings programme and focus of the organisation
- The year-end forecast outturn is currently a £4.4m overspend. This is not acceptable and all efforts must be focused on significantly improving this forecast position

1. EXECUTIVE SUMMARY

The Argyll & Bute HSCP budget for 2018/19 is currently £265m. This is based on funding offers from Argyll & Bute Council and NHS Highland plus several in-year allocations from Scottish Government that have been passed through by NHS Highland.

Planned expenditure exceeds the available budget by £12.2m. There is therefore a requirement to achieve recurring savings of £12.2m to achieve a balanced budget. Savings plans identified to date total £10.6m. There is a remaining budget gap of £1.6m with underdeveloped schemes to address.

This is a significant financial risk to the IJB, and Council and Health Board partners. The scale of savings planned to be delivered and the shortfall in identified savings presents a high level of risk in delivering financial balance for the partnership in 2018/19.

2. INTRODUCTION

This report provides information on financial performance for 2018/19, progress on implementing measures to achieve savings, and a projected forecast outturn position for the financial year.

3. DETAIL OF REPORT

3.1 Argyll & Bute HSCP Funding 2018/19

Funding offers from NHS Highland and Argyll & Bute Council have yet to be formally accepted. However, to ensure effective financial monitoring is in place, budgets have been set reflecting funding offers made.

In addition, beyond the base funding offers, a number of health in-year allocations have been provided. It is common practice for large numbers of in-year allocations to be provided by the Scottish Government Health Department. These are initially allocated to NHS Boards and then shares of the allocations are passed through to HSCPs and operating units.

Table 1 below summarises the funding position of Argyll & Bute HSPC as at 30th June 2018.

<u>Table 1: Argyll & Bute HSCP Funding 2018/19</u>		
	<u>£ '000</u>	<u>£ '000</u>
Funding offer from Argyll & Bute Council		56,389
Funding offer from NHS Highland		<u>206,689</u>
		263,078
<u>In-year allocations passed through by NHS Highland</u>		
Primary Care Improvement Fund	706	
New medicines	638	
Waiting Times	465	
Mental Health Strategy	204	
CAMHS & Psychological Therapies	128	
GP Out Of Hours	93	
Other miscellaneous allocations	82	
Contribution to CHAS	(112)	
Dentists, Chemists, Opticians funding adjustment	(254)	1,950
Total Funding as at 30 June 2018		<u><u>265,028</u></u>

As at 30th June 2018, operating budgets for Argyll & Bute HSCP total £265,028,000.

3.2 Year to Date Position

For the three months ended 30 June 2018, Argyll & Bute HSCP recorded an overspend of £288,000. This is summarised in table 2 below.

	Annual	Year to Date		
	Budget	Budget	Actual	Variance
<u>Budget</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>	<u>£ '000</u>
Adult Services	131,451	32,579	30,689	1,890
Children's Services	20,014	4,657	4,348	309
Primary Care Services	28,247	7,153	7,135	18
NHS commissioned services (mainly GG&C)	63,196	15,808	16,095	(287)
All other budgets	22,120	1,777	3,995	(2,218)
	<u>265,028</u>	<u>61,974</u>	<u>62,262</u>	<u>(288)</u>

The main pressure on budgets is from savings not being achieved. There are also a few emerging cost pressures and these are commented on further in section 3.5 below.

In considering the year to date variance, members should note that the figure can be significantly affected by contractual payment terms and delays in the submission, processing and/or payment of invoices for purchased social care services. Subsequently, members are advised to use the forecast outturn variance as a means of assessing the financial situation of the partnership

3.3 Forecast Outturn Projection

The year-end forecast outturn position for 2018/19 is a **projected overspend of £4.4m.**

This forecast is produced by analysing and projecting trends, taking account of expected progress on achieving savings and other factors including receipt of in-year allocations and predicted slippage on spending plans. There are a considerable number of variables to consider when assessing the year-end forecast outturn.

The forecast of a £4.4m overspend therefore takes account of emerging cost pressures and savings not being achieved, offset to an extent by non-recurring benefits from vacancies and slippage on expenditure plans.

By far the biggest factor affecting the forecast overspend is confidence in the level of recurring savings likely to be achieved. As noted earlier, there is a savings plan of

£10.6m in place. However it is likely that there will be a significant shortfall against the savings plan. Beyond this there is a further £1.6m budget gap with underdeveloped plans in place to address it. This is also influencing the forecast year-end outturn.

It is anticipated that the forecast year-end overspend will reduce in the months ahead in response to action taken by managers. Certainly there is an expectation that newly appointed Service Improvement Officers will have an impact on this. However it does look extremely unlikely at this stage that sufficient improvement could be made to enable a year-end break even position to be achieved.

3.4 Savings Plan

The HSCP is currently pursuing delivery of a £10.6m savings plan. Limited progress has been achieved to date in terms of declaring recurring savings. In fact, only £540,000 has been declared . This is summarised in table 3 below.

Savings targets identified	<u>£ 10.60m</u>
Savings declared to date	<u>£ 0.54m</u>
Savings still to be achieved	<u>£ 10.06m</u>

In addition, it must be remembered that there is a £1.6m additional risk referred to above.

It is acknowledged that this is very significant level of savings to be delivered and that confidence in full delivery is low given the current level of achievement. It is imperative therefore, the reporting and monitoring of this programme is done in a very open and transparent manner with clear lines of accountability.

In terms of governance, progress on delivering savings will be monitored by both the Quality and Finance Plan Programme Board and the newly established Service Transformation Board. There are certainly effective measures in place to oversee and monitor the progress of transforming services and delivering savings. However that doesn't necessarily guarantee success in the delivery of savings and robust forecasting will be required.

To address the forecast 18/19 overspend, and underlying recurring deficit, there is a requirement to achieve faster delivery of recurring savings.

3.5 Financial Risks

As noted in section 3, the forecast year-end outturn is currently for a £4.4m overspend. Various risks and pressures are contributing to this forecast and the main ones worth highlighting are;

- A remaining budget gap of £1.6m. A review of budgets is currently underway to identify further options for savings to address this gap.
- An expectation that there will be a significant shortfall against the existing recurring savings plan of £10.6m.
- The savings plan contains a target saving of £1.2m against the SLA with NHS Greater Glasgow & Clyde for patients' services. However, NHS Greater Glasgow & Clyde has indicated an intention to *increase* the SLA charge by £768,000. There is therefore an almost £2m gap between our respective positions.
- Ongoing reliance on locum psychiatrists. Currently 4 posts are being covered by locums. This has caused a £202,000 overspend on the psychiatry medical staffing budget at month 3.
- Higher than expected demand for services across the whole client group supported by social work is likely to result in increased costs.
- Social care independent service provider failure requiring the HSCP to provide more expensive replacement services to ensure safe service continuity.
- Failure within social work to achieve expected income levels from clients due to changes in operational arrangements.
- Referrals to private sector healthcare providers, Huntercombe and the Priory. We have a small budget for referrals but currently there are 4 patients in these 2 establishments. This is higher than usual and although small numbers, it does generate high costs. This budget is overspent by £131,000 at month 3.
- Ongoing reliance on locum GPs on Mull.
- Ongoing use of agency nurses in Oban and Lochgilphead hospitals. Expenditure for the first 3 months was £128,412.
- Recruitment difficulties/staff absence in social work resulting in increased use of higher cost agency staffing.

This is not a comprehensive or prioritised list of all financial risks facing the HSCP but it does highlight those that are considered to be the highest risks affecting financial performance.

4. CONTRIBUTION TO STRATEGIC PRIORITIES

The Integration Joint Board has a responsibility to set a budget which is aligned to the delivery of the Strategic Plan and to ensure that financial decisions are in line with priorities and promote quality of service delivery. The Quality and Finance Plan 2018/19 has been developed in line with delivering these strategic objectives.

5. GOVERNANCE IMPLICATIONS

5.1 Financial Impact

The year-end forecast outturn position for 2018/19 is a **projected overspend of £4.4m**. This includes the budget gap of £1.6m, due to the shortfall in identified savings, and reflects the risk associated with the scale and pace of change required to deliver savings identified in the Quality and Finance Plan. This is a significant financial risk to the IJB, and Council and Health Board partners. The financial position is very challenging and will require to be closely monitored during the financial year.

5.2 Staff Governance

The appropriate HR processes will require to be followed where there is an impact on staff as a result of any service changes in the Quality and Finance Plan.

5.3 Clinical Governance

None

6. EQUALITY & DIVERSITY IMPLICATIONS

Equality Impact Assessments will be carried out where required.

7. RISK ASSESSMENT

Financial risks are noted in the report.

8. PUBLIC & USER INVOLVEMENT & ENGAGEMENT

Where required as part of the development and delivery of the proposed Quality and Finance Plan local stakeholder and community engagement will be carried out as appropriate in line with the re-design of service provision.

9. CONCLUSIONS

The IJB approved the Quality and Finance Plan for 2018/19 in March 2018. At that point there was a budget gap of £2.4m. This position has subsequently improved to a remaining gap of £1.6m. This is due to agreement to delay repayment of 2017/18 overspends by NHS Highland and Argyll and Bute Council.

It has not been possible to identify further savings in the timescale required which would be in line with the Strategic Plan and deliverable in the 2018/19 financial year. Instead an approach to financial recovery is proposed.

This may be perceived to be a high risk approach in terms of delivering financial balance in 2018/19 but through tight financial management including focused monitoring and reporting of the financial position and support to budget managers benefits from cost control will go some way towards offsetting the savings shortfall.

Governance arrangements are in place for the development and delivery of service changes. The delivery of approved savings requires to be the main focus. It is clear that if there continue to be delays with delivery of service changes planned to deliver £10.6m of savings during 2018/19, then financial balance will be unlikely to be achieved.

The Integration Joint Board will be kept fully informed of the financial position during the year, including progress with the delivery of the Quality and Finance Plan, the forecast year-end outturn position and plans being progressed to develop the budget for future years.

CAPITAL BUDGET MONITORING REPORT – 30 June 2018

1 EXECUTIVE SUMMARY

1.1 This provides an update on the position of the capital budget as at 30 June 2018. The report provides information on the financial position in respect of the capital plan and also the performance in terms of delivery of capital plan projects.

1.2 Financial Position:

- **Current Year to Date** – actual net expenditure to date is £6,086k compared to a budget for the year to date of £5,902k giving rise to an overspend for the year to date of £184k (3.1%).
- **Forecast Outturn for 2018-19** – forecast net expenditure for the full financial year is £47,144k compared to an annual budget of £45,820k giving rise to a forecast overspend for the year of £1,324k (2.9%).
- **Total Capital Plan** – the forecast total net project costs on the total capital plan are £282,079k compared to a total budget for all projects of £280,862k giving rise to a forecast overspend for the overall capital plan of £1,217k (0.4%).

1.3 Project Delivery:

- **Asset Sustainability** – Out of 129 projects there are 122 projects (95%) on track and 7 projects (5%) off track but recoverable.
- **Service Development** - Out of 24 projects there are 24 projects (100%) on track and 0 projects (0%) off track but recoverable.
- **Strategic Change** – Out of 36 projects there are 33 projects (92%) on track, 3 projects (8%) off track but recoverable.

1.4 The Council has received £87k of capital receipts up to 30 June 2018 against a budget of £3,100k (3%).

CAPITAL BUDGET MONITORING REPORT – 30 June 2018

2 INTRODUCTION

2.1 This provides an update on the position of the capital budget as at 30 June 2018. The report provides information on the financial position in respect of the capital plan and also the performance in terms of delivery of capital plan projects.

2.2 Financial Position:

- **Current Year to Date** – actual net expenditure to date is £6,086k compared to a budget for the year to date of £5,902k giving rise to an overspend for the year to date of £184k (3.1%).
- **Forecast Outturn for 2018-19** – forecast net expenditure for the full financial year is £47,144k compared to an annual budget of £45,820k giving rise to a forecast overspend for the year of £1,324k (2.9%).
- **Total Capital Plan** – the forecast total net project costs on the total capital plan are £282,079k compared to a total budget for all projects of £280,862k giving rise to a forecast overspend for the overall capital plan of £1,217k (0.4%).

2.3 Project Delivery:

- **Asset Sustainability** – Out of 129 projects there are 122 projects (95%) on track and 7 projects (5%) off track but recoverable.
- **Service Development** - Out of 24 projects there are 24 projects (100%) on track and 0 projects (0%) off track but recoverable.
- **Strategic Change** – Out of 36 projects there are 33 projects (92%) on track, 3 projects (8%) off track but recoverable.

2.4 The Council has received £87k of capital receipts up to 30 June 2018 against a budget of £3,100k (3%).

3 RECOMMENDATIONS

3.1 Note the contents of this financial summary, specifically noting or approving the following:

- Update to 2018-19 Capital Plan in Appendix 9.

4 CURRENT YEAR TO DATE FINANCIAL POSITION**4.1 Overall Position**

Actual net expenditure to date is £6,086k compared to a budget for the year to date of £5,902k giving rise to an overspend for the year to date of £184k (3.1%).

4.2 Project/Department Position

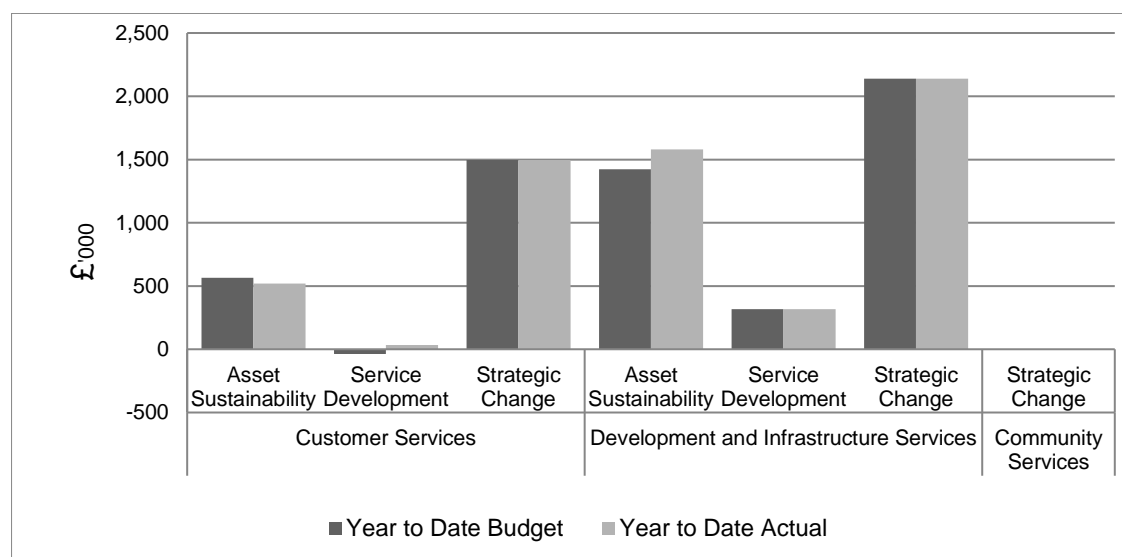
The table below shows the year to date net expenditure against the year to date budget by project type and department:

Project Type:	Year to Date Budget £'000	Year to Date Actual £'000	Variance £'000
Asset Sustainability	1,986	2,099	(113)
Service Development	279	350	(71)
Strategic Change	3,637	3,637	0
Total	5,902	6,086	(184)
Department:			
Customer Services	2,023	2,050	(27)
Development and Infrastructure Services	3,879	4,036	(157)
Community Services	0	0	0
Total	5,902	6,086	(184)

Material variances are explained in Appendix 1 and there are a number of small variances contributing to the year to date overspend.

4.3 Chart of YTD Variances

The graph below compares the year to date actual net expenditure against the year to date budget for departments by project type (Asset Sustainability, Service Development and Strategic Change):



5 FORECAST OUTTURN 2018-19

5.1 Overall Position

Forecast net expenditure for the full financial year is £47,144k compared to an annual budget of £45,820k giving rise to a forecast overspend for the year of £1,324k (2.9%).

5.2 Project/Department Position

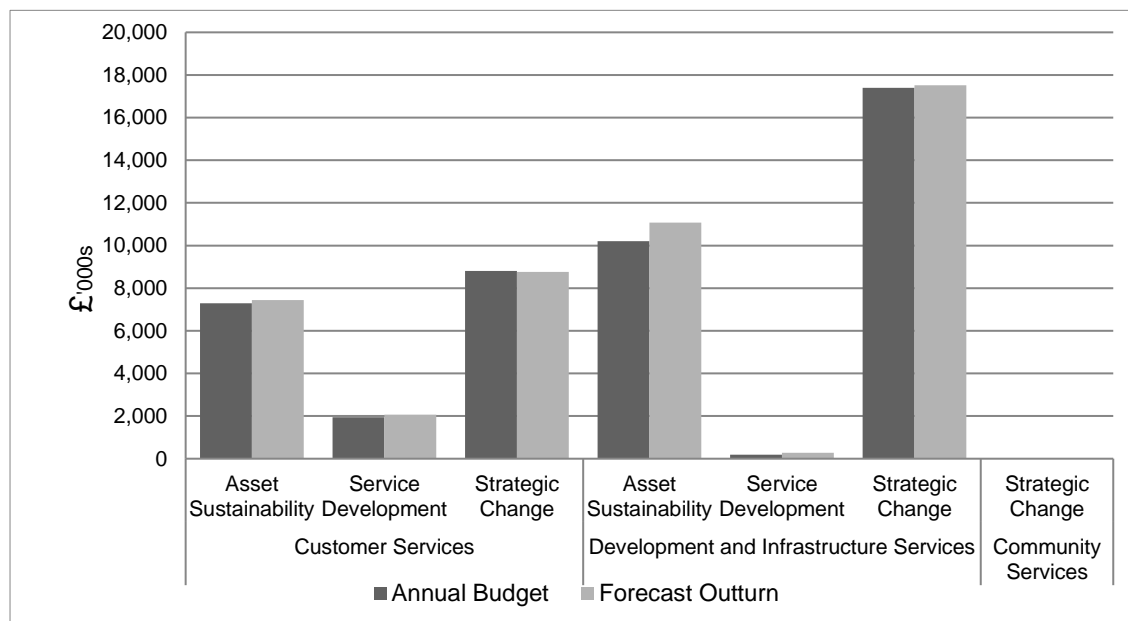
The table shows the forecast expenditure and budget for the year by project type and department:

Project Type:	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Asset Sustainability	17,485	18,516	(1,031)
Service Development	2,134	2,343	(209)
Strategic Change	26,201	26,285	(84)
Total	45,820	47,144	(1,324)
Department:			
Customer Services	18,030	18,277	(247)
Development and Infrastructure Services	27,790	28,867	(1,077)
Community Services	0	0	0
Total	45,820	47,144	(1,324)

Material variances are explained in Appendix 2 and there are a number of smaller variances contributing to the forecast overspend.

5.3 Chart of Forecast Outturn

The graph below shows the net forecast outturn position against the full year budget for departments by project type:



6 TOTAL PROJECT COSTS**6.1 Overall Position**

The forecast total net project cost on the total capital plan is £282,079k compared to a total budget for all projects of £280,862k giving rise to a forecast overspend for the overall capital plan of £1,217k (0.4%).

6.2 Appendix 3 summarises the material variances contributing to the overspend position. Members are asked to give consideration to this overspend as part of the capital plan process for 2019-20.

6.3 Project/Department Position

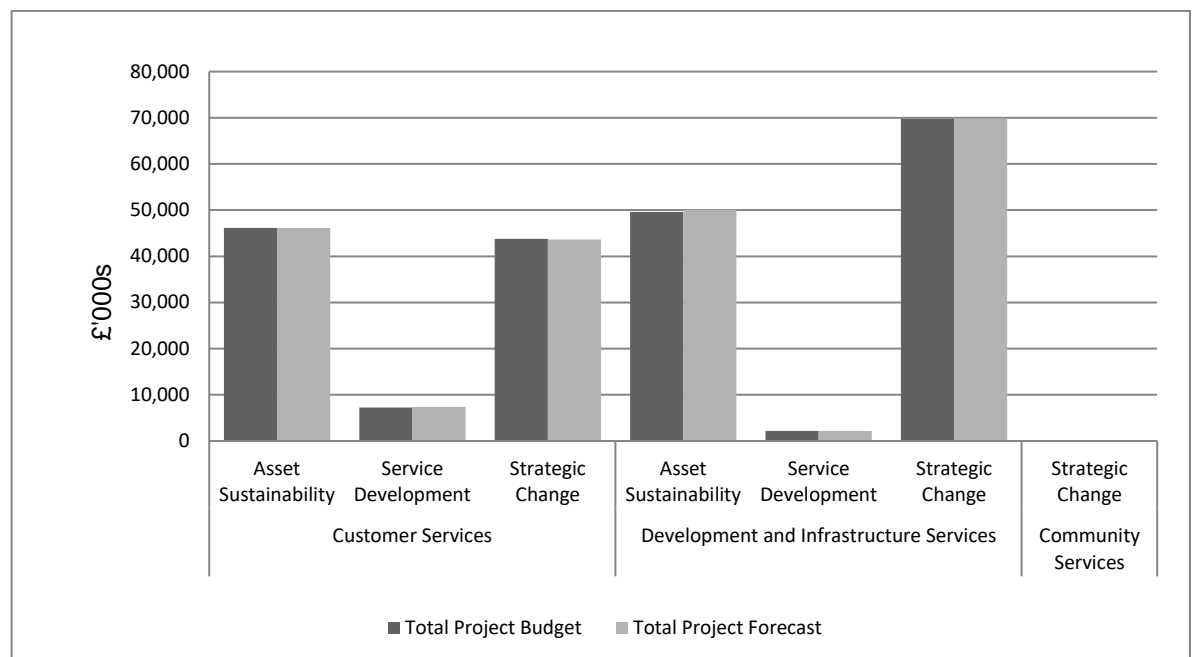
This table shows the net forecast total project cost and the budget for total project costs by project type and department:

Project Type:	Capital Plan Budget £'000	Forecast Project Costs £'000	Capital Plan Variance £'000
Asset Sustainability	98,936	99,844	(948)
Service Development	10,915	11,115	(200)
Strategic Change	171,011	171,080	(69)
Total	280,862	282,079	(1,217)
Department:			
Customer Services	94,209	94,468	(259)
Development and Infrastructure Services	186,653	187,611	(958)
Community Services	0	0	0
Total	280,862	282,079	(1,217)

Material variances are explained in Appendix 3 and there are a number of smaller variances leading to the forecast overspend.

6.4 Chart of Total Project Costs

The graph below shows the total net forecast position against full project budget for Departments by project type:



7 TOTAL PROJECT PERFORMANCE

7.1 Overall Position

There are 189 projects within the Capital Plan, 179 are Complete or On Target and 10 are Off Target and Recoverable.

7.2 Project Position

The table below shows the Performance Status of the Projects in the Capital Plan:

Project Type:	Complete/ On Target	Off Target/ Recoverable	Off Target/ Problem	Total
Asset Sustainability	122	7	0	129
Service Development	24	0	0	24
Strategic Change	33	3	0	36
Total	179	10	0	189

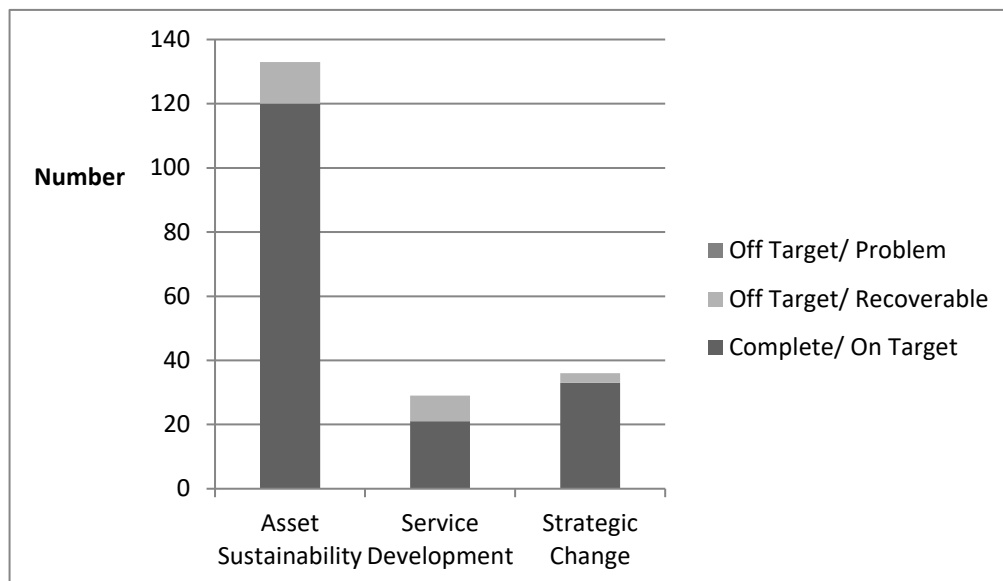
Department:

Customer Services	143	3	0	146
Development and Infrastructure Services	36	7	0	43
Total	179	10	0	189

Appendices 4, 5 and 6 show the Performance Status of the projects in further detail. Appendix 8 provides further information in relation to Strategic Change Projects.

7.3 Chart of Performance Status

The graph provides a view of the Performance Status of the Projects included in the Capital Plan:



8 OFF TRACK PROJECTS

8.1 There are no projects off track and not recoverable.

9 CHANGES TO CAPITAL PLAN

9.1 There are no proposed changes to the Capital Plan.

10 STRATEGIC CHANGE PROJECTS

10.1 Appendix 8 gives detailed information in respect of the Strategic Change Projects within the Capital Plan. The appendix gives details of the forecast cost of the project against the approved budget, the start and anticipated completion date of the project and an assessment of the risks of the project and if these are not green gives an explanation of the problem.

11 CAPITAL RECEIPTS

11.1 The Council has received £87k of capital receipts up to 30 June 2018 against a budget of £3,100k (3%).

12 APPENDICES

- **Appendix 1** - Year to date finance variance explanations
- **Appendix 2** - Forecast Outturn variance explanations
- **Appendix 3** - Total Project finance variance explanations
- **Appendix 4** - Project Performance - Asset Sustainability
- **Appendix 5** - Project Performance - Service Development
- **Appendix 6** - Project Performance - Strategic Change
- **Appendix 7** - Financial Summary – Overall
Financial Summary – DIS
Financial Summary – Customer Services
- **Appendix 8** - Cumulative spend, completion dates and risks relating to significant capital projects.
- **Appendix 9** - Updated/Revised Capital Plan - Overall
 - Updated/Revised Capital Plan – Community Services
 - Updated/Revised Capital Plan – Customer Services
 - Updated/Revised Capital Plan – DIS

Kirsty Flanagan
Head of Strategic Finance

18th July 2018

Councillor Gary Mulvaney, Depute Council Leader – Policy Lead Strategic Finance and Capital Regeneration Projects

APPENDIX 2 – Forecast Outturn Variance Explanations

Listed below are the projects where the variance is +/- £50k.

Project	Annual Budget £'000	Forecast Outturn £'000	(Over)/Under Forecast Variance £'000	Explanation
Fleet	(533)	159	(692)	Several vehicles still to be sold before year end with the balance being met by prudential borrowing.
Bridge Strengthening	76	254	(178)	Additional budget to be allocated to this project.
Other Variances			(454)	Total value of non-material variances less than +/-£50k
Total			(1,324)	

APPENDIX 3 – Total Project Finance Variances

Listed below are the projects where the variance is +/- £50k.

Project	Capital Plan Budget £'000	Forecast Project Costs £'000	Capital Plan Variance £'000	Explanation
Fleet	6,217	6,909	(692)	Several vehicles still to be sold before year end with the balance being met by prudential borrowing.
Bridge Strengthening	2,610	2,688	(78)	Additional budget to be allocated to this project.
Other Variances			(447)	Total value of non-material variances less than +/-£50k
Total			(1,217)	

APPENDIX 4 – Asset Sustainability Project Performance

There are 129 Projects recognised as Asset Sustainability Projects, 122 are Complete or On Target and 7 are Off Target and Recoverable.

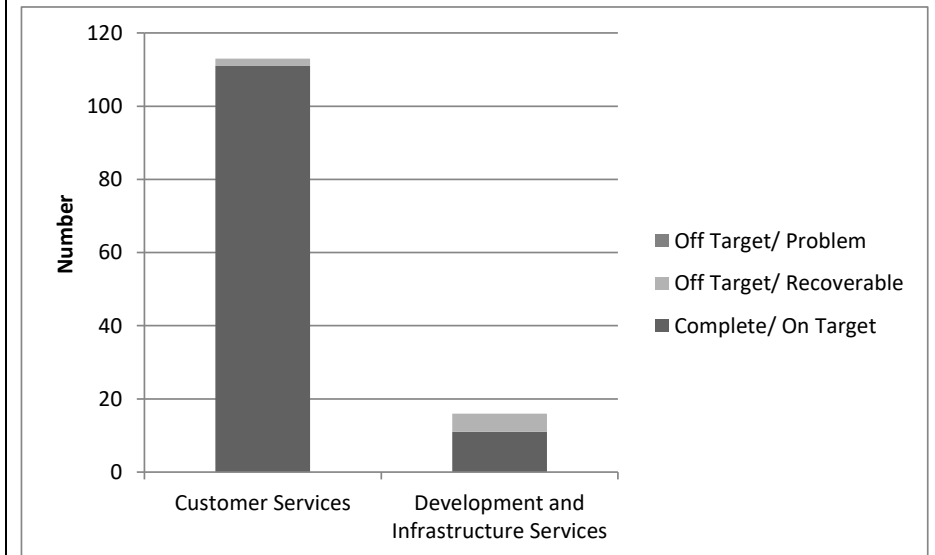
Department Position:

The table below shows the Performance Status of the Asset Sustainability Projects.

Asset Sustainability	Complete/ On Target	Off Target/ Recoverable	Off Target/ Problem	Total
Customer Services	111	2	0	113
Development and Infrastructure Services	11	5	0	16
Total	122	7	0	129

Chart of Asset Sustainability Performance Status

The graph provides a view of the Performance Status of the Asset Sustainability Projects:



APPENDIX 5 – Service Development Project Performance

There are 24 Projects recognised as Service Development Projects, 24 are Complete or On Target and 0 are Off Target and Recoverable.

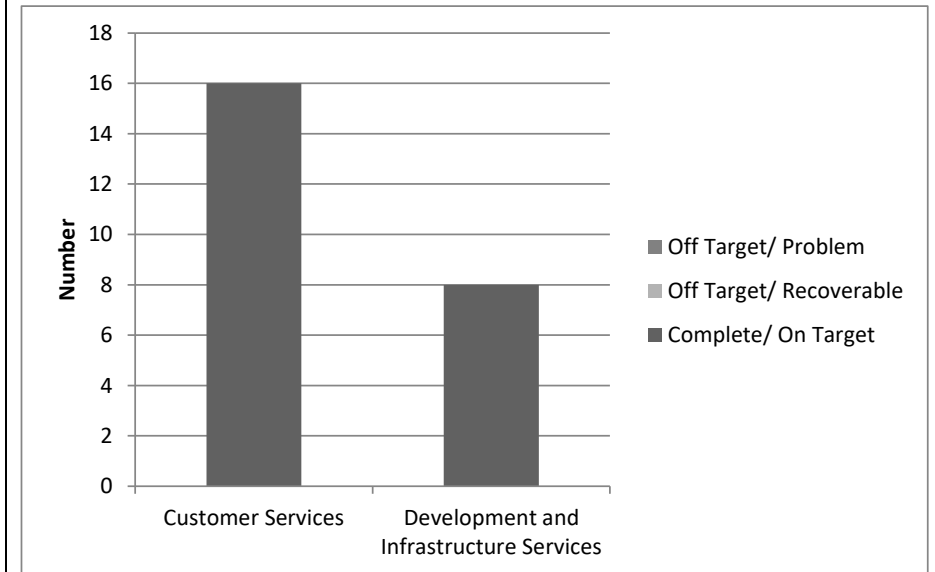
Department Position:

The table below shows the Performance Status of the Service Development Projects.

Service Development	Complete/ On Target	Off Target/ Recoverable	Off Target/ Problem	Total
Customer Services	16	0	0	16
Development and Infrastructure Services	8	0	0	8
Total	24	0	0	24

Chart of Service Development Performance Status

The graph provides a view of the Performance Status of the Service Development Projects:



APPENDIX 6 – Strategic Change Project Performance

There are 36 Projects recognised as Strategic Change Projects. 33 are Complete or On Target and 3 are Off Target and Recoverable.

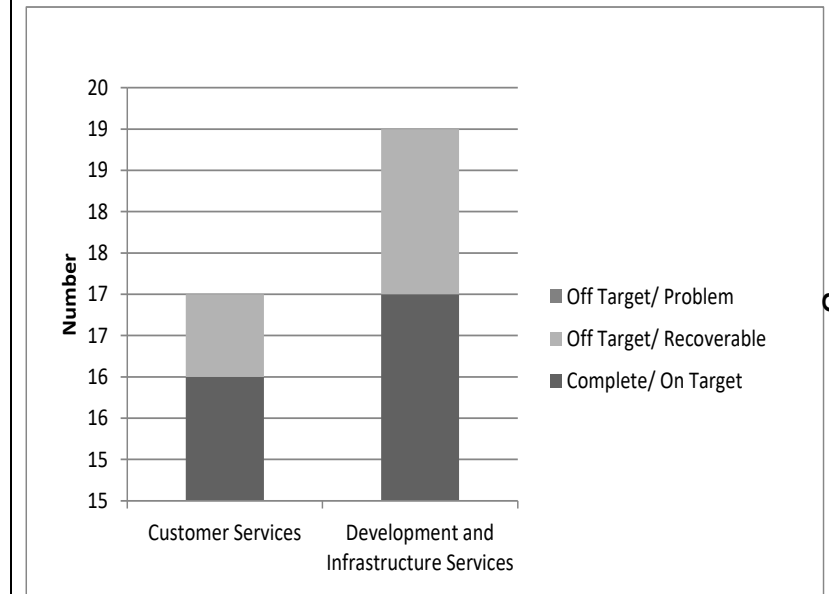
Department Position:

The table below shows the Performance Status of the Strategic Change Projects.

Strategic Change	Complete/ On Target	Off Target/ Recoverable	Off Target/ Problem	Total
Customer Services	16	1	0	17
Development and Infrastructure Services	17	2	0	19
Total	33	3	0	36

Chart of Strategic Change Performance Status

The graph provides a view of the Performance Status of the Strategic Change Projects:



FINANCIAL SUMMARY - NET EXPENDITURE

30 June 2018

	Current Financial Year To Date			Full Year This Financial Year			Total Project Costs		
	Budget £000s	Actual £000s	(Over)/Under Variance £000s	Budget £000s	Forecast £000s	(Over)/Under Variance £000s	Budget £000s	Forecast £000s	(Over)/Under Variance £000s
EXPENDITURE									
Area Committee Expenditure - Asset Sustainability	44	0	44	44	0	44	69	25	44
Asset Sustainability Projects									
Customer Services	520	520	0	7,241	7,440	(199)	40,725	40,936	(211)
Development & Infrastructure Services	1,694	1,853	(159)	10,472	11,348	(876)	59,571	60,347	(776)
Asset Sustainability Total	2,214	2,373	(159)	17,713	18,788	(1,075)	100,296	101,283	(987)
Service Development Projects									
Customer Services	(38)	33	(71)	1,942	2,072	(130)	9,214	9,344	(130)
Development & Infrastructure Services	272	272	0	743	742	1	7,100	7,090	10
Service Development Total	234	305	(71)	2,685	2,814	(129)	16,314	16,434	(120)
Strategic Change Projects									
Campbeltown Schools Redevelopment	8	8	0	202	202	0	1,845	1,845	0
Dunoon Primary	1,312	1,312	0	4,582	4,582	0	10,699	10,699	0
Replacement of Oban High	158	158	0	423	423	0	3,225	3,225	0
Kilm Primary School	0	0	0	565	565	0	10,429	10,429	0
Carbon Management - Non Education	0	0	0	36	36	0	50	50	0
Carbon Management Business Cases	0	0	0	60	60	0	261	261	0
NPDO Schools Solar PV Panel Installations	0	0	0	183	183	0	944	944	0
Non NPDO Schools Solar PV Panel Installations	0	0	0	88	88	0	488	488	0
Carbon Management Fuel Conversions	0	0	0	38	0	38	145	107	38
Carbon Management Capital Property Works 2016/17	0	0	0	20	20	0	39	39	0
Carbon Management - Group Heating Conversion Project	18	18	0	125	125	0	2,016	2,016	0
Kilmory Biomass Carbon Management	0	0	0	43	43	0	999	999	0
Oil to Gas Heating Conversions	0	0	0	27	27	0	209	209	0
Campbeltown Office Rationalisation	0	0	0	1	1	0	596	596	0
Helensburgh Office Rationalisation	1	1	0	400	400	0	11,838	11,838	0
Tiree Shared Offices	0	0	0	10	10	0	10	10	0
Asset Management Fund	0	0	0	2,000	2,000	0	2,000	2,000	0
Kintyre Renewables Hub	0	0	0	732	383	349	12,115	11,766	349
Campbeltown Flood Scheme	19	19	0	(4)	100	(104)	80	184	(104)
Street Lighting LED Replacement	101	101	0	1,211	1,211	0	3,900	3,900	0
Pier Upgrades	0	0	0	290	290	0	300	300	0
Harbour Investment Programme	0	0	0	5,310	5,310	0	55,684	55,684	0
CHORD - Helensburgh	3	3	0	764	765	(1)	7,230	7,230	0
CHORD - Campbeltown	0	0	0	1,326	1,326	0	4,786	4,786	0
CHORD - Dunoon	1,382	1,382	0	2,136	2,136	0	11,921	11,921	0
CHORD - Oban	115	115	0	975	975	0	7,957	7,957	0
CHORD - Rothesay	716	716	0	10,753	10,753	0	13,770	13,770	0
Helensburgh Waterfront Development	106	106	0	286	296	(10)	18,387	18,397	(10)
TIF - Lorn/Kirk Road	15	15	0	(498)	(498)	0	238	238	0
TIF - North Pier Extension	0	0	0	346	346	0	560	560	0
TIF - Oban Airport Business Park	0	0	0	145	145	0	590	590	0
OBC for Dunoon Pier	0	0	0	(14)	0	(14)	2,830	2,844	(14)
Dunoon CARS	0	0	0	500	500	0	500	500	0
Rothesay THI	0	0	0	200	200	0	200	200	0
Hermitage Park	0	0	0	0	0	0	211	211	0
Glengorm Wind Turbine	0	0	0	29	22	7	437	430	7
Strategic Change Total	3,954	3,954	0	33,290	33,025	265	187,489	187,223	266
Total Expenditure	6,446	6,632	(186)	53,732	54,627	(895)	304,168	304,965	(797)
INCOME									
Asset Sustainability									
Customer Services	0	0	0	0	0	0	(118)	(118)	0
Development & Infrastructure Services	(272)	(274)	2	(272)	(272)	0	(1,311)	(1,306)	(5)
Asset Sustainability Total	(272)	(274)	2	(272)	(272)	0	(1,429)	(1,424)	(5)
Service Development Projects									
Customer Services	0	0	0	0	0	0	(988)	(988)	0
Development & Infrastructure Services	45	45	0	(551)	(471)	(80)	(4,411)	(4,331)	(80)
Service Development Total	45	45	0	-551	-471	(80)	-5,399	-5,319	(80)
Strategic Change Projects									
Helensburgh Office Rationalisation	0	0	0	0	0	0	(349)	(349)	0
Dunoon Primary	0	0	0	0	0	0	(137)	(137)	0
Kintyre Renewables Hub	0	0	0	(299)	50	(349)	(3,748)	(3,399)	(349)
CHORD - Helensburgh	0	0	0	0	0	0	(570)	(569)	(1)
Helensburgh Waterfront Development	0	0	0	0	0	0	(695)	(695)	0
CHORD - Campbeltown	0	0	0	0	0	0	(120)	(135)	15
CHORD - Rothesay	(317)	(317)	0	(6,790)	(6,790)	0	(9,081)	(9,081)	0
CHORD - Oban	0	0	0	0	0	0	(1,620)	(1,620)	0
Hermitage Park	0	0	0	0	0	0	(158)	(158)	0
Strategic Change Total	(317)	(317)	0	(7,089)	(6,740)	(349)	(16,478)	(16,143)	(335)
Total Income	(544)	(546)	2	(7,912)	(7,483)	(429)	(23,306)	(22,886)	(420)
Net Total	5,902	6,086	(184)	45,820	47,144	(1,324)	280,862	282,079	(1,217)

FINANCIAL SUMMARY NET EXPENDITURE - DEVELOPMENT AND INFRASTRUCTURE SERVICES

30 June 2018

	Current Financial Year To Date			Full Year This Financial Year			Total Project Costs		
	Budget £000s	Actual £000s	(Over)/Under Variance £000s	Budget £000s	Year End Actual £000s	(Over)/Under Variance £000s	Budget £000s	Forecast £000s	(Over)/Under Variance £000s
EXPENDITURE									
Asset Sustainability Projects									
Flood Prevention	2	2	0	171	189	(18)	533	551	(18)
Bridge Strengthening	20	20	0	76	254	(178)	2,610	2,688	(78)
Traffic Management	0	0	0	2	2	0	368	368	0
Roads Reconstruction	1,570	1,570	0	8,734	8,734	0	39,529	39,529	0
Lighting	0	0	0	307	307	0	1,703	1,703	0
Furnace Coastal Protection	0	0	0	19	0	19	144	125	19
Fleet	0	159	(159)	(533)	159	(692)	6,217	6,909	(692)
Horizontal Balers	8	8	0	0	8	(8)	0	8	(8)
Footpath Improvements	70	70	0	569	569	0	1,000	1,000	0
Environmental	19	19	0	379	379	0	784	784	0
Roads	0	0	0	0	0	0	0	0	0
Waste	0	0	0	106	106	0	200	200	0
Recreation and Sport	1	1	0	115	114	1	920	919	1
Crematoria and Burial Grounds	4	4	0	14	14	0	50	50	0
Pier	0	0	0	0	0	0	0	0	0
Block Allocation	0	0	0	513	513	0	5,513	5,513	0
Asset Sustainability Total	1,694	1,853	(159)	10,472	11,348	(876)	59,571	60,347	(776)
Service Development Projects									
A849 Pennyghael Bridge Mull	0	0	0	4	3	1	131	130	1
Preliminary design for Regional Transport projects	2	2	0	18	18	0	221	221	0
Campbelltown Old Quay	0	0	0	48	48	0	1,424	1,424	0
Helensburgh Cycleways	4	4	0	329	329	0	2,622	2,622	0
Safe Streets, Walking and Cycling	254	254	0	60	60	0	640	631	9
SPIT	12	12	0	34	34	0	1,412	1,412	0
Kilmartin House	0	0	0	0	0	0	400	400	0
NVA	0	0	0	250	250	0	250	250	0
Service Development Total	272	272	0	743	742	1	7,100	7,090	10
Strategic Change Projects									
Kintyre Renewables Hub	0	0	0	732	383	349	12,115	11,766	349
Campbelltown Flood Scheme	19	19	0	(4)	100	(104)	80	184	(104)
Street Lighting LED Replacement	101	101	0	1,211	1,211	0	3,900	3,900	0
Pier Upgrades	0	0	0	290	290	0	300	300	0
Harbour Investment Programme	0	0	0	5,310	5,310	0	55,684	55,684	0
CHORD - Helensburgh	3	3	0	764	765	(1)	7,230	7,230	0
CHORD - Campbelltown	0	0	0	1,326	1,326	0	4,786	4,786	0
CHORD - Dunoon	1,382	1,382	0	2,136	2,136	0	11,921	11,921	0
CHORD - Oban	115	115	0	975	975	0	7,957	7,957	0
CHORD - Rothesay	716	716	0	10,753	10,753	0	13,770	13,770	0
Helensburgh Waterfront Development	106	106	0	286	296	(10)	18,387	18,397	(10)
TIF - Lorn/Kirk Road	15	15	0	(498)	(498)	0	238	238	0
TIF - North Pier Extension	0	0	0	346	346	0	560	560	0
TIF - Oban Airport Business Park	0	0	0	145	145	0	590	590	0
OBC For Dunoon Pier	0	0	0	(14)	0	(14)	2,830	2,844	(14)
Dunoon CARS	0	0	0	500	500	0	500	500	0
Rothesay THI	0	0	0	200	200	0	200	200	0
Hermitage Park	0	0	0	0	0	0	211	211	0
Glengorm Wind Turbine	0	0	0	29	22	7	437	430	7
Strategic Change Total	2,457	2,457	0	24,487	24,260	227	141,696	141,468	228
Total Expenditure	4,423	4,582	(159)	35,702	36,350	(648)	208,367	208,905	(538)
INCOME									
Asset Sustainability									
Roads Reconstruction	-272	-271	(1)	-272	-272	0	(763)	(763)	0
Furnace Coastal Protection	0	0	0	0	0	0	(122)	(122)	0
Flood Prevention	0	0	0	0	0	0	(9)	(9)	0
Environmental Projects	0	0	0	0	0	0	(9)	(4)	(5)
Fleet	0	(3)	3	0	0	0	(408)	(408)	0
Asset Sustainability Total	(272)	(271)	1	(272)	(272)	0	(1,311)	(1,306)	(5)
Service Development Projects									
Helensburgh Cycleways	0	0	0	(350)	(270)	(80)	(2,774)	(2,694)	(80)
Safe Streets, Walking and Cycling	45	45	0	(119)	(119)	0	(224)	(224)	0
SPIT	0	0	0	(82)	(82)	0	(1,312)	(1,312)	0
CWSS - Footway Letter Dail	0	0	0	0	0	0	(101)	(101)	0
Service Development Total	45	45	0	(551)	(471)	(80)	(4,411)	(4,331)	(80)
Strategic Change Projects									
Kintyre Renewables Hub	0	0	0	(299)	50	(349)	(3,748)	(3,399)	(349)
CHORD - Helensburgh	0	0	0	0	0	0	(570)	(569)	(1)
Helensburgh Waterfront Development	0	0	0	0	0	0	(695)	(695)	0
CHORD - Campbelltown	0	0	0	0	0	0	(120)	(135)	15
CHORD - Rothesay	(317)	(317)	0	(6,790)	(6,790)	0	(9,081)	(9,081)	0
CHORD - Oban	0	0	0	0	0	0	(1,620)	(1,620)	0
Hermitage Park	0	0	0	0	0	0	(158)	(158)	0
Strategic Change Total	(317)	(317)	0	(7,089)	(6,740)	(349)	(15,992)	(15,657)	(335)
Total Income	(544)	(546)	2	(7,912)	(7,483)	(429)	(21,714)	(21,294)	(420)
Net Departmental Total	3,879	4,036	(157)	27,790	28,867	(1,077)	186,653	187,611	(958)

ARGYLL AND BUTE COUNCIL - CAPITAL PLAN MONITORING
FINANCIAL SUMMARY NET EXPENDITURE - CUSTOMER SERVICES

Appendix 7
30 June 2018

	Current Financial Year To Date			Full Year This Financial Year			Total Project Costs		
	Budget £000s	Actual £000s	Variance £000s	Budget £000s	Forecast £000s	Variance £000s	Budget £000s	Forecast £000s	Variance £000s
EXPENDITURE									
Area Committees - Asset Sustainability	44	0	44	44	0	44	69	25	44
Asset Sustainability									
Education	201	201	0	2,717	2,883	(166)	21,595	21,769	(174)
Community and Culture	0	0	0	1,015	1,016	(1)	3,212	3,213	(1)
Adult Care	0	0	0	361	361	0	2,112	2,112	0
Children and Families	0	0	0	430	430	0	595	598	(3)
Facility Services	63	63	0	1,522	1,554	(32)	4,523	4,556	(33)
Customer and Support Services	256	256	0	1,196	1,196	0	8,688	8,688	0
Asset Sustainability Total	520	520	0	7,241	7,440	(199)	40,725	40,936	(211)
Service Development Projects									
Graham Williamson IT Centre	0	0	0	0	0	0	0	0	0
Property Management System	0	0	0	0	0	0	89	89	0
Applications Projects	(20)	(20)	0	107	107	0	1,303	1,303	0
Bowmore Primary School - Pre 5 Unit	(2)	0	(2)	(2)	4	(6)	28	34	(6)
Clyde Cottage - 600 hour provision	(52)	3	(55)	(52)	40	(92)	413	505	(92)
Craignish Primary School - Pre 5 Extension	0	0	0	35	35	0	417	417	0
Iona Primary School - Pre 5 Unit	14	14	0	40	40	0	474	474	0
Islay High and Rosneath Primary School Pitches	2	2	0	675	675	0	700	700	0
Lochgoilhead Primary School - Pre 5 Unit	1	1	0	23	23	0	388	388	0
Park Primary Extension/Pre Fives Unit	0	0	0	5	5	0	346	346	0
Tarbert High School - Biomass enabling work	0	0	0	20	20	0	20	20	0
Sandbank Gaelic Pre Five Unit	(14)	0	(14)	(14)	18	(32)	464	496	(32)
Bunessan Primary School - Gaelic Medium Improvements	0	0	0	28	28	0	30	30	0
Early Learning and Childcare	3	3	0	421	421	0	1,478	1,478	0
Archives - Wee Manse Brae	0	0	0	72	72	0	128	128	0
Dunoon Boxing Club	0	0	0	100	100	0	100	100	0
Riverside Leisure Centre Refurbishment	29	29	0	423	423	0	1,536	1,536	0
Dunclutha Childrens Home	1	1	0	61	61	0	1,300	1,300	0
Service Development Total	(38)	33	(71)	1,942	2,072	(130)	9,214	9,344	(130)
Strategic Change Projects									
Campbeltown Schools Redevelopment	8	8	0	202	202	0	1,845	1,845	0
Dunoon Primary	1,312	1,312	0	4,582	4,582	0	10,699	10,699	0
Replacement of Oban High	158	158	0	423	423	0	3,225	3,225	0
Kim Primary School	0	0	0	565	565	0	10,429	10,429	0
Carbon Management - Non Education	0	0	0	36	36	0	50	50	0
Carbon Management Business Cases	0	0	0	60	60	0	261	261	0
NPDO Schools Solar PV Panel Installations	0	0	0	183	183	0	944	944	0
Non NPDO Schools Solar PV Panel Installations	0	0	0	88	88	0	488	488	0
Carbon Management Fuel Conversions	0	0	0	38	0	38	145	107	38
Carbon Management Capital Property Works 2016/17	0	0	0	20	20	0	39	39	0
Carbon Management - Group Heating Conversion Project	18	18	0	125	125	0	2,016	2,016	0
Kilmory Biomass Carbon Management	0	0	0	43	43	0	999	999	0
Oil to Gas Heating Conversions	0	0	0	27	27	0	209	209	0
Campbeltown Office Rationalisation	0	0	0	1	1	0	596	596	0
Helensburgh Office Rationalisation	1	1	0	400	400	0	11,838	11,838	0
Tiree Shared Offices	0	0	0	10	10	0	10	10	0
Asset Management Fund	0	0	0	2,000	2,000	0	2,000	2,000	0
Strategic Change Total	1,497	1,497	0	8,803	8,765	38	45,793	45,755	38
Total Expenditure	2,023	2,050	(27)	18,030	18,277	(247)	95,801	96,060	(259)
INCOME									
Asset Sustainability									
Facility Services	0	0	0	0	0	0	(60)	(60)	0
Education	0	0	0	0	0	0	0	0	0
Community and Culture	0	0	0	0	0	0	(58)	(58)	0
Asset Sustainability Total	0	0	0	0	0	0	(118)	(118)	0
Service Development Projects									
Sandbank Gaelic Pre Five Unit	0	0	0	0	0	0	(464)	(464)	0
Bunessan Primary School - Gaelic Medium Improvements	0	0	0	0	0	0	(30)	(30)	0
Early Learning and Childcare	0	0	0	0	0	0	(494)	(494)	0
Service Development Total	0	0	0	0	0	0	(988)	(988)	0
Strategic Change									
Helensburgh Office Rationalisation	0	0	0	0	0	0	(349)	(349)	0
Dunoon Primary School	0	0	0	0	0	0	(137)	(137)	0
Strategic Change Total	0	0	0	0	0	0	(486)	(486)	0
Total Income	0	0	0	0	0	0	(1,592)	(1,592)	0
Net Departmental Total	2,023	2,050	(27)	18,030	18,277	(247)	94,209	94,468	(259)

Strategic Change Projects	Capital Expenditure					Dates		Risks	
	Prior Years Spend £'000	Current Year Forecast £'000	Future Years Forecast £'000	Total Project Forecast £'000	Total Project Budget £'000	Project Start Date	Estimated Completion Date	Project Risks Identified	Explanation if not Green
Campbeltown Schools Redevelopment	1,623	202	20	1,845	1,845	16/02/2012	30/11/2018	Green	
Dunoon Primary	3,175	4,582	2,942	10,699	10,699	18/12/2014	30/04/2019	Green	
Replacement of Oban High	2,282	423	520	3,225	3,225	24/04/2014	31/01/2019	Green	
Kirn Primary School	9,864	565	0	10,429	10,429	24/04/2014	31/10/2017	Green	
Carbon Management Business Cases	201	60	0	261	261	01/02/2014	31/03/2022	Green	
NPDO Schools Solar PV Panel Installations	761	183	0	944	944	26/06/2014	TBC	Green	
Non NPDO Schools Solar PV Panel Installations	400	88	0	488	488	20/03/2014	31/03/2017	Green	
Carbon Management Fuel Conversions	107	0	0	107	145	01/02/2014	31/03/2017	Green	
Carbon Management Capital Property Works 2016/17	19	20	0	39	39	01/02/2016	31/03/2017	Green	
Carbon Management - Group Heating Conversion Project	1,891	125	0	2,016	2,016	01/02/2016	31/08/2018	Green	
Kilmory Biomass Carbon Management	956	43	0	999	999	20/09/2012	19/10/2016	Green	
Oil to Gas Heating Conversions	182	27	0	209	209	01/02/2012	31/03/2017	Green	
Campbeltown Office Rationalisation	595	1	0	596	596	01/02/2015	31/03/2017	Green	
Helensburgh Office Rationalisation	11,438	400	0	11,838	11,838	25/04/2013	03/07/2016	Amber	Temporary Certificate of Occupation has been extended to 29th March 2018. Details of loss and expense claim received March 2017 and being considered. Final costs still to be established - Final expenditure now anticipated 18/19.
Tiree Shared Offices	0	10	0	10	10	01/02/2013	TBC	Green	
Asset Management Fund	0	2,000	0	2,000	2,000	2018/19	TBC	Green	
Kintyre Renewables Hub	11,383	383	0	11,766	11,698	01/05/2009	30/04/2017	Amber	Project projected to come in under budget. Until final grant/audit position is clear, any apparently (at this time) surplus budget should not be reallocated. Forecast expenditure in 2017-18 has been calculated to show the same net project expenditure as net budget (ie expenditure less income). Still awaiting close off of contractual obligations with BAM Nuttall.
Campbeltown Flood Scheme	84	100	0	184	80	01/08/2016	31/03/2023	Amber	Council has yet to allocate its (20%) share of funding for this project. The final figure of the 20% could approach £2m over next 6 years. Currently the Council has allocated only £80k to this project out of the £603k it has received for this project (not ring fenced) from the Scottish Government. The project is expected to spend circa £100k this financial year, however budget needs to be allocated for this to happen. There is a high risk that the Council would need to reimburse the Scottish Government with any monies not spent on Campbeltown.
Street Lighting LED Replacement	2,501	1,211	188	3,900	3,900	01/08/2016	16/12/2016	Green	
Pier Upgrades	0	290	10	300	300	01/12/2016	31/03/2017	Green	
CHORD - Helensburgh	6,465	765	0	7,230	7,229	29/09/2011	30/04/2015	Green	
CHORD - Campbeltown	3,460	1,326	0	4,786	4,801	25/06/2014	10/11/2015	Green	
CHORD - Dunoon	9,504	2,136	281	11,921	11,921	03/02/2012	09/03/2018	Green	
CHORD - Oban	6,982	975	0	7,957	8,282	27/10/2016	31/07/2017	Green	
CHORD - Rothesay	3,017	10,753	0	13,770	21,966	01/04/2015	01/12/2018	Green	
Helensburgh Waterfront Development	738	296	17,363	18,397	18,387	01/04/2017	30/09/2020	Green	
TIF - Lorn/Kirk Road	736	-498	0	238	238	22/01/2015	TBC	Green	
TIF - North Pier Extension	214	346	0	560	560	06/12/2017	06/12/2018	Green	
TIF - Oban Airport Business Park	445	145	0	590	590	22/01/2015	31/12/2017	Green	
OBC for Dunoon Pier	2,844	0	0	2,844	2,830	03/02/2012	26/02/2016	Green	
Dunoon CARS	0	500	0	500	500	01/04/2017	31/03/2022	Green	
Rothesay THI	0	200	0	200	200	2017/18	TBC	Green	
Hermitage Park	211	0	0	211	211	2016/17	TBC	Green	
Glengorm Wind Turbine	408	22	0	430	437	28/04/2016	30/11/2016	Green	
Strategic Change Total	82,500	27,715	21,324	131,539	139,923				

Project Risk Classifications:

Green - Risks can be managed and are viewed as stable or reducing.

Amber - Risks are increasing but are still manageable.

Red - Risks are increasing or have increased to such an extent they may affect delivery of the project.

**CAPITAL PLAN 2018-19
SUMMARY**

APPENDIX 9

Department	Head of Service	Previous	Future				Total £000s
		Years £000s	2018-19 £000s	2019-20 £000's	2020-21 £000s	Years £000s	
Health and Social Care Partnership	Adult Care	1,743	361	8	0	0	2,112
	Children and Families	1,404	491	0	0	0	1,895
Health and Social Care Partnership Total		3,147	852	8	0	0	4,007
Community Services	Community and Culture	0	121	0	0	0	121
	Education	37,636	9,668	4,807	440	0	52,551
Community Services Total		37,636	9,789	4,807	440	0	52,672
Customer Services	Customer and Support Services	7,815	1,303	962	0	0	10,080
	Facility Services	18,285	4,561	1,290	1	0	24,137
Customer Services Total		26,100	5,864	2,252	1	0	34,217
Development and Infrastructure	Economic Development	36,974	17,292	3,169	14,884	0	72,319
	Roads and Amenity Services	58,663	18,410	18,050	8,750	32,175	136,048
Development and Infrastructure Total		95,637	35,702	21,219	23,634	32,175	208,367
Live Argyll	Live Argyll	3,346	1,525	34	0	0	4,905
Live Argyll Total		3,346	1,525	34	0	0	4,905
Grand Total		165,866	53,732	28,320	24,075	32,175	304,168

Category	Head of Service	Project	Previous				Future		Total
			Years £000's	2018-19 £000's	2019-20 £000's	2021-22 £000s	Years £000s	£000s	
Asset Sustainability	Adult Care	Ardfenaig	0	20	0	0	0	0	20
		Eadar Glinn	246	67	3	0	0	0	316
		Health and Safety	1,045	60	0	0	0	0	1,105
		Legionella Control Works	15	5	0	0	0	0	20
		Lochgilphead Resource Centre	163	61	0	0	0	0	224
		Lorn Resource Centre	76	9	0	0	0	0	85
		Struan Lodge Boiler	25	15	0	0	0	0	40
		Thomson Home Rothesay	173	124	5	0	0	0	302
		Adult Care Total	1,743	361	8	0	0	0	2,112
		Children and Families	Children and Families	Capital Property Works	0	305	0	0	0
Glencruitten Hostel	119			72	0	0	0	0	191
Health and Safety	23			20	0	0	0	0	43
Shellach View	23			33	0	0	0	0	56
Children and Families Total	165			430	0	0	0	0	595
Asset Sustainability Total		1,908	791	8	0	0	0	2,707	
Service Development	Children and Families	Dunclutha Childrens Home	1,239	61	0	0	0	0	1,300
	Children and Families Total		1,239	61	0	0	0	0	1,300
Service Development Total		1,239	61	0	0	0	0	1,300	
Overall Total		3,147	852	8	0	0	0	4,007	

Category	Head of Service	Project	Previous			Future		
			Years £000's	2018-19 £000's	2019-20 £000's	2021-22 £000s	Years £000s	Total £000s
Asset Sustainability	Community and Culture	Inveraray CARS	0	21	0	0	0	21
	Community and Culture Total		0	21	0	0	0	21
Asset Sustainability Total			0	21	0	0	0	21
Service Development	Community and Culture	Dunoon Boxing Club	0	100	0	0	0	100
	Community and Culture Total		0	100	0	0	0	100
Service Development Total			0	100	0	0	0	100
Overall Total			0	121	0	0	0	121

Category	Head of Service	Project	Previous				Future	
			Years £000's	2018-19 £000's	2019-20 £000's	2021-22 £000s	Years £000s	Total £000s
Asset Sustainability	Education	Achaleven Primary School	99	70	3	0	0	172
		Ardchattan Primary School	0	2	0	0	0	2
		Ardrishaig Primary School	269	-3	50	0	0	316
		Arinagour Primary School	85	40	2	0	0	127
		Arrochar Primary School	0	30	60	0	0	90
		Asbestos Control/Removal Works	78	7	0	0	0	85
		Block Allocation	0	30	160	0	0	190
		Bunessan Primary School	296	38	0	0	0	334
		Capital Property Works	835	-1	75	0	0	909
		Cardross Primary School	788	15	0	0	0	803
		Carradale Primary School	107	3	4	0	0	114
		Castlehill Primary School	499	161	154	0	0	814
		Clachan Primary	178	44	0	0	0	222
		Colgrain Primary School	958	48	2	0	0	1,008
		Dalintober Primary School	280	97	3	0	0	380
		Dalmally Primary School	78	162	123	0	0	363
		Dervaig Primary School	69	0	0	0	0	69
		Drumlemble Primary School	402	-6	0	0	0	396
		Dunbeg Primary School	450	227	157	0	0	834
		Easdale Primary School	0	10	25	0	0	35
		Education Properties Water Quality	0	0	0	0	0	0
		Ferry Houses - Housing Quality Standard	72	0	0	0	0	72
		Free School Meals	534	16	0	0	0	550
		Furnace Primary School	140	44	0	0	0	184
		Garelochhead Primary School	313	46	113	0	0	472
		Glenbarr Primary School	225	13	0	0	0	238
		Hermitage Primary School	188	1	0	0	0	189
		Homeless Houses - Housing Quality Standard	12	38	2	0	0	52
		Internal Refurbishment Budget	97	103	0	0	0	200
		Islay High School	4,101	139	65	0	0	4,305
		John Logie Baird Primary School	764	93	103	0	0	960
		Keills Primary School	0	35	0	0	0	35
Kilchattan Primary School	241	29	2	0	0	272		
Kilchrenan Primary School	29	6	0	0	0	35		
Kilcreggan Primary School	494	115	4	0	0	613		

Category	Head of Service	Project	Previous				Future			
			Years	2018-19	2019-20	2021-22	Years	Total		
			£000's	£000's	£000's	£000s	£000s	£000s		
Asset Sustainability	Education	Kilmartin Primary School	17	99	4	0	0	120		
		Kilmodan Primary School	233	1	0	0	0	234		
		Legionella Control Works	220	-110	0	0	0	110		
		Lismore Primary School	61	19	1	0	0	81		
		Lochgoilhead Primary School	177	68	53	0	0	298		
		Parklands School	161	7	310	0	0	478		
		Property Works - Contingency	250	38	0	0	0	288		
		Rhunahaorine Primary	181	-28	0	0	0	153		
		Rosneath Primary School	658	24	1	0	0	683		
		School Houses - Housing Quality Standard	409	67	2	0	0	478		
		Southend Primary School	26	4	0	0	0	30		
		St Joseph's Primary School	496	73	2	0	0	571		
		St Mun's Primary School	299	450	100	0	0	849		
		Tarbert High School	19	1	0	0	0	20		
		Tiree Primary School	225	242	8	0	0	475		
		Tobermory High School	867	0	150	0	0	1,017		
		Toward Primary School	83	96	1	0	0	180		
		Ulva Primary School	74	14	2	0	0	90		
			Education Total		17,137	2,717	1,741	0	0	21,595
		Asset Sustainability Total			17,137	2,717	1,741	0	0	21,595
Service Development	Education	Bowmore Primary School - Pre Five Unit	30	-2	0	0	0	28		
		Bunessan Primary School - Gaelic Medium Improvements	2	28	0	0	0	30		
		Clyde Cottage - 600 hours provision	465	-52	0	0	0	413		
		Craignish Primary School - Pre Five Extension (600 hours funding)	382	35	0	0	0	417		
		Early Learning and Childcare	1,057	421	0	0	0	1,478		
		Iona Primary School - Pre Five Unit (600 hours funding)	434	40	0	0	0	474		
		Islay High & Rosneath PS Pitches	1	675	24	0	0	700		
		Lochgoilhead Primary School - Pre Five Unit (600 hours funding)	365	23	0	0	0	388		
		Park Primary Extension and Pre Fives Unit	341	5	0	0	0	346		
		Sandbank Gaelic Pre Five Unit	478	-14	0	0	0	464		
		Tarbert High School - Biomass enabling work	0	20	0	0	0	20		
			Education Total		3,555	1,179	24	0	0	4,758
		Service Development Total			3,555	1,179	24	0	0	4,758
Strategic Change	Education	Campbeltown Schools Redevelopment	1,623	202	20	0	0	1,845		

Category	Head of Service	Project	Previous Years				Future	
			2018-19 £000's	2019-20 £000's	2021-22 £000s	Years £000s	Total £000s	
Strategic Change	Education	Dunoon Primary School	3,175	4,582	2,502	0	0	10,699
		Kirn Primary School	9,864	565	0	0	0	10,429
		Replacement of Oban High School	2,282	423	520	0	0	3,225
	Education Total	16,944	5,772	3,042	0	0	26,198	
Strategic Change Total			16,944	5,772	3,042	0	0	26,198
Overall Total			37,636	9,668	4,807	0	0	52,551

Category	Head of Service	Project	Previous	2018-19	2019-20	2021-22	Future	Total
			Years	£000's	£000's	£000s	Years	£000s
Asset Sustainability	Customer and Support Services	Block Allocation	0	0	945	0	0	945
		Computer Network Security	642	60	0	0	0	702
		Corporate GIS Portal Rollout	133	7	17	0	0	157
		MS Exchange & Doc Sharing	381	35	0	0	0	416
		PC Replacement	3,197	482	0	0	0	3,679
		Server Sustainability	310	434	0	0	0	744
		Telecomms Network	1,121	178	0	0	0	1,299
		Unified Communications and Video Conferencing	746	0	0	0	0	746
	Customer and Support Services Total		6,530	1,196	962	0	0	8,688
Asset Sustainability Total			6,530	1,196	962	0	0	8,688
Service Development	Customer and Support Services	Applications Projects	1,196	107	0	0	0	1,303
		Property Management System	89	0	0	0	0	89
	Customer and Support Services Total		1,285	107	0	0	0	1,392
Service Development Total			1,285	107	0	0	0	1,392
Overall Total			7,815	1,303	962	0	0	10,080

Category	Head of Service	Project	Previous	2018-19	2019-20	2021-22	Future	Total
			Years £000's	£000's	£000's	£000s	Years £000s	£000s
Asset Sustainability	Facility Services	Argyll House, Dunoon	77	285	6	0	0	368
		Asbestos Capital Property Works	72	17	0	0	0	89
		Block Allocation	0	468	525	0	0	993
		Burnett Building	74	0	0	0	0	74
		Capital Property Works 16/17	70	10	0	0	0	80
		Castle House, Dunoon	46	0	0	0	0	46
		Dunoon Office Rationalisation	3	7	220	0	0	230
		Eglesham House, Rothesay	63	0	0	0	0	63
		Fire Risk Assessment Works 16/17	0	50	0	0	0	50
		Hill Street Dunoon Rewire	2	0	32	0	0	35
		Joint Valuation Board	0	39	0	0	0	39
		Kilarrow House	123	0	0	0	0	123
		Kilmory Castle	280	111	5	0	0	396
		Kilmory Castle 2012-13	142	0	0	0	0	142
		Legionella Capital Works 16/17	8	0	0	0	0	8
		Legionella Control Works	0	500	500	0	0	1,000
		Lorn House, Oban	96	0	0	0	0	96
		Manse Brae District Office	32	31	2	0	0	65
		Manse Brae Roads Office	35	2	0	0	0	37
		Mill Park Depot	84	-11	0	0	0	73
		Oban Municipal Buildings	250	0	0	0	0	250
		Oban Office Rationalisation	0	0	0	0	0	0
		Old Quay Head Offices, Campbeltown	32	0	0	0	0	32
		Tobermory Area Office	96	13	0	0	0	109
		Union Street, Rothesay	76	0	0	0	0	76
		Whitegates Office, Lochgilphead	30	0	0	0	0	30
Willowview Oban	19	0	0	0	0	19		
Facility Services Total			1,710	1,522	1,290	0	0	4,523
Asset Sustainability Total			1,710	1,522	1,290	0	0	4,523
Strategic Change	Facility Services	Asset Management Fund	0	2,000	0	0	0	2,000
		Campbeltown Office Rationalisation	595	1	0	0	0	596
		Carbon Management - Group Heating Conversion Project (Prudential Borrowing)	1,891	125	0	0	0	2,016
		Carbon Management Business Cases (FPB)	201	60	0	0	0	261
		Carbon Management Capital Property Works 16/17	19	20	0	0	0	39
		Carbon Management Fuel Conversions (FPB)	107	38	0	0	0	145

Category	Head of Service	Project	Previous				Future	
			Years £000's	2018-19 £000's	2019-20 £000's	2021-22 £000s	Years £000s	Total £000s
Strategic Change	Facility Services	Helensburgh Office Rationalisation (FPB,REC)	11,438	400	0	0	0	11,838
		Kilmory Biomass Project OBC (FPB,REV)	956	43	0	0	0	999
		Non-NPDO Schools PV Panel Installations	400	88	0	0	0	488
		NPDO Schools Solar PV Panel Installations	761	183	0	0	0	944
		Oil to Gas Heating Conversions (FPB)	182	27	0	0	0	209
		Tiree Shared Offices	0	10	0	0	0	10
	Facility Services Total		16,550	2,995	0	0	19,545	
Strategic Change Total			16,550	2,995	0	0	19,545	
Area Committee	Facility Services	Area Committee	25	44	0	0	69	
	Facility Services Total		25	44	0	0	69	
Area Committee Total			25	44	0	0	69	
Overall Total			18,285	4,561	1,290	0	24,137	

Category	Head of Service	Project	Previous	2018-19	2019-20	2021-22	Future	Total
			Years				Years	
			£000's	£000's	£000's	£000s	£000s	£000s
Service Development	Economic Development	Kilmartin House	0	0	200	0	0	400
		NVA	0	250	0	0	250	
		Safe Streets, Walking and Cycling (CWSS)	571	60	9	0	640	
		SPT	1,378	34	0	0	1,412	
		Economic Development Total	1,949	344	209	0	2,702	
Service Development Total			1,949	344	209	0	0	2,702
Strategic Change	Economic Development	01 TIF - Lorn/Kirk Road	736	-498	0	0	0	238
		05 TIF - North Pier Extension	214	346	0	0	560	
		09 TIF - Oban Airport Business Park	445	145	0	0	590	
		CHORD - Campbeltown	3,460	1,326	0	0	4,786	
		CHORD - Dunoon	9,504	2,136	281	0	11,921	
		CHORD - Helensburgh -Public Realm Imprv	6,466	764	0	0	7,230	
		CHORD - Oban	6,982	975	0	0	7,957	
		CHORD - Rothesay	3,017	10,753	0	0	13,770	
		Dunoon CARS	0	500	0	0	500	
		Glengorm Wind Turbine	408	29	0	0	437	
		Helensburgh Waterfront Development	738	286	2,679	0	18,387	
		Hermitage Park	211	0	0	0	211	
		OBC for Dunoon Pier	2,844	-14	0	0	2,830	
		Rothesay THI	0	200	0	0	200	
		Economic Development Total	35,025	16,948	2,960	0	69,617	
Strategic Change Total			35,025	16,948	2,960	0	0	69,617
Overall Total			36,974	17,292	3,169	0	0	72,319

Category	Head of Service	Project	Previous				Future	Total
			Years	2018-19	2019-20	2021-22	Years	
			£000's	£000's	£000's	£000s	£000s	£000s
Asset Sustainability	Roads and Amenity Services	Astro Pitch Repairs	316	50	384	0	0	750
		Block Allocation	0	513	5,000	0	0	5,513
		Bridge Strengthening	2,284	76	250	0	0	2,610
		Cemetery Houses	36	14	0	0	0	50
		DISR - Horizontal Balers	94	106	0	0	0	200
		Environmental Projects	405	313	0	0	0	718
		Fleet Management	6,750	-533	0	0	0	6,217
		Flood Prevention	324	171	38	0	0	533
		Footpath Improvements	0	0	0	0	0	0
		Furnace Coastal Protection	125	19	0	0	0	144
		Glengorm - Capping	181	569	250	0	0	1,000
		Lighting	1,396	307	0	0	0	1,703
		Public Convenience Upgrades	0	66	0	0	0	66
		Roads Reconstruction	27,995	8,734	2,800	0	0	39,529
		Tarbert All Weather Sports Pitch	105	65	0	0	0	170
Traffic Management	366	2	0	0	0	368		
	Roads and Amenity Services Total		40,377	10,472	8,722	0	0	59,571
Asset Sustainability Total			40,377	10,472	8,722	0	0	59,571
Service Development	Roads and Amenity Services	A849 Pennyghael Bridge Mull	127	4	0	0	0	131
		Campbeltown Old Quay	1,376	48	0	0	0	1,424
		Cycleways - H&L (FSPT)	2,293	329	0	0	0	2,622
		Preliminary design for Regional Transport projects (tif)	203	18	0	0	0	221
	Roads and Amenity Services Total		3,999	399	0	0	0	4,398
Service Development Total			3,999	399	0	0	0	4,398
Strategic Change	Roads and Amenity Services	Campbeltown Flood Scheme	84	-4	0	0	0	80
		Harbour Investment Programme	319	5,310	9,130	11,300	32,175	55,684
		Kintyre Renewables Hub (FGPB)	11,383	732	0	0	0	12,115
		Pier Upgrades	0	290	10	0	0	300
		Street Lighting LED Replacement	2,501	1,211	188	0	0	3,900
	Roads and Amenity Services Total		14,287	7,539	9,328	11,300	32,175	72,079
Strategic Change Total			14,287	7,539	9,328	11,300	32,175	72,079
Overall Total			58,663	18,410	18,050	11,300	32,175	136,048

Category	Head of Service	Project	Previous	2018-19	2019-20	2021-22	Future	Total
			Years £000's	£000's	£000's	£000s	Years £000s	£000s
Asset Sustainability	Live Argyll	Aqualibrium	179	185	6	0	0	370
		Bute Community Education Centre	43	112	5	0	0	160
		Campbeltown Museum - Burnet Bldg	81	24	1	0	0	106
		Capital Property Works	108	2	0	0	0	110
		Community Centres General - Options Appraisal	16	-1	0	0	0	15
		Corran Halls, Oban	529	1	0	0	0	530
		Dunoon Community Education Centre	192	50	0	0	0	242
		Lochgilphead Community Ed Centre	33	192	6	0	0	231
		Moat Centre	13	84	3	0	0	100
		Oban Library (Leased Property)	6	52	2	0	0	60
		Rothesay Swimming Pool	138	200	7	0	0	345
		Victoria Hall, Campbeltown	594	44	2	0	0	640
		Victoria Halls, Helensburgh	231	49	2	0	0	282
	Live Argyll Total		2,163	994	34	0	0	3,191
Asset Sustainability Total			2,163	994	34	0	0	3,191
Service Development	Live Argyll	Archives - Wee Manse Brae	56	72	0	0	0	128
		Riverside Leisure Centre Refurbishment	1,113	423	0	0	0	1,536
	Live Argyll Total		1,169	495	0	0	0	1,664
Service Development Total			1,169	495	0	0	0	1,664
Strategic Change	Live Argyll	Carbon Management	14	36	0	0	0	50
			14	36	0	0	0	50
Strategic Change Total			14	36	0	0	0	50
Overall Total			3,346	1,525	34	0	0	4,905

TREASURY MANAGEMENT MONITORING REPORT 30th June 2018

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the Council's treasury management position for the period 1 April 2018 to 30 June 2018 and includes information on:
- Overall Borrowing Position
 - Borrowing Activity
 - Investment Activity
 - Economic Background
 - Interest Rate Forecast
 - Prudential Indicators.
- 1.2 Borrowing is below the Capital Financing Requirement for the period to 30th June 2018, however, there are substantial internal balances, of which £82.7m is currently invested.
- 1.3 The net movement in external borrowing in the period was a decrease of £0.8m.
- 1.4 The levels of investments were £82.7m at 30 June 2018. The rate of return achieved was 0.760% which compares favourably with the target of 7 day LIBID which was 0.361%.
- 1.5 As part of the preparation for the introduction of the Markets in Financial Instruments Directive II on 3 January 2018 the Council has exercised its option to opt up to Professional Status to allow the treasury management function to continue to access Money Market Funds and other financial instruments.

TREASURY MANAGEMENT MONITORING REPORT 30 JUNE 2018

2. INTRODUCTION

2.1 This report sets out the Council's treasury management position for the period 1 April 2018 to 30 June 2018 and includes information on:

- Overall Borrowing Position
- Borrowing Activity
- Investment Activity
- Economic Background
- Interest Rate Forecast
- Prudential Indicators.

3. DETAIL**Overall Borrowing Position**

3.1 The table below details the estimated capital financing requirement (CFR) and compares this with the estimated level of external debt at 31 March 2019. The CFR represents the underlying need for the Council to borrow to fund its fixed assets and accumulated capital expenditure.

	Forecast 2018/19 £000's	Budget 2018/19 £000's	Forecast 2019/20 £000's	Forecast 2020/21 £000's
CFR at 1 April	318,341	318,341	336,094	336,912
Net Capital Expenditure	27,826	27,826	10,891	(1,922)
Less Loans Fund Principal Repayments	(7,956)	(7,956)	(7,956)	(7,956)
Less: NPDO Repayment	(2,117)	(2,117)	(2,117)	(2,268)
Estimated CFR 31 March	336,094	336,094	336,912	324,766
Less Funded by NPDO	(180,059)	(180,059)	(176,059)	(173,934)
Estimated Net CFR 31 March	156,035	156,035	160,853	150,832
Estimated External Borrowing at 31 March	153,490	153,490	147,990	141,490
Gap	2,545	2,545	12,863	9,342

- 3.2 Borrowing is below the CFR for the period to 31 March 2019. Additional borrowing was taken in March 2018 to take advantage of the low PWLB rates prevailing at that time. This has resulted in the under borrowed position being less than in previous years.
- 3.3 The Council's estimated net capital financing requirement at the 30th June 2018 is £156.035m. The table below shows how this has been financed. Whilst borrowing is less than the CFR there are substantial internal balances (mainly the General Fund) of which £82.7m is currently invested.

	Position at 31/03/2018 £000's	Position at 30/06/18 £000's
Loans	178,488	177,598
Internal Balances	47,463	61,105
Less Investments & Deposits	(69,916)	(82,668)
Total	156,035	156,035

Borrowing Activity

	Actual £000's
External Loans Repaid 1st April 2018 to 30th June 2018	(912)
Borrowing undertaken 1st April 2018 to 30th June 2018	23
Net Movement in External Borrowing	(889)

- 3.5 The external borrowing of the Council decreased by £0.889m during the period, due to the repayment of Public Works Loans Board borrowing of £0.912m.
- 3.6 The table below summarises the movement in level and rate of temporary borrowing at the start and end of the period.

	£000s	% Rate
Temp borrowing at 31st March 2018	576	0.05%
Temp borrowing at 30th June 2018	560	0.35%

Investment Activity

- 3.7 The average rate of return achieved on the Council's investments to 30 June 2018 was 0.760% compared to the average LIBID rate for the same period of 0.361% which demonstrates that the Council is achieving a reasonable rate of return on its cash investments. At 30 June 2018 the Council had £82.7m of short term investments at an average rate of 0.760%. The table below details the counterparties that the investments were placed with, the maturity date, the interest rate and the credit rating applicable for each of the counterparties.

Counterparty	Maturity	Amount £000s	Interest Rate	Rating S&P
Clydesdale Bank Instant	Instant Access	668	0.50%	Short Term A-2, Long Term BBB+
Goldman Sachs	95 Day	5,000	0.78%	Short Term A-1, Long Term A+
Goldman Sachs	95 Day	2,500	0.88%	Short Term A-1, Long Term A+
Commonwealth Bank of Australia	07/08/2018	2,500	0.52%	Short Term A-1+, long Term AA-
Helaba Landesbank	12/09/2018	5,000	0.54%	Short Term A-1, long Term A
Toronto Dominion	23/10/2018	5,000	0.70%	Short Term A-1+, Long Term AA-
Bank of Scotland	18/12/2018	2,500	0.85%	Short Term A-1, Long Term A+
Helaba Landesbank	04/01/2019	2,500	0.75%	Short Term A-1, long Term A
QNB	03/07/2018	2,500	0.94%	Short Term A-1, Long Term A
Close Brothers	19/10/2018	5,000	0.85%	Short Term A-1, Long Term A+
RBS (CD)	23/04/2018	5,000	1.04%	Short Term A-2, Long Term A-
DBS	24/04/2019	5,000	0.98%	Short Term A-1+, Long Term AA-
ANZ	12/11/2018	5,000	0.72%	Short Term A-1+, Long Term AA-
Bank of Scotland	29/05/2019	5,000	1.00%	Short Term A-1, Long Term A+
NATWEST (CD)	14/06/2019	5,000	0.93%	Short Term A-2, Long Term A-
ANZ	19/06/2019	2,500	0.92%	Short Term A-1+, Long Term AA-
QNB	28/09/2018	5,000	0.99%	Short Term A-1, Long Term A
MMF - BNP Paribas	Call	7,500	0.53%	AAA
MMF - Federated	Call	0	0.00%	AAA
MMF - Insight	Call	0	0.00%	AAA
MMF - Standard Life (formerly Ignis)	Call	2,000	0.53%	AAA
MMF - Invesco AIM	Call	0	0.00%	AAA
MMF - Legal and General	Call	0	0.00%	AAA
MMF - CCLA	Call	7,500	0.56%	AAA
ENH MMF - Federated Cash Plus (T+1)	T+1	0	0.00%	AAA
ENH MMF - Standard Life Short Duration (T+3)	T+3	0	0.00%	AAA
Total		82,668		

- 3.8 All investments and deposits are in accordance with the Council's approved list of counterparties and within the limits and parameters defined in the Treasury Management Practices. The counterparty list is constructed based on assessments by leading credit reference agencies adjusted for additional market information available in respect of counterparties.
- 3.9 The current market conditions have made investment decisions more difficult as the number of counterparties which meet the Council's parameters has reduced making it harder to achieve reasonable returns while limiting the exposure to any one institution.
- 3.10 As part of the preparation for the introduction of the Markets in Financial Instruments Directive II on 3 January 2018 the Council has exercised its option to opt up to Professional Status to allow the treasury management function to continue to access Money Market Funds and other financial instruments.

Economic and Interest Rate Forecasts

- 3.11 The latest economic background is shown in appendix 1 with the interest rate forecast in appendix 2.

Prudential Indicators

- 3.12 The prudential indicators for 2018-19 are attached in appendix 3.

4. CONCLUSION

- 4.1 The Council's borrowing decreased by £0.889m, it is below the Capital Financing Requirement for the period to 30 June 2018. There are substantial internal balances, of which £82.7m is currently invested. The investment returns were 0.760% which is above the target of 0.361%.

5. IMPLICATIONS

- | | | |
|-----|--------------------|-------|
| 5.1 | Policy – | None. |
| 5.2 | Financial - | None |
| 5.3 | Legal - | None. |
| 5.4 | HR - | None. |
| 5.5 | Equalities - | None. |
| 5.6 | Risk - | None. |
| 5.7 | Customer Service - | None. |

Kirsty Flanagan, Head of Strategic Finance
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For further information please contact Peter Cupples, Finance Manager – Corporate Support 01546-604183.

Appendix 1 – Economic Background
Appendix 2 – Interest Rate Forecast
Appendix 3 – Prudential Indicators

Appendix 1

Economic Background

This section has been provided by Link Asset Services and therefore includes their views and opinions of future trends and events.

During the quarter ended 30 June 2018:

The economy showed signs of regaining momentum after the slowdown in Q1;

Employment growth rose strongly but wage growth softened;

Consumer price inflation eased further;

The MPC struck a more hawkish tone at its June meeting;

Public sector borrowing undershot the Office for Budget Responsibility' (OBR) forecasts;

Progress on Brexit negotiations stalled;

Equity markets were buffeted by increased global trade tensions.

GDP quarter 1 2018. The Quarterly National Accounts revealed that the economy expanded by an upwardly-revised 0.2% in the first quarter. The adverse weather appears to have played its part, with the construction sector knocking 0.1% off growth. However, the ongoing squeeze on households' real incomes also probably contributed to the softness. Note that household spending grew by just 0.2%. What's more, business investment contracted by 0.4%, after rising by 0.2% in Q4.

The 0.2% quarterly rise in real **household spending** was the weakest in nearly six years and almost entirely funded by a drop in the savings ratio to its second-lowest on record. Indeed, at 4.2%, it is well below its average of about 8%. This raises concerns about the sustainability of spending growth ahead, particularly if households rebuild savings in response to rising real incomes. However, there are signs that spending growth has picked up in Q2. Retail sales volumes expanded by more than 1% on the month in both April and May and consumer confidence has trended upwards this year.

The Markit/CIPS **all-sector PMI** points to quarterly GDP growth of around 0.4% in Q2 so far, suggesting that the economy has regained some momentum in the second quarter. Meanwhile, the PMI survey doesn't include retail activity which appears to have rebounded in Q2 suggesting that if anything the survey is understating the pickup in GDP growth. Admittedly, the official output data for April is mixed. Construction output grew by only 0.5% in April from the 2.3% drop in March and the run of manufacturing growth appears to have come to an end, with a sharp 1.4% monthly drop in April. But note that the dominant services sector output expanded by 0.3% in April, suggesting that the sector got off to a good start in Q2.

Meanwhile, the **labour market** has continued to show signs of strength. The unemployment rate stood at a multi-decade low, reaching 4.2% in April. Employment growth has also been impressive this year, rising by a quarterly 146,000 in the three months to April and by 1.4% on a year earlier. Such strong gains in employment have

been possible thanks to a surge in the number of people joining the workforce. The various measures of hiring intentions and surveys of employment that we follow suggest that this growth could be maintained, at least in the short term.

Headline total **pay growth** has softened over the past few months, dropping from 2.8% in January to 2.5% in April. But this is largely due to base effects and weakness in bonus payments. Indeed, headline regular pay growth has picked up to 2.8% in April, up from 2.4% in Q4 and surveys of pay settlement point to growth of around 3.0% by the end of the year. As a result, nominal earnings growth has now overtaken inflation for the first time in twelve months.

Indeed, **CPI inflation** has fallen back from 3.0% in Q4 to 2.4% in May, as the inflationary impact of sterling's past depreciation has eased. However, rising oil prices over the past few months, from around \$67pb at the start of April to a 3-year high of \$80 in May in response to concerns about supply disruptions, has put upward pressure on firms' costs. Indeed, producer input price inflation has risen from a low of 3.9% in February to 9.2% in May and producers have managed to pass on some of the rise in costs to consumers, with annual output price inflation edging up from 2.5% in April to 2.9%. What's more, the utility price hikes announced by the 'Big 6' energy firms will probably cause inflation to tick up temporarily in the coming months. But we still think that inflation will fall back this year given the offsetting downward pressure from easing food price and imported goods inflation.

A run of weak economic data, alongside comments from Governor Carney signalling that the Monetary Policy Committee (MPC) is in no rush to raise rates, saw investors push back their expectations for the next interest rate hike from May to November. Indeed, the **MPC's May meeting** revealed the Committee's desire to wait for confirmation that the slowdown in Q1 was temporary. The *May Inflation Report* also showed that the Bank expects inflation to return to the 2% target at the two-year horizon on the basis of just a 50bp increase in Bank Rate over the next two years.

However, the **MPC struck a more hawkish tone at the meeting in June**. Three members voted for an immediate rate rise, citing that the benefits of waiting for additional information were limited and that there may be some upside risks to the MPC's *May Inflation Report* forecasts for earnings growth. The minutes also revealed that the Committee placed more weight on the recent rebound in consumer spending and the survey indicators, than the weak production figures for April. The probability of an interest rate hike in August now stands at close to 70% up from around 30% a month ago.

Elsewhere, the **public finances** continued to undershoot the OBR's forecasts. Public sector net borrowing for 2017/18 came in £19bn below what the OBR predicted in March 2017 and the current budget, (based on day-to-day spending), recorded its first full-year surplus since 2001/02. Borrowing so far in 2018/19 is 25% lower than at this stage last year, largely due to weaker local authority spending growth, and VAT and income tax receipts have risen strongly. While it is still early days and the figures are subject to revisions, the promising start to the year eases the pressure on the Chancellor to find the money to deliver on the Government's promise of an additional

£5bn health expenditure by 2020/21. Note that even before the latest improvements, the OBR's forecast predicted that the Chancellor would have £15bn of headroom in meeting his target for a cyclically-adjusted deficit of 2% of GDP in 2020/21.

The Government managed to avoid giving Parliament the option to take over the **Brexit negotiations** in the event of a “no-deal Brexit”, but instead proposed an amendment to the EU Withdrawal Bill that gives the decision of how much influence Parliament has, to the Speaker of the House of Commons. Meanwhile, the European Council expressed concern about the lack of progress on the Withdrawal Agreement at the EU summit in June. The EU has dismissed the UK's proposal for the whole of the UK to remain within the EU's customs territory. As a result, for the UK government to keep its pledge to avoid any physical infrastructure on the border between the Republic of Ireland and Northern Ireland, and the need for checks on goods crossing the Irish Sea between Northern Ireland and the UK, it would need to “rub out” its red line of leaving the customs union entirely. Given the slow pace of progress on negotiations, the December European Council meeting is now being seen as the most likely date for the Withdrawal Agreement, and terms for the UK's future relationship with the EU, to be signed off.

Turning to **financial markets**, increased global trade tensions have buffeted equity markets over the past few months. Indeed, the EU retaliated with reciprocal measures to the US tariffs on imports of steel and aluminium and the US singled out China with import tariffs worth a total of \$250bn. Of the measures already announced, the UK would not be significantly affected, but clearly would be vulnerable in a scenario of a global trade war. The **FTSE** ended the quarter almost 8% higher, slightly outperforming the S&P 500 and other global equity indices, due to the boost from the rise in oil prices at the start of the quarter on equity valuations. The **trade-weighted sterling index** drifted 1% lower over the quarter, largely due to a depreciation against the dollar since mid-April, as relative interest rate expectations moved in favour of the US. **10-year gilt yields** also dropped by around 10bp, but this masks considerable movements during the quarter. Indeed, yields fell sharply due to a rise in safe haven demand as concerns about the new Italian government surfaced towards the end of May. This was accompanied with a downward revision to investors' interest rate expectations in the UK.

Internationally, the **US Federal Reserve** hiked interest for the seventh time in the tightening cycle, taking the Fed funds range to 1.50%-1.75%. The consensus among economists and Fed officials is now for two more 25bp rate hikes in 2018 and a further three 25bp hikes in 2019. On the activity front, the US economy lost some pace in the first quarter, but this appears to be mirrored across most developed economies. Indeed, all major European economies slowed and the **Eurozone** expanded by just 0.4% on the quarter, down from 0.7% in Q4 due to a large drag from net trade. Meanwhile, the **ECB's decision** to end its asset purchases by December was accompanied with a dovish stance on interest rates, noting that they are unlikely to raise rates until late 2019.

Appendix 2

Interest Rate Forecast:

Our treasury management advisers, Link Asset Services have provided us with the following update to their interest rate forecasts.

It should be noted that this forecast was provided prior to the Bank of England increasing the base rate by 0.25% to 0.75% on 2 August 2018.

	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%
10yr PWLB View	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%
25yr PWLB View	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%

Link Asset Services undertook its last review of interest rate forecasts on 11 May after the quarterly Bank of England Inflation Report and MPC meeting at which the MPC kept Bank Rate unchanged at 0.50%. The MPC Minutes indicated they wanted to see whether the slowdown in growth in quarter 1 had been a temporary blip or a potential first sign of a prolonged period of weak growth

The overall balance of risks to economic recovery in the UK is probably even. However, given the uncertainties around Brexit in particular, but also other uncertainties, there is a wide diversity of possible outcomes for the strength of economic growth and inflation, and the corresponding speed with which Bank Rate could go up.

APPENDIX 3 : PRUDENTIAL INDICATORS

PRUDENTIAL INDICATOR	2018/19	2018/19	2019/20	2020-21
(1). EXTRACT FROM BUDGET				
	Forecast Outturn £'000	Original Estimate £'000	Forecast Outturn £'000	Forecast Outturn £'000
Capital Expenditure				
Non - HRA	27,826	57,710	7,784	(1,922)
TOTAL	27,826	57,710	7,784	(1,922)
Ratio of financing costs to net revenue stream				
Non - HRA	7.21%	7.21%	7.03%	6.61%
Net borrowing requirement				
brought forward 1 April *	318,341	257,324	336,094	336,912
carried forward 31 March *	336,094	304,627	336,912	324,766
in year borrowing requirement	17,753	47,303	818	(12,146)
In year Capital Financing Requirement				
Non - HRA	17,753	47,303	818	(12,146)
TOTAL	17,753	47,303	818	(12,146)
Capital Financing Requirement as at 31 March				
Non - HRA	336,094	304,627	336,912	324,766
TOTAL	336,094	304,627	336,912	324,766
Incremental impact of capital investment decisions				
Increase in Council Tax (band D) per annum	£ p 128.26	£ p 15.72	£ p 16.34	£ p (4.03)

PRUDENTIAL INDICATOR	2018/19	2019/20	2020/21
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'M	£'M	£'M
Authorised limit for external debt -			
borrowing	208	208	199
other long term liabilities	133	133	133
TOTAL	341	341	332
Operational boundary for external debt -			
borrowing	203	203	194
other long term liabilities	130	130	130
TOTAL	333	333	324
Upper limit for fixed interest rate exposure			
Principal re fixed rate borrowing	190%	190%	190%
Upper limit for variable rate exposure			
Principal re variable rate borrowing	60%	60%	60%
Upper limit for total principal sums invested for over 364 days (per maturity date)	£20m	£20m	£20m

Maturity structure of new fixed rate borrowing during 2017/18	upper limit	lower limit
under 12 months	30%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	30%	0%
5 years and within 10 years	40%	0%
10 years and above	80%	0%

RESERVES AND BALANCES – UPDATE AS AT 30 JUNE 2018

1 EXECUTIVE SUMMARY

- 1.1 The main purpose of this report is to advise Members of the overall level of reserves held by the Council as well as providing detail on the monitoring of the earmarked balances held within the General Fund.
- 1.2 The Council has a total of £229.053m unusable reserves that are not backed with resources. They are required purely for accounting purposes.
- 1.3 The Council has a total of £56.152m usable reserves as at the end of 31 March 2018. Of this balance, £1.515m relates to the Repairs and Renewals Fund, £4.326m relates to Capital Funds and the remainder is held in the General Fund, with £43.717m of the balance earmarked for specific purposes.
- 1.4 Of the earmarked balance of £43.717m:
- £23.327m is invested or committed for major initiatives
 - £0.071m has already been drawn down as at the end of June
 - £15.437m is still to be drawn down in 2018-19
 - £4.882m is planned to be spent in future years

Appendix 1 provides further information on the unspent budget earmarkings.

- 1.5 The General Fund contingency is set at 2% of net expenditure for 2018-19 and amounts to £4.726m. At the beginning of the financial year there was £1.868m of unallocated General Fund Balance (over and above contingency). After taking into consideration the forecast outturn for 2018-19 and if the forecast outturn remains by the year end, the Council will be using £0.933m of its contingency balance.

RESERVES AND BALANCES - UPDATE AS AT 30 JUNE 2018**2. INTRODUCTION**

- 2.1 This report outlines current balances on all of the Council's reserves, both usable and unusable. It also provides detail on the monitoring of the earmarked balances within the General Fund.

3. DETAIL**3.1 Types of Reserves**

- 3.1.1 Usable Reserves - Councils have powers to establish certain resource backed reserves which can be used to fund expenditure. The powers of councils to establish reserves are laid out in Schedule 3 of the Local Government (Scotland) Act 1975. These allow councils to establish a Renewal and Repairs Fund, Insurance Fund and Capital Fund. Councils can also establish a Useable Capital Receipts Reserve. The Council must also maintain a General Fund and can earmark balances for specific purposes within the General Fund.

- 3.1.2 Unusable Reserves – Councils are also required to establish certain reserves that are not backed by resources. They are required purely for accounting purposes and do not represent resources available for councils to utilise. The Pensions Reserve, Revaluation Reserve, Capital Adjustment Account, Financial Instruments Adjustment Account and Accumulated Absences Account fall into this latter category of accounting reserves.

3.2 Reserve Balances At 31 March 2018

- 3.2.1 The balances on each type of reserve at 31 March 2018 are set out in the table below.

Reserve	£000
Unusable Reserves	
Revaluation Reserve	108,720
Capital Adjustment Account	196,126
Financial Instruments Adjustment Account	(3,506)
Pensions Reserve	(68,251)
Accumulated Absences Account	(4,036)
Total Unusable Reserves	229,053
Usable Reserves.....on next page	

Reserve	£000
Usable Reserves	
Repairs and Renewals Fund	1,515
Capital Fund and Usable Capital Receipts Reserve	4,326
General Fund	50,311
Total Usable Reserves	56,152
Total Reserves	285,205

3.2.2 The Revaluation Reserve represents the unrealised gains in the valuation of fixed assets. The Capital Adjustment Account represents the difference between depreciation based on proper accounting practice and statutory charges for financing capital expenditure. The Financial Instruments Adjustment Account represents the difference between gains and losses on borrowing and statutory capital financing charges. The Pensions Reserve represents the difference between pension costs based on proper accounting practice and payments made for pension costs. The Accumulated Absences Account represents the costed difference between holiday pay entitlement and actual holidays taken at 31 March.

3.2.3 The Repairs and Renewals Fund was established to support funding of renewal and replacement of school equipment. Schools can only draw on the Repairs and Renewals Fund to the extent they have previously paid into the Fund and contributions must be contained within schools devolved budgets.

3.2.4 The Capital Fund was established to receive all capital receipts generated by the Council and can be used to support the capital plan or meet the principal repayments on loan charges. The Council decides as part of the budget process each year how it wishes to draw funding from the Capital Fund.

3.2.5 The Usable Capital Receipts Reserve relates to the accumulated unspent capital receipts from sale of council houses prior to transfer of the housing stock. The reserve forms part of the Council's Strategic Housing Fund and can only be used for investment in social housing. The reserve will be used in accordance with the approach to investing in housing agreed by the Council in August 2012.

3.3 General Fund

3.3.1 The General Fund balance at 31 March 2018 can be analysed as follows:

	Balance 31/03/17 £000
Balance on General Fund as at 31 March 2017	53,489
Decrease to General Fund balance at end of 2017-18	(3,178)
Earmarked Balances	(43,717)
Contingency allowance at 2% of net expenditure	(4,726)
Unallocated balance as at 31 March 2018	1,868

3.3.2 The General Fund includes balances that the Council has agreed to earmark for specific purposes. Some of these earmarked balances will be spent during the current financial year and some of them will be held over and spent in later

years. The table below shows the balance at 31 March 2018, the amounts that are currently invested or set aside for major initiatives, the amount already spent and planned to be spent in the current year, the amount to be spent in future years and any sums no longer required to be earmarked. Appendix 1 provides further details on the breakdown of unspent budget. Officers have reviewed and updated the spending profiles.

Earmarking Category	Balance 31/03/18	Invested or committed for major initiatives	Drawn-down to 2018-19 Budget as at 30/06/18	Still to be drawn-down in 2018-19	Planned Spend Future Years	Balance no Longer Required
	£000	£000	£000	£000	£000	£000
Strategic Housing Fund	5,900	5,900	0	0	0	0
Investment in Affordable Housing	5,000	5,000	0	0	0	0
Helensburgh Waterfront	5,579	5,579	0	0	0	0
Lochgilthead and Tarbert Regeneration	2,995	2,995	0	0	0	0
Inward Investment Fund	960	960	0	0	0	0
Rural Resettlement Fund	328	279	49	0	0	0
Asset Management Investment	2,507	2,507				
Piers and Harbours Investment Fund	107	107	0	0	0	0
Severance	1,238	0	0	0	1,238	0
Scottish Government Initiatives	566	0	0	561	5	0
Transformation	83	0	0	0	83	0
CHORD	333	0	0	237	96	0
DMR – Schools	751	0	0	751	0	0
Energy Efficiency Fund	136	0	0	0	136	0
Existing Legal Commitments	920	0	0	0	920	0
Unspent Grant	1,295	0	0	965	330	0
Unspent Third Party Contributions	170	0	0	36	134	0
Other Previous Council Decisions	9,350	0	22	8,871	457	0
Unspent Budget	5,499	0	0	4,016	1,483	0
Total	43,717	23,327	71	15,437	4,882	0

3.3.3 The General Fund contingency is set at 2% of net expenditure for 2018-19 and amounts to £4.726m. At the beginning of the financial year there was £1.868m of unallocated General Fund Balance (over and above contingency). After taking into consideration the forecast outturn for 2018-19 and if the forecast outturn remains by the year end, the Council will be using £0.933m of its contingency balance.

	£000
Unallocated balance as at 31 March 2018	1,868
Current Forecast Outturn for 2018-19 as at 30 June 2018	(2,801)
Estimated Unallocated balance as at 31 March 2019	(933)

- 3.3.4 The forecast outturn position needs to be closely monitored, particularly the forecast outturn for Social Work and departments will be actively pursuing options to reduce any forecast overspend. If there is no improvement in the forecast outturn then consideration will need to be given to putting in place a recovery plan.

4. CONCLUSION

- 4.1 The report outlines the overall reserves and balances for the Council covering the purpose and level of each reserve. It also provides detail as to expenditure against earmarked balances held within the General Fund.
- 4.2 As at 30 June 2018 the estimated unallocated General Fund, after taking into consideration the forecast outturn for 2018-19 is a deficit of £0.933m.

5. IMPLICATIONS

- 5.1 Policy - Earmarked funds and funds set aside for delivery of Single Outcome Agreement are available to support Council Policy.
- 5.2 Financial - Outlines the balances held with the Council's usable and unusable reserves.
- 5.3 Legal - None.
- 5.4 HR - None.
- 5.5 Equalities - None.
- 5.6 Risk - A contingency of £4.726m (equivalent to 2% of net expenditure) has been set aside as part of the general fund. This has been subject to a risk assessment.
- 5.7 Customer Service - None.

Kirsty Flanagan
Head of Strategic Finance
18 July 2018

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

APPENDICES

Appendix 1 – Earmarked Reserves breakdown of unspent budget

APPENDIX 1

Earmarked Reserves - Unspent Budget
As at 30 June 2018

Ref	Department	Service	Description	Opening Balance	Budget Drawdown	Released back to General Fund	Remaining Balance	Still to be drawdown in 18/19	Planned to spend in future years	Plans for Use	Amount Planned to be Spent in 2018/19	Amount Planned to be Spent in 2019/20	Amount Planned to be Spent from 2020/21 onwards
001	Chief Executive Unit	Strategic Finance	CIPFA and AAT student fees, equipment and the conversion of paper client records to the CIVICA Electronic Document Management System	54,919			54,919	40,253	14,666	CIPFA Training - To fund the professional training costs for three staff undertaking the CIPFA professional accountancy qualification. AAT Programme - This is part of the Strategic Finance medium to long term plan to "Grow your own" to plan for succession and ensure the quality of service provided. Converting to Digital Records project - This project has been created to covert all the Income Maximisation finance files (Homecare/Adult care etc) to digital. This will be done by employing a temporary admin assistant. Once complete the efficiencies of information flow and access will generate savings within the finance team.	40,253	14,666	0
002	Community Services	Education	Youth Employment Opportunities Fund	30,270			30,270	30,270	0	Fund established in 2012/13 to be spent over more than one year. Monies will mainly be used for Modern Apprenticeship scheme.	30,270	0	0
003	Community Services	Education	School Campus Proposals - Dunoon and Campbeltown	43,122			43,122	43,122	0	Additional revenue costs associated with development of new schools. Draw down as Schools project progresses and project costs are incurred.	43,122	0	0
004	Community Services	Formerly Community and Culture	Queen's Hall Soft Play	75,000			75,000	75,000	0	To fund the provision of a soft play area required as part of the CHORD redevelopment of the Queen's Hall.	75,000	0	0
005	Customer Services	Customer and Support Services	WSUS Servers	9,448			9,448	9,448	0	To fund the introduction of local Windows Services Update Servers (WSUS) to assist the Council with ensuring that essential updates are installed across the desktop and laptop estate much more quickly, thereby increasing IT security and with less adverse impact on bandwidth and user performance.	9,448	0	0
006	Customer Services	Customer and Support Services	Discretionary Housing Payments	38,939			38,939	38,939	0	Residual funding from the Scottish Government allocation for Discretionary Housing Payments (DHPs) in 2014-15 not previously utilised on DHPs in 2017-18 as planned. This underspend should be carried forward to supplement monies available for 2018-19 to offset the reduction in the	38,939	0	0
007	Customer Services	Customer and Support Services	Scottish Government Funding - Welfare Reform/Discretionary Housing Payments (agreed at Council February 2014)	18,595			18,595	18,595	0	The Council was allocated additional funding of £50k from the Scottish Government late in 2013-14 to provide additional Discretionary Housing Payments. The Council agreed to carry forward the balance of funding to support a range of welfare reform interventions. An updated spending plan for the funding was agreed by the Policy and Resources Committee in March 2017.	18,595	0	0
008	Customer Services	Customer and Support Services	Digital Transformation	119,870			119,870	119,870	0	To fund the development of 11 digital transformation options and to support the work of the Transformation Board. Options were approved by the Administration on 3rd December for a series of spend to save activities.	119,870	0	0
009	Customer Services	Customer Services	Estates - NDR Revaluation Appeals	115,000			115,000	115,000	0	To meet the cost of appealing NDR revaluations which will be imposed from 1st April 2017.	115,000	0	0
010	Customer Services	Customer Services	New Schools Project - Additional Monitoring	170,000			170,000	85,000	85,000	As a result of the Edinburgh Schools Inquiry, the Cole report has been issued addressing issues in relation to the monitoring of construction projects. Earmarking will provide resource to enable the Council to review monitoring arrangements across a number of projects to ensure compliance.	85,000	85,000	0
011	Customer Services	Facility Services	Management of Asbestos	236,961			236,961	146,961	90,000	Providing asbestos management on an ongoing basis by employing 2.5 FTE to ensure compliance with all regulatory requirements.	146,961	90,000	0
012	Customer Services	Improvement and HR	Training Centre Improvements	16,700			16,700	16,700	0	To fund the improvement of the Council's training facilities, including the purchase of new IT equipment which would increase the Council's training offering, allowing access to online, remote and multiple location webinar based learning.	16,700	0	0
013	Customer Services	Improvement and HR	Resourcelink Review	40,827			40,827	40,827	0	Fund the Resourcelink Project, which is improving efficiency and functionality in the Council's HR and payroll database. The RLS Project is underway and I deliver improved and remote clocking, health and safety records, learning and development records and functionality that supports the delivery of savings in HROD through automation and the removal of paper processes.	40,827	0	0

APPENDIX 1

Earmarked Reserves - Unspent Budget
As at 30 June 2018

Ref	Department	Service	Description	Opening Balance	Budget Drawdown	Released back to General Fund	Remaining Balance	Still to be drawdown in 18/19	Planned to spend in future years	Plans for Use	Amount Planned to be Spent in 2018/19	Amount Planned to be Spent in 2019/20	Amount Planned to be Spent from 2020/21 onwards
014	Customer Services	Improvement and HR	Argyll and Bute Manager Programme	6,354			6,354	6,354	0	Fund the Argyll and Bute Manager training programme which has been extended. Over 200 managers have been trained and the funding is being used to roll this out across all managers, with a further 3 cohorts having been enrolled in 2016/17 for training to take place in 2017/18. Once full coverage has been achieved the training will become part of business as usual for Learning and Development.	6,354	0	0
015	Customer Services	Improvement and HR	Learning and Development	44,147			44,147	44,147	0	Training identified via PRDs, develop further E-Learning modules and the provision of Social Work degree and HNC qualifications. Original earmarked balance was to be spent over a 5 year period.	44,147	0	0
016	Customer Services	Improvement and HR	Growing our Own and Modern Apprentices	157,867			157,867	157,867	0	Develop a comprehensive programme to support and attract young people into jobs and careers in the council. Includes funding for a temporary Growing Our Own development officer, who has been in post since September 2016 to co-ordinate the programme.	157,867	0	0
017	Customer Services	Improvement and HR	Leadership Development	32,282			32,282	32,282	0	Support a programme of enhanced leadership development for both senior and team leaders, building on the skills that they already have and ensuring that they are prepared and able to meet the challenges of transformation that that council is facing.	32,282	0	0
018	Customer Services	Improvement and HR	Service Choices HR Team	32,624			32,624	32,624	0	Fund a Service Choices team in HR to manage the HR process of redundancy, redeployment, retirement, contractual change and service re-design. This was agreed by Policy and Resources Committee on 20 August 2015. The Service Choices Programme is in its final year of implementation and the team are continuing to deal with redeployment, revised contracts and redundancy related to Year 3 implementation. The team will also pick up any employee related changes emerging from transformation or other service change.	32,624	0	0
019	Development & Infrastructure Services	Development & Infrastructure Services	Hermitage Park Pavilion	100,000			100,000	100,000	0	Funding to meet the unexpected additional cost associated with the construction of a new pavilion at Hermitage Park in Helensburgh.	100,000	0	0
020	Development & Infrastructure Services	Economic Development	Inveraray Avenue Screen	100,000			100,000	100,000	0	Essential maintenance work to be required out on the Arches in Inveraray.	100,000	0	0
021	Development & Infrastructure Services	Economic Development	Scottish Submarine Museum	40,000			40,000	40,000	0	Commonwealth Submarine Pavilion; proposal to create a new Naval Submarine Museum in Helensburgh as a visitor attraction and celebrate the town's links with HM Faslane Naval Base. This was agreed as part of the 2014/15 Budget as a demand pressure by Council on 13 February 2014.	40,000	0	0
022	Development & Infrastructure Services	Economic Development	Hermitage Park HLF	45,000			45,000	45,000	0	The aims of the scheme focus around the objectives of protecting the quality of the heritage of Hermitage Park thereby improving the quality of the experience, increase public engagement and the use of the park. The overall objective is to enhance the quality of the area as a place to live and work and in turn improve the overall quality of life in our communities This will be achieved through the following : 1 Restoration of the historic fabric including walled memorial garden, pond and gates, old mill remains, Hermitage Well and the Milling Burn paths, bridges and walls, 2 Restoration/reinterpretation of historic planting, including open up lines of site to improve safety of visitors, 3 Celebration of heritage through interpretation and community involvement – and upgrading of the paths and drainage to increase access to the Park, 4 Reconsideration of the recreational elements which include the children's play park, bowling green, tennis courts, putting green and recreational pavilion, shelter and toilets.	45,000	0	0
023	Development & Infrastructure Services	Economic Development	Rothesay Pavilion Essential repairs	306,400			306,400	306,400	0	Essential repairs to deal with potential health and safety risks and to avoid further deterioration. Budget provision was approved by the Policy and Resources Committee on 21 August 2014.	306,400	0	0

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As at 30 June 2018

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024	Development & Infrastructure Services	Economic Development	Oban TIF (Tax Incremental Financing)	1,005,171			1,005,171	1,005,171	0	Revenue budget approved to fund the Lorn Arc Incremental Financing (TIF) programme management. This balance will fund the programme office until 2019-20, any unspent amounts have been approved to be automatically carried forward at the year-end as agreed by Council on 22 January 2015.	1,005,171	0	0
025	Development & Infrastructure Services	Planning and Regulatory Services	Development Policy	19,910			19,910	19,910	0	To be used for the Marine Related Infrastructure Requirements Study which was mentioned in the Oban Strategic Development Framework and the Main Issue report (FQ4 2017/18). Remainder will be used for publicity and printing for the proposed LDP & associated documents.	19,910	0	0
026	Development & Infrastructure Services	Roads and Amenity Services	Street Lighting Survey	144,156			144,156	89,156	55,000	In order to ensure that the inventory is sufficiently robust to inform both an energy model and a lighting business case it is necessary to carry out an asset survey which will provide a high degree of inventory accuracy. As part of this process a robust protocol will be established that ensures that the inventory is monitored and kept up to date. In order to ensure that the inventory is sufficiently robust to inform both an energy model and a lighting business case it is necessary to carry out an asset survey which will provide a high degree of inventory accuracy. As part of this process a robust protocol will be established that ensures that the	89,156	55,000	0
027	Development & Infrastructure Services	Roads and Amenity Services	Amenity Services introduction of management information system	81,017			81,017	81,017	0	To introduce WDM/TOTAL to provide accurate management information on the operation of Amenity Services. Funding was available in the 2013-14 budget for this project, which was agreed as part of the service review. Because of delays with progressing budget savings options this delayed the implementation of this project. Work is progressing with a pilot phase. ELM is currently live with two teams in the Helensburgh and Lomond area, with colleagues in IT in the process of testing the results	81,017	0	0
028	Development & Infrastructure Services	Roads and Amenity Services	Waste Management	194,361			194,361	194,361	0	Will be used towards long term waste management model, including but not limited to scoping work for the creating of a waste transfer station at Blackhill. Will be used towards Waste Management longer term model. Delay in introduction of comingled collection due to legal issues that remain to be resolved, however monies will be required for waste management longer term model.	194,361	0	0
029	Development & Infrastructure Services	Roads and Amenity Services	3G pitches	448,679			448,679	397,000	51,679	Maintenance of 3G Pitches across Argyll & Bute.	397,000	51,679	0
030	HQ Non Dept	n/a	Community Resilience Fund	82,256			82,256	0	82,256	Fund established in 2012/13 to be spent over more than one year. Fund reduced at the Council meeting on 11 February 2016	Contingency balance - no spending plan for earmarked balance.	0	82,256
031	Integration Services	Adult Care	Autism Strategy	8,068			8,068	8,068	0	Carry forward on monies received late in 2012-13 to fund the development of an autism strategy for both adults and children. Report to Community Services Committee 8th May 2014 noting The Health and Social Care Strategic Partnership are leading work in Argyll and Bute to develop services for clients with an Autism Spectrum Disorder (ASD). Work is underway and remainder of funding will be utilised in 2017-18 on planned training.	8,068	0	0
032	Other	Other	Underwriting development of Rothesay Pavilion	1,000,000			1,000,000	0	1,000,000	Funding to meet additional costs identified as necessary for the refurbishment of Rothesay Pavilion.	0	1,000,000	0
033	Customer Services	Facility Services	Car Parking at Kilmory including Equality Act 2010 Requirements	137,845			137,845	130,953	6,892	The parking capacity at Kilmory is proving to be insufficient, particularly taking account of the pending transfer of up to 40 NHS staff from Aros during 2018. The proposal is to increase car parking capacity making use of the area adjacent to the access road to the west of the Extension building. If approved, the project would also deliver safety enhancements and DDA compliance for users and pedestrians including upgraded lighting along the footpath.	130,953	6,892	0

APPENDIX 1

Earmarked Reserves - Unspent Budget
As at 30 June 2018

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034	Customer Services	Improvement and HR	Living Wage Consolidation Team	94,108			94,108	62,739	31,369	This proposal relates to the first of a two stage project to review and update the Council's Pay and Grading model to incorporate the Scottish Local Government Living Wage arrangements. The first stage will involve the establishment of a project team to carry out an options appraisal and present a preferred and costed option to Council to agree the implementation of Living Wage consolidation and the required changes to the Pay and Grading model.	62,739	31,369	0
035	Customer Services	Improvement and HR	Transformation and Budget Reconstruction	49,774			49,774	33,183	16,591	This proposal seeks earmarked funding for temporary additional staff to support the effective delivery of employee change processes (increased requirements for redundancy quotes, retirement quotes, job evaluation, redeployment etc) involved in the Council's current Transformation Programme.	33,183	16,591	0
036	Customer Services	Improvement and HR	Business Development Training	77,250			77,250	38,625	38,625	This proposal is to invest in leadership development in support of transformational and culture change. The proposal involves a further programme of leadership development building on the outcomes of the Chief Officer's Leadership Development and Argyll and Bute Manager programmes.	38,625	38,625	0
037	Development & Infrastructure Services	Economic Development	Inveraray Arches Re-tender	50,000			50,000	50,000	0	The design team working on the essential maintenance work required on the Arches in Inveraray have provided updated advice on the likely cost of the project based on the reduction in scope of the works to the minimum (essential) elements and the costs which are likely to be submitted in response to a retender exercise. This earmarking reflects the anticipated increase in the cost of the works.	50,000	0	0
038	Development & Infrastructure Services	Roads and Amenity Services	Continuation of Transformation Project Managers	60,000			60,000	60,000	0	It is proposed to extend two existing transformation manager posts in roads to allow the rate of transformation that has been delivered through Roads and Amenity Services to be maintained. The work will focus on activities to improve service delivery by improving customer service and through a proactive approach to reducing complaints and service requests.	60,000	0	0
039	Development & Infrastructure Services	Planning, Housing and Regulatory Services	Housing Case Management System	24,000			24,000	24,000	0	It is proposed to earmark funds to meet the cost of the procurement of two additional modules for the CIVICA Housing Case Management System. Adding the Empty Homes and Home Energy Efficiency Programme modules will provide consistency of data collection across the Housing Service, an evidence base of actions taken, improve reporting on outcomes and provide performance monitoring functionality.	24,000	0	0
040	Development & Infrastructure Services	Roads and Amenity Services	Cardross Crematorium Essential DDA Works	103,000			103,000	103,000	0	There is currently an existing earmarked reserve of £94K to assist with the cost of upgrading the crematorium to meet health and safety and DDA requirements. These works were originally planned to be completed in conjunction with the installation of the new cremator. Unfortunately it was not possible to complete the design and procurement of these works in conjunction with the closures planned for the replacement of the cremator. In order to manage within the existing budget it would now be necessary to close the crematorium for a number of weeks causing significant disruption and a loss of income. This proposal requests an additional £103K earmarking of funds to cover the completion of the works largely out of opening hours.	103,000	0	0
041	Development & Infrastructure Services	Roads and Amenity Services	Dalninlongart Forestry Plan	11,000			11,000	0	11,000	In 2015 a Long Term Forest Plan for the forest was approved by the Forestry Commission to fell the remaining mature timber within the property. As part of the long term plan, the Council is obligated to restock this ground. It is proposed that the remaining income received for timber income from Tilhill Forestry Limited and annual rental income received from Northern Energy for be earmarked to fund the future work required to ensure that the Council fulfils its obligation to restock the site.	0	0	11,000
042	Development & Infrastructure Services	Economic Development	Oban Strategic Development Framework	75,000			75,000	75,000	0	As part of the Oban Strategic Development Framework, it is proposed to undertake a survey of road network usage and parking arrangements in Oban town centre.	75,000	0	0
				5,499,920	0	0	5,499,920	4,016,842	1,483,078		4,016,842	1,389,822	93,256

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES COMMITTEE****STRATEGIC FINANCE****16 AUGUST 2018**

BUDGET OUTLOOK 2019-20 TO 2021-22

1. EXECUTIVE SUMMARY

- 1.1 This report provides an update to the budget outlook 2019-20 to 2021-22, reported to Policy and Resources Committee on 17 May 2018.
- 1.2 At this stage, there are no changes to the financial assumptions used in the budget outlook reported to Committee in May, however, the Scottish Government published their Medium Term Financial Strategy on 31 May 2018 and there are two elements of the financial strategy that are worthy of comment in respect of our budget outlook.
- 1.3 As with our medium term outlook, Scottish Government are planning using three scenarios: an upper range, central scenario and lower range. The estimates of "Other Expenditure" within the Resource Budget are estimated to change between a 1.18% increase and an 11.55% decrease in funding between 2018-19 and 2020-21.
- 1.4 Our budget outlook assumes a year on year percentage reduction of between 1.5% and 3.2% (mid-range 2.35%). Over the three year period this represents a reduction of between 4.43% and 9.30% (mid-range 6.89%). (For information, the reduction over three years, doesn't equal the sum of the annual reductions as they are calculated on a reducing base.)
- 1.5 The Scottish Government strategy makes it quite clear that the funding figures are subject to change. This is an area that will be kept under close review and I will update the budget outlook if the funding position becomes clearer or more certain.
- 1.6 The other element of the financial strategy that is worthy of comment is in relation to public sector pay.
- 1.7 Decisions on future pay policy will be taken as part of the annual Scottish Budget process, with the next budget expected in December 2018. To illustrate costs of a progressive approach to pay for public sector workers, the Scottish Government have modelled three theoretical public sector pay award scenarios. The central scenario assumes a continuation of the 2018-19 pay policy (based on 3% up to £36,500, 2% up to £80,000 and £1,600 above £80,000) over the next four years. The upper scenario is based on a 4% increase and the lower scenario is based on a 2% increase.
- 1.8 The public sector pay commitment does not directly apply to Local Government, however, it is expected that Trade Unions would expect a package similar to any public sector pay award. The position that COSLA

takes is that any further increases to Local Government pay is unaffordable unless it is funded by Scottish Government.

- 1.9 The current outlook position assumes a pay award between 1.5% and 2.5% (mid-range 2%). In view of the continued uncertainty over future pay awards and the fact that we do not have an agreed position for 2018-19 that we could gauge future pay awards against, I have not changed the budget outlook. Like the Scottish Government funding, I will keep this assumption under close review and will update if I receive any other information that would suggest increasing the assumption.
- 1.10 For the Council overall position, in the mid-range scenario, the budget gap estimated over the three year period 2019-20 to 2021-22 is £13.188m with a gap of £2.506m in 2019-20.
- 1.11 In contrast, the budget gap in the best case scenario over the three years is £1.193m with a surplus of £1.488m in 2019-20 and in the worst case scenario, the budget gap over the three years is £31.290m with a gap of £8.487m in 2019-20.
- 1.12 It is recommended that the Policy and Resources Committee consider the current estimated budget outlook position for the period 2019-20 to 2021-22.

BUDGET OUTLOOK 2019-20 TO 2021-22

2. INTRODUCTION

- 2.1 This report provides an update to the budget outlook 2019-20 to 2021-22, reported to Policy and Resources Committee on 17 May 2018.

3. RECOMMENDATIONS

- 3.1 It is recommended that the Policy and Resources Committee consider the current estimated budget outlook position for the period 2019-20 to 2021-22.

4. DETAIL

- 4.1 The budget outlook has been prepared using three different scenarios, best case, worst case and mid-range. Relatively small variations in assumptions can lead to fairly significant changes in the outcome.

- 4.2 The assumptions built into the budget outlook are as follows:

- Scottish Government Funding
- Growth in Council Tax Base
- Council Tax Increase
- Pay Award including cost of pay increments
- Non-Pay Inflation
- Known Cost and Demand Pressures, with a small allowance included for unknown pressures in the mid-range and worst case scenario.
- Funding for the Health and Social Care Partnership
- Funding for Live Argyll & Bute Council
- Fees and Charges increase.

- 4.3 At this stage, there are no changes to the financial assumptions used in the budget outlook reported to Committee in May, however, the Scottish Government published their Medium Term Financial Strategy on 31 May 2018 and there are two elements of the financial strategy that are worthy of comment in respect of our budget outlook.

Scottish Government Funding

- 4.4 The Strategy explains the Fiscal Framework and funding arrangements that the Scottish Government now operates within, outlines their approach to financial management and fiscal rules and sets out a range of possible funding scenarios for the Scottish Budget over the next five years. It is noted within the Strategy that the economic and financial outlook is uncertain. Scottish Government have

no confirmed resource budgets beyond 2019-20 and the forecasts that underpin the Strategy will change between now and the point that the Scottish Government set firm budgets in the future. Therefore, any funding levels noted in the document are indicative.

- 4.5 The Scottish Government Resource Budget, from which Local Government is funded has a number of commitments that support the Scottish Government's social contract and require significant investment including Health, Police, Early Learning and Childcare, Attainment, Higher Education and Social Security.
- 4.6 As with our medium term outlook, Scottish Government are planning using three scenarios: an upper range, central scenario and lower range. In terms of the Resource Budget there is an estimated increase in funding of between 12.55% and 17.60% (central scenario 15.11%) between 2018-19 and 2021-22. However, from additional information received via COSLA that provides further information on the assumptions, the increase is directed to the commitments noted in the earlier paragraph and "Other expenditure" which Local Government is part of, is estimated to change between a 1.18% increase and an 11.55% decrease between 2018-19 and 2020-21 (central scenario 4.99%).
- 4.7 Our budget outlook assumes a year on year percentage reduction of between 1.5% and 3.2% (mid-range 2.35%). Over the three year period this represents a reduction of between 4.43% and 9.30% (mid-range 6.89%). (For information, the reduction over three years, doesn't equal the sum of the annual reductions as they are calculated on a reducing base.)
- 4.8 The comparison, between Scottish Government central scenario and our mid-range scenario is summarised in the table below.

		2019-20	2020-21	2021-22	3 Year Total
SG	Other	4.82%	2.32%	2.20%	4.99%
Expenditure		decrease	decrease	increase	decrease
ABC	Mid-range	2.35%	2.35%	2.35%	6.89%
scenario		decrease	decrease	decrease	decrease

- 4.9 The Scottish Government scenario estimates a larger decrease in 2019-20 and then a growth in 2021-22. There is likely to be other areas of expenditure in addition to local government that are included within "Other Expenditure". If there was a decrease closer to 5% in 2019-20 then this would be a much higher cut to what Local Government have experienced over the last 5 years.
- 4.10 As the Scottish Government strategy makes it quite clear that the figures are subject to change, I haven't altered my estimates at this stage. This is an area that will be kept under close review and I will update the budget outlook if the funding position becomes clearer or more certain.

Pay Award

- 4.11 The other element of the financial strategy that is worthy of comment is in

relation to public sector pay. The Scottish Government agreed to remove the 1% public sector pay cap in 2017. The need remains to balance a much needed increase in employee income with what public sector employers can reasonably afford.

- 4.12 Decisions on future pay policy will be taken as part of the annual Scottish Budget process, with the next budget expected in December 2018. To illustrate costs of a progressive approach to pay for public sector workers, the Scottish Government have modelled three theoretical public sector pay award scenarios. The central scenario assumes a continuation of the 2018-19 pay policy (based on 3% up to £36,500, 2% up to £80,000 and £1,600 above £80,000) over the next four years. The upper scenario is based on a 4% increase and the lower scenario is based on a 2% increase.
- 4.13 The public sector pay commitment does not directly apply to Local Government, however, it is expected that Trade Unions would expect a package similar to any public sector pay award. The position that COSLA takes is that any further increases to Local Government pay is unaffordable unless it is funded by Scottish Government.
- 4.14 The current outlook position assumes a pay award between 1.5% and 2.5% (mid range 2%). In view of the continued uncertainty over future pay awards and the fact that we do not have an agreed position for 2018-19 that we could gauge future pay awards against, I have not changed the budget outlook. Like the Scottish Government funding, I will keep this assumption under close review and will update if I receive any other information that would suggest increasing the assumption.
- 4.15 The current position re the pay negotiations for 2018-19 is that they are still ongoing. Within the budget pack in February 2018, I noted that there were Trade Union requests of 6.5% (SJC) and 10% (Teachers) and that high level calculations suggested that any pay award to this extent could cost in excess of £6m over and above the budget. As previously noted, COSLA's position is that any further increase to Local Government pay would have to be fully funded by Scottish Government.
- 4.16 For information, each 0.5% increase to the pay award would add approximately £0.550m onto the estimated gap.

Summary Budget Outlook

- 4.17 The table below summarises the estimated budget gap in the mid-range scenario, based on the current assumptions. Information on the best and worst case scenarios is included within Appendix 1.

	2019-20	2020-21	2021-22
	£000	£000	£000
Base Budget	236,282	236,282	236,282
Employee Cost Changes	2,577	5,119	7,706
Non-Pay Inflation	967	1,934	2,901

Cost and Demand Pressures	1,111	1,361	1,661
Increase/(Decrease) to HSCP allocation	0	0	0
Increase/(Decrease) to Live Argyll payment	93	189	287
Loans Charges profiling	(900)	(800)	(800)
Fees and Charges Increase	(277)	(554)	(831)
Catering and Cleaning Service Choices	0	0	(172)
Management/Operational Savings Agreed October 2017	(299)	(625)	(625)
Policy Savings Agreed February 2018	(1,151)	(2,437)	(2,437)
Council Tax Increase at 3%	(1,437)	(2,939)	(4,508)
Total Estimate Expenditure	241,030	244,885	248,837
Estimated Funding	234,460	230,316	226,276
Estimated Budget Surplus / (Gap) Cumulative	(2,506)	(7,214)	(13,188)
Estimated Budget Surplus / (Gap) In Year	(2,506)	(4,708)	(5,974)

4.18 In the mid-range scenario, the budget gap estimated over the three year period 2019-20 to 2021-22 is £13.188m with a gap of £2.506m in 2019-20.

4.19 In contrast, the budget gap in the best case scenario over the three years is £1.193m with a surplus of £1.488m in 2019-20 and in the worst case scenario, the budget gap over the three years is £31.290m with a gap of £8.487m in 2019-20.

5. CONCLUSION

5.1 This report provides an update to the budget outlook, covering the period 2019-20 to 2021-22, reported to Policy and Resources Committee on 17 May 2018. In the mid-range scenario, the budget gap estimated over the three year period 2019-20 to 2021-22 is £13.188m with a gap of £2.506m in 2019-20. The Transformation Board have been exploring opportunities to protect/mitigate against future budget gaps and proposals will be brought forward in due course.

6. IMPLICATIONS

6.1 Policy - Sets out the budget outlook that provides the financial envelope for policy decisions.

6.2 Financial - Sets best, worst and mid-range scenarios in respect of the budget outlook. The medium to longer term financial strategy is being developed and the Council are actively continuing to pursue opportunities to mitigate against future budget gaps.

6.3 Legal - None directly from this report but Council will need to balance the budget.

- | | | |
|-----|--------------------|--|
| 6.4 | HR - | None directly from this report but there is a strong link between HR and budgets. |
| 6.5 | Equalities - | None directly from this report but any proposals to address the estimated budget gap will need to consider equalities. |
| 6.6 | Risk - | None directly from this report but any proposals to address the estimated budget gap will need to consider risk. |
| 6.7 | Customer Service - | None directly from this report but any proposals to address the estimated budget gap will need to consider customer service. |

Kirsty Flanagan
Head of Strategic Finance
23 July 2018

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

APPENDICES:

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

	Best Case Scenario			Mid-Range Scenario			Worst Case Scenario		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Base Budget	236,303	236,303	236,303	236,303	236,303	236,303	236,303	236,303	236,303
Base Budget Adjustments	(21)	(51)	(51)	(21)	(21)	(21)	(21)	(21)	(21)
Revised Base Budget	236,282	236,252	236,252	236,282	236,282	236,282	236,282	236,282	236,282
Pay Award	1,624	3,272	4,945	2,245	4,455	6,710	2,707	5,481	8,325
Pay Increments	0	0	0	332	664	996	664	1,328	1,992
Total Employee Cost Changes (Council Services)	1,624	3,272	4,945	2,577	5,119	7,706	3,371	6,809	10,317
Non-Pay Inflation - Council Services	967	1,934	2,901	967	1,934	2,901	1,683	3,366	5,049
Universal Credit - HB Admin Grant	50	100	150	50	100	150	50	100	150
New Schools Unitary Charges	349	349	349	349	349	349	349	349	349
Asbestos Management Plan	0	20	20	0	40	40	0	60	60
Carbon Reduction Scheme	0	0	0	13	13	13	25	25	25
Renewal of School and Public Transport Contracts Mid Argyll	5	5	5	5	5	5	5	5	5
Local Plan Enquiry	90	0	0	90	0	0	90	0	0
Waste PPP Financial Model	306	306	306	306	306	306	306	306	306
Catering Hub (Catering and Cleaning Service Choices) - undeliverable Saving	48	48	48	48	48	48	48	48	48
General Allowance for Unidentified Cost and Demand Pressures	0	0	0	250	500	750	500	1,000	1,500
Total Cost and Demand Pressures	848	828	878	1,111	1,361	1,661	1,373	1,893	2,443
Adjustment to Health and Social Care Partnership Payment	(846)	(1,679)	(2,500)	0	0	0	844	1,688	2,532
Adjustment to Live Argyll Management Fee	93	189	287	93	189	287	93	189	287
Total Estimated Expenditure PRIOR to measures to balance the budget	238,968	240,796	242,763	241,030	244,885	248,837	243,646	250,227	256,910
Scottish Government Grant	188,171	185,348	182,568	186,548	182,164	177,883	184,924	179,006	173,278
Council Tax	48,032	48,392	48,755	47,912	48,152	48,393	47,793	47,912	48,032
Total Funding	236,203	233,740	231,323	234,460	230,316	226,276	232,717	226,918	221,310
Budget Surplus / (Gap) PRIOR to measures to balance the budget	(2,765)	(7,056)	(11,440)	(6,570)	(14,569)	(22,561)	(10,929)	(23,309)	(35,600)
Measures to Balance the Budget:									
Loans Charges Profile Adjustment and Savings	900	800	800	900	800	800	900	800	800
Fees and Charges	462	924	1,386	277	554	831	92	184	276
Catering and Cleaning Longer Term Redesign (Service Choices February 2016)	0	0	446	0	0	172	0	0	172
Management/Operational Savings Identified October 2017	299	625	625	299	625	625	299	625	625
Policy Savings Options agreed February 2018	1,151	2,437	2,437	1,151	2,437	2,437	1,151	2,437	2,437
Council Tax Increase	1,441	2,958	4,553	1,437	2,939	4,508	0	0	0
Total Measures to Balance the Budget	4,253	7,744	10,247	4,064	7,355	9,373	2,442	4,046	4,310
Budget Surplus / (Gap) Cumulative AFTER measures to balance the budget	1,488	688	(1,193)	(2,506)	(7,214)	(13,188)	(8,487)	(19,263)	(31,290)
Budget Surplus / (Gap) In Year AFTER measures to balance the budget	1,488	(800)	(1,881)	(2,506)	(4,708)	(5,974)	(8,487)	(10,776)	(12,027)

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES
COMMITTEE****CUSTOMER SERVICES****16 AUGUST 2018**

**SERVICE ANNUAL PERFORMANCE REVIEWS 2017-18 AND PERFORMANCE
REPORT – FQ1 2018-19 (APRIL-JUNE)**

1. EXECUTIVE SUMMARY

- 1.1 The Council's Planning and Improvement Framework sets out the process for presentation of the Council's Service Annual Performance Reviews (APRs) and quarterly performance reports.
- 1.2 This paper presents the Policy and Resources Committee with the Service APRs from Customer Services and Strategic Finance for 2017-18 and the performance report with the scorecards for Customer Services and Strategic Finance for FQ1 2018-19 (April-June).
- 1.3 It is recommended that the Policy and Resources Committee endorse the Service APRs and reviews the scorecards as presented.

**SERVICE ANNUAL PERFORMANCE REVIEWS 2017-18 AND PERFORMANCE
REPORT – FQ1 2018-19 (APRIL-JUNE)**

2. INTRODUCTION

- 2.1 The Planning and Improvement Framework sets out the process for presentation of the Service Annual Performance Reviews (APRs) and the quarterly performance reports.
- 2.2 This paper presents the Policy and Resources Committee with the Service APRs from Customer Services and Strategic Finance for 2017-18 and the departmental performance reports and associated scorecards for performance in FQ1 2018-19 (April – June).

3. RECOMMENDATIONS

- 3.1 That the Committee endorse the APRs as presented.
- 3.2 That the Committee reviews the scorecards as presented.

4. DETAIL

- 4.1 The Service APR provides a summary of the key successes, improvements and case studies during the past year along with identified key challenges and actions to address the challenges. Every consultation that has occurred is recorded – “We Asked, You Said, We Did”. The results of consultation help inform future service delivery.
- 4.2 The performance scorecard for the Customer Services Department was extracted from the Council’s Pyramid performance management system and is comprised of key performance indicators incorporating the four services that make up Customer Services. Likewise the scorecard for Strategic Finance comprises the key performance indicators for this service.

5. IMPLICATIONS

- | | | |
|-----|---------------------------------------|--|
| 5.1 | Policy | None |
| 5.2 | Financial | None |
| 5.3 | Legal | The Council has a duty to deliver best value under the Local Government Scotland Act 2003. |
| 5.4 | HR | None |
| 5.5 | Equalities & Socio
Economic Impact | None |
| 5.6 | Risk | Ensuring performance is effectively scrutinised by members reduces reputational risk to the Council. |

5.7 Customer Services None

Appendix 1: Service APRs for Customer Services and Strategic Finance
Appendix 2: Performance reports and Scorecards

Douglas Hendry, Executive Director – Customer Services

For further information contact:

Jane Fowler, Head of Improvement and HR

Kirsty Flanagan, Head of Strategic Finance

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Annual Performance Review 2017-2018

Customer & Support Services

KEY SUCCESSES

Key Improvements from previous year's annual performance review

Business Outcome 27 - Infrastructure and assets are fit for purpose

1. Agreed and implemented new Microsoft licensing strategy and concluded subsequent Microsoft Licensing audit satisfactorily.
2. Completed migration to SWAN network by 25 July and subsequently finalised settlement with Capita for delays with Pathfinder North.
3. Time to fix faults for year is 2.9 hours well below target of 5.0 hours. Above budgeted income received for IT disposals. Capital programme fully delivered. Renegotiated Idox contract and achieved significant saving for that service. Achieved 97.3% success score on ICT projects above target of 82%.

Business Outcome 28 - Our processes are efficient, cost effective and compliant

1. 1 Completed go live of replacement council tax and benefits system in February 2018 as planned achieving saving in system costs.
2. Total sundry debt older than 3 months reduced to £889k below target of £900k having been above target since August. Recipients of music tuition can now pay for this by direct debit.
3. 264,510 online transactions for year above target of 230,000 despite loss of LiveArgyll and of Gandlake council tax e-billing system in last quarter. 78% of website visitors have successful visit (above target of 70%) and 77% find the information they are looking for easily. Following a fall in FQ1, the percentage of successfully routed self-service calls has risen to 80.5% for last 6 months of years (highest rate ever).
4. We achieved in excess of £3.1m in procurement savings in 2017-18.

Business Outcome 23 - Economic growth is supported

1. For full year we have paid 96.46% of invoices within 30 days – above target of 94.5%. 86% of council contracts awarded to SME businesses (above target of 70%). 41% of suppliers bidding for council contracts are local businesses (above target of 16%).
2. 79.5% of council contracts won by SMEs, well above target of 70%. 28.5% of all contract bidders are local suppliers (above target of 16%).

Business Outcome 04 - Benefits are paid promptly and accurately

1. Benefit changes in circumstances processed within average of 5.5 days below target of 6 days. 98.3% accuracy achieved, well above 94% target. 99.9% of crisis grants processed within 24 hours and 100% of community care grants within 15 days.
2. 98.5% of Discretionary housing payment fund for year spend during year, maximising payments to those in need.

Other Key Improvements during 2017/18

Business Outcome 28 - Our processes are efficient, cost effective and compliant

1. Implementation of all service choices savings delivered on time according to plan.

Business Outcome 27 - Infrastructure and assets are fit for purpose

1. All Leisure Trust systems amended to support a new entity.
2. Progress made in improving PCI-DSS compliance with updated terminals for all card processing locations. Completed upgrade of cash receipting system.

Business Outcome 05 - Information and support are available for everyone

1. Net Hotjar web search facility and CLUDO user experience tool have boosted success rates on website, as has new SmartAssistance self-help tool and outreach proactive notification service.
2. New improved websites provided to 70 schools. Main website has new popular functions including traffic webcams, participatory budgeting, parking permits, rural resettlement fund applications and community participation requests.

Case Studies illustrating the positive contribution to our communities

Business Outcome 23 - Economic growth is supported

Businesses are supported in gaining non-domestic rates relief. In 2017-18 we granted relief of £13.4m up from £9.3m in 2016/17. We implemented the new transitional relief faster, and more smoothly than most others in Scotland and received a number of compliments about this excellent service. We have supported Bid4Oban and PA23 business improvement districts in successful re ballots.

Business Outcome 05 - Information and support are available for everyone

We work closely with registered social landlords, DWP, Skills Development Scotland, NHS, Citizens Advice, Bute Advice, AliEnergy and others through the Welfare Reform Working Group to mitigate the adverse impacts of welfare reform changes. We have ensure that the number of households affected by the benefit cap is reduced to 24. We have developed a comprehensive Anti-Poverty Strategy which will ensure this type of work is better co-ordinated and will deliver improved outcomes in future. We are working together to prepare for the introduction of Universal Credit Full Service from September 2018 and have put in place arrangements to deliver personal budgeting support and digital skills support.

Business Outcome 27 - Infrastructure and assets are fit for purpose

We have provided a participatory budgeting platform to allow communities to express their preferences. We have also delivered a new shellfish monitoring system.

Business Outcome 28 - Our processes and business procedures are efficient, cost effective and compliant

We have assisted a number of care operators in the smooth transfer of services from one operator to another to ensure there was minimum disruption to clients, and that the same staff members could continue to provide services so far as possible. We helped to find new places for clients when care homes closed or were subject to enforcement action.

KEY CHALLENGES AND ACTIONS TO ADDRESS CHALLENGES

Key improvements from previous year's APR not completed plus any additional challenges that have been identified

Business Outcome 28 - Our processes and business procedures are efficient, cost effective and compliant

Challenge

Regain 4 Star Socitm better connected rating.

Action

Work with the relevant Services for tasks where we received a rating of less than 4 stars to assist them in fixing the questions where we have failed and then re-submit to get an improved assessment.

Completion Date:31 August 2018

Business Outcome 28 - Our processes and business procedures are efficient, cost effective and compliant

Challenge

Implement Barclay review changes for Non-Domestic Rates.

Action

Review and approve IT specification for changes required, design new application forms, update website, test new software, process all applications for new reliefs.

Completion Date:30 June 2018

Business Outcome 28 - Our processes and business procedures are efficient, cost effective and compliant

Challenge

Obtain PCI-DSS (Payment Card Industry Data Security Standard) full accreditation.

Action

Complete provision of DTMF suppression of card details in all telephone processing of card payments and then submit accreditation applications.

Completion Date: 31 July 2018

Business Outcome 04 - Benefits are paid promptly and accurately

Challenge

Complete implementation of online facilities for new council tax and benefits system and address backlog in processing following implementation of new system.

Action

Go live with online portal initially for registered social landlords. Then extend access to all former Gandlake users. Then extend to general public offering registration via MyAccount if possible. Use external assistance plus overtime to catch up on backlog caused by 3 weeks downtime at busiest time of year.

Completion Date: 30 September 2018

Business Outcome 27 - Infrastructure and assets are fit for purpose

Challenge

Upgrade Kilmory server room where servers are now beyond expected life.

Action

Create specification of replacement equipment required, tender and award contract, and then implement new equipment.

Completion Date: 31 March 2019

CONSULTATION AND ENGAGEMENT

Supports Business Outcome 27 - Infrastructure and assets are fit for purpose

We asked (focus of consultation)	You said (customer response)	We did (improvement actions)
We asked about your satisfaction with IT facilities offered to staff.	You said that you would like access to a staff Wi-Fi for personal use at lunchtimes as data signals are still not good. Also there is insufficient bandwidth in some locations.	We have created a new staff Wi-Fi facility which will shortly go live. We are improving bandwidth at schools and offices as better connectivity becomes available.

Supports Business Outcome 05 - Information and support are available for everyone

We asked (focus of consultation)	You said (customer response)	We did (improvement actions)
What information would assist customers in having available on Tell Me Scotland platform.	You would like more alerts covering licensing and traffic/roads information and on councillor surgeries.	We have incorporated this into our outline business case for nil cost eAdvertising and TellMeScotland expansion and will work on these improvement ion 2018/19.

Judy Orr, Head of Customer & Support Services
April 2018

Customer & Support Services Scorecard 2017-20

Scorecard owned by: **Judy Orr** **FY 17/18**

[Click here for Full Outcomes](#)

[Customer Service Centre Team Scorecard](#)

[Procurement, Comm & Creditors Team Scorecard](#)

[Revenue & Benefits Team Scorecard](#)

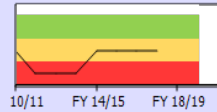
[ICT Team Scorecard](#)

[Click here for Customer Services Scorecard](#)

BO04 Benefits are paid promptly and accurately [CS]

Aligns to ABOIP Outcome No. 5

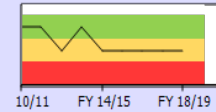
Success Measure **A** →



BO27 Infrastructure and assets are fit for purpose [CS]

Aligns to Council Outcome MIH

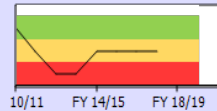
Success Measure **A** →



BO05 Information and support are available for everyone [CS]

Aligns to ABOIP Outcome No. 5

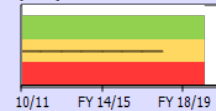
Success Measure **A** →



BO28 Our processes and business procedures are efficient, cost effective and compliant [CS]

Aligns to Council Outcome MIH

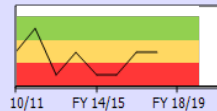
Success Measure **A** →



BO23 Economic growth is supported [CS]

Aligns to ABOIP Outcome No. 1

Success Measure **A** →



Management Information

RESOURCES

People	Benchmark	Target	Actual	Status	Trend
Sickness absence CS		6.0 Days	8.0 Days	R	↓
PDRs CS		90 %	98 %	G	↓
Financial					
	Budget	Forecast	Status	Trend	
Finance Revenue totals CS	£K 330	£K 330	G	→	
Capital forecasts - current year CS	£K 840	£K 847	A	↑	
Capital forecasts - total project CS	£K 9,162	£K 9,162	G	↑	

IMPROVEMENT

		Total No	Off track	On track	Complete	Status	Trend
CS Service Improvements 2017-20	Actions	11	0	4	7	A	
Customer and Support Services Audit Recommendations		Overdue	Due in future	Future - off target			
		0 →	0 ↓	0 →			
Health & Safety							
Service H&S Plan Actions		Overdue	Rescheduled	Actions in Plan	Complete		
		0	1	0	5		
H&S Investigation Actions		0	0	0	0		
Customer Service CS							
Customer Charter		Customer satisfaction	87 %				↓
Number of consultations	6	Stage 2 Complaints	85 %	G			↓
		Stage 2 Complaints	100 %	G			→

BO04 Benefits are paid promptly and accurately [CS]

Aligns to ABOIP Outcome No. 5
Success Measure A →

BO04 Benefits are paid promptly and accurately - Net £ Budget £ 1,641,169 G
Forecast £ 1,641,169

CS04_01-Right Time - All benefit claims are processed promptly. Actual 5.50 G
Target 8.00 Days
Benchmark 7.00 Days ↓

CS04_02-Right Time - All benefit claims are processed promptly. Actual 22.24 Days R
Target 21.00 Days
Benchmark ↓

CS04_03-All benefit claims are processed accurately. Actual 98.3 % G
Target 94.0 %
Benchmark 94.0 % ↑

CS04_04-Scottish Welfare Fund claims processed promptly [Crisis Grants] Actual 99.9 % G
Target 99.0
Benchmark ↑

CS04_05-The annual spend of the Scottish Welfare Fund programme is maximised. Actual 95.9 % R
Target 97.5 %
Benchmark 95.0 % ↓

CS04_06-Distribute as much of the Discretionary Housing Payment [DHP] fund as possible to the most in need. Actual 98.5 % G
Target 95.0 %
Benchmark 100.0 % ↑

CS04_07-Scottish Welfare Fund claims processed promptly [CC Grants] Actual 100.0 % G
Target 90.0
Benchmark 82.0 ↑

BO23 Economic growth is supported [CS]

Aligns to ABOIP Outcome No. 1
Success Measure A →

BO23 Economic growth is supported - Net £ Budget £ 1,061,147 G
Forecast £ 1,061,147

CS23_01-Increase the percentage of local suppliers that bid for business through the procurement portal Actual 28.5 % G
Target 16.0 %
Benchmark 31.0 % ↑

CS23_02-Increase the percentage of all Small Medium Enterprises [SMEs] that win council contracts Actual 79.5 % G
Target 70.0 %
Benchmark 83.0 % ↓

CS23_03-Increase the percentage of suppliers that are paid within 30 days. Actual 95.3 % G
Target 94.5 %
Benchmark 93.8 % ↑

CS23_04-Increase the total amount of Non-Domestic Rates (NDR) relief awarded. Actual £ 13,383,583 G
Target £ 11,563,383
Benchmark ↑

CS23_05-The Net cost of Non-domestic Rates (NDR) discretionary relief remains within budget Actual £K 132 R
Target £K 106
Benchmark ↓

CS23_06-Increase the number of tangible community benefits that are delivered through the contracts we award Actual 80.0 % G
Target 25.0 %
Benchmark ↑

Customer & Support Services Scorecard 2017-20

Scorecard owned by: **Judy Orr** FY 17/18

[Click here for Full Scorecard](#)

[Click here for Business Outcome 28](#)

BO05 Information and support are available for everyone [CS]

Aligns to ABOIP Outcome No. 5
Success Measure G ↑

BO05 Information and support are available for everyone - Net £ Budget
Forecast

CS05_01-Our anti-poverty strategy is developed and approved. Actual Complete G
Target On track

BO27 Infrastructure and assets are fit for purpose [CS]

Aligns to Council Outcome MIH
Success Measure A →

BO27 Infrastructure and assets are fit for purpose - Net £ Budget £ 3,503,568 G
Forecast £ 3,503,568

CS27_01-Support to Health and Social Care Partnership IJB with shared network services Actual On track to revised plan G
Target On track →

CS27_02-During specified core time [which is linked to the service requirements] the unscheduled application down-time will be minimised. Actual 0.28 % G
Target 0.80 %
Benchmark 1.00 % ↓

CS27_03-During specified core time [which is linked to the service] the unscheduled infrastructure down-time will be minimised. Actual 0.15 % G
Target 1.00 %
Benchmark 1.00 %

CS27_04-Our IT applications and databases are within one version of current... Actual 95.37 % G
Target 85.00 %
Benchmark ↑

CS27_05-Maintain the average time to resolve ICT incidents. Actual 2.9 Hours G
Target 3.0 Hours
Benchmark ↑

CS27_06-Seasonal upgrades completed on time as requested by our users. Actual Yes G
Target On track →

CS27_07-Maintain our high average success score achieved for our IT projects Actual 97.3 % G
Target 82.0 %
Benchmark 80.0 % ↑

CS27_08-Maintain the annual scheduled replacement of our PCs, laptops and MACs. Actual On track G
Target On track →

CS27_09-IT capital programme projects are delivered on time and within budget Actual On track G
Target On track →

Customer & Support Services Scorecard 2017-20

Scorecard owned by: **Judy Orr**

FY 17/18

[Click here for Full Scorecard](#)

[Click here for Outcomes](#)

BO28 Our processes and business procedures are efficient, cost effective and compliant [CS]

Aligns to Council Outcome
MIH

Success Measure
A →

BO28 Our processes and business procedures are efficient, cost effective and compliant - Net

Budget £ 2,042,267
Forecast £ 2,044,267

CS28_19-Maintain the low error rate of our Births, Marriages and Deaths registration service

Actual
Target
Benchmark

CS28_01-Maintain the high level of Non-Domestic Rates [NDR]

Actual 96.13 % **R**
Target 97.50 % ↓
Benchmark

CS28_07-Maintain the level of website visitors that find the information they are looking for easily

Actual 77.0 % **G**
Target 65.0 %
Benchmark 66.0 %

CS28_13-Reduce the percentage of face-to-face Customer Service Centre (CSC) contacts as a total of all customer interactions

Actual 12.2 % **G**
Target 13.0 % ↑
Benchmark 15.2 %

CS28_20-Maintain the detection of incorrect Council Tax claims.

Actual £ 60,471 **R**
Target £ 69,000 ↑
Benchmark

CS28_02-Increase the percentage of successfully routed self-service calls

Actual 78.1 % **G**
Target 78.0 % ↓
Benchmark 78.6 %

CS28_08-Maintain the level of website visitors that had a successful visit.

Actual 78.0 % **G**
Target 70.0 %
Benchmark 72.0 %

CS28_14-PCA - Procurement Capability Assessment score

Actual
Target 70.0 %
Benchmark 70.0 %

CS28_21-All 5 bank reconciliations are completed within 2 weeks of month end and have no unreconciled balances

Actual 100.0 % **G**
Target 100.0 % →
Benchmark

CS28_03-Increase percentage of purchase transactions done through systems.

Actual 53.1 % **R**
Target 55.0 %
Benchmark

CS28_09-Improve the percentage of employees that are satisfied with the content of our Intranet - The Hub

Actual 90 % **G**
Target 90 % ↓
Benchmark 90 %

CS28_15-Reduce the average length of answered calls

Actual 3.47 minutes **G**
Target 3.50 minutes ↑
Benchmark 3.47 minutes

CS28_22-Total debt older than 3 months will remain below target.

Actual £ 888,733 **G**
Target £ 900,000 ↓
Benchmark £ 862,000

CS28_04-Our key or high risk contracts are actively managed to ensure quality of services is being provided

Actual 135 **G**
Target 100 ↓
Benchmark 123

CS28_10-Our Website regains a 4-Star Better Connected score.

Actual 3 **R**
Target 4 →
Benchmark 3

CS28_16-Reduced the number of 'calls abandoned' rate

Actual 5.8 % **G**
Target 7.5 % ↑
Benchmark 6.4 %

CS28_23-Increase the percentage of Council Tax paid by Direct Debit.

Actual 78.06 % **G**
Target 78.00 % ↓
Benchmark 78.10 %

CS28_05-Increase the percentage of all Council spend that is either under a contract or a Service Level Agreement

Actual 90.03 % **G**
Target 90.00 % ↓
Benchmark 88.60 %

CS28_11-Increase the total number of all online transactions

Actual 66,128 **G**
Target 57,500 ↑
Benchmark 65,335

CS28_17-Increase the percentage of calls that are dealt with at the first point of contact by the Customer Service Centres

Actual 91.2 % **G**
Target 91.0 % ↓
Benchmark 92.0 %

CS28_24-Maintain the current cost of collecting Council Tax per chargeable dwelling.

Actual
Target £ 7.25
Benchmark £ 7.22

CS28_06-Improve the percentage of customers who are satisfied or very satisfied with the service

Actual
Target 90.0 %
Benchmark

CS28_12-Maintain the high level of Council Tax collection.

Actual 95.80 % **G**
Target 95.50 % ↓
Benchmark

CS28_18-Increased the demand for civil marriages in Argyll & Bute.

Actual 504 **G**
Target 475 ↓
Benchmark 450

CS28_25-Reduce the percentage of Agent handled telephone calls as a total of all customer interactions

Actual 23.5 % **R**
Target 22.0 % ↓
Benchmark 21.6 %

Annual Performance Review 2017-2018

Facility Services

KEY SUCCESSES

Key Improvements from previous year's annual performance review

Business Outcome 09 - Our assets are safe, efficient and fit for purpose

1. The Fleet Review was completed as part of the Council's transformation projects.
2. Successful implementation of the Community Services and Facility Services Capital Programme.
3. Management Standard on the Control of Legionella agreed in principle by SMT.

Business Outcome 18 – Improved Lifestyle Choices are Enabled

1. Implementation of the Catering and Cleaning Innovation Project.
2. School meals uptake remains above the Scottish average for both free and paid meal uptake (primary and secondary schools).

Other Key Improvements during 2017/18

Business Outcome 09 - Our assets are safe, efficient and fit for purpose

1. Successful re-tendering of School and Public Transport contracts for Mull and Kintyre.
2. The proportion of GIA that is in satisfactory condition, which was 88.6% in 2015/16 has changed to 92.1% for 2016/17 (reported in 2017/18). This is greater than the target of 80%.
3. The Energy and Building Services Team successfully concluded and arranged the sign off of a Heat Supply Agreement for the Heat from Sewer Project at Aqualibrium. This project is now likely to be the first Heat from Sewer project to be delivered in Scotland that has been funded by the Scottish Government. The project will ultimately deliver annual revenue savings for the heating at Aqualibrium.
4. Central Repairs (Emergency, Planned and Statutory Maintenance Works) budget fully expended at financial year end and as agreed with Client Departments.

Business Outcome 18 – Improved Lifestyle Choices are Enabled

1. Successful rollout of the Catering Management Software, Saffron for reporting financial and uptake information in all primary and secondary schools, Kilmory Staff Restaurant, Helensburgh and Lomond Civic Centre Café and Kilbowie Outdoor Centre.
2. Successful external audit and recertification of the Catering Management System to ISO9001:2015.
3. Successful Soil Association Bronze Food for Life Award inspection.

Case Studies illustrating the positive contribution to our communities**Business Outcome 09 - Our assets are safe, efficient and fit for purpose**

The Property Design Team's technical input into the New Schools Project means that the projects at Kirn PS, Campbeltown GS and Oban HS have been delivered and Dunoon PS remains on track for delivery in 2019-20, ensuring that pupils will benefit from a learning environment appropriate for the 21st century.

Business Outcome 09 - Our assets are safe, efficient and fit for purpose

The Property Maintenance Team's partnership approach to term maintenance contracts has resulted in locally based contractors being awarded contracts resulting in significant benefit to the Argyll and Bute economy. In addition, training and employment opportunities are being provided to Argyll and Bute residents through the community benefit requirements of these contracts.

KEY CHALLENGES AND ACTIONS TO ADDRESS CHALLENGES

Key challenges from previous year's APR not completed plus any additional challenges that have been identified

Business Outcome 09 - Our assets are safe, efficient and fit for purpose

Challenge

Delivery of new Carbon Management Plan is not yet complete.

Action

It is expected that the information provided by contributing services for mandatory climate change reporting can be used to allow completion by FQ2 2018/2019.

Completion Date FQ2 2018/19

Business Outcome 09 - Our assets are safe, efficient and fit for purpose

Challenge

Identifying effective transport solutions for new ASN applications.

Action

Work with colleagues in Strategic Finance and Education to explore and cost all possible transport solutions.

Completion Date: On Going

Business Outcome 09 - Our assets are safe, efficient and fit for purpose

Challenge

Potential for SEPA Non Compliances with associated budgetary impact.

Action

Undertake a survey programme to identify potential non compliances (e.g. foul sewage direct to sea; non registered septic tanks). Continue to develop a programme to address issues and work with SEPA and investigate potential for funding the surveys from savings derived from challenging Scottish Water's asset information and associated charges.

Completion Date: On Going

Business Outcome 09 - Our assets are safe, efficient and fit for purpose

Challenge

Reduction in Capital Funding may impact on sustainability of the Property Design Team in its current form

Action:

Potential fee income being established from the approved capital programme and options being considered for the way forward

Completion Date: On Going

Business Outcome 09 - Our assets are safe, efficient and fit for purpose

Challenge

Legionella Management – Create and implement a structured Council wide training programme for key staff.

While the updated Management Standard on the Control of Legionella was agreed in principle by SMT the finer detail of how temperatures are recorded and how infrequently used outlets are flushed needs to be agreed with Client Departments. This could involve training of circa 600 members of staff to undertake low level tasks and the scale of the task will prevent delivery of all training in the short term.

Action

Agree detail with Client Departments and update Management Standard accordingly.

Completion Date: On Going

Business Outcome 18 – Improved Lifestyle Choices are Enabled

Challenge

Catering and Cleaning Innovation Project is in progress.

Action

Catering and Cleaning Innovation Working Group continues to ensure that the project remains on track.

Completion Date On Going

Business Outcome 09 - Our assets are safe, efficient and fit for purpose

Challenge

Implementation of the transformation Option which combines the light and heavy fleet, and reviews the job roles of staff within the School and Public Transport Team

Action

Work with the Fleet Manager and the Job Evaluation Team (or HR Team) to ensure the smooth transition for staff and service delivery

Completion Date: On Going

CONSULTATION AND ENGAGEMENT

Supports Business Outcome 18 – Improved Lifestyle Choices are Enabled

We asked (focus of consultation)	You said (customer response)	We did (improvement actions)
Pupils to assist in preparing the Primary school menus vis focus groups.	Some dishes are more popular than others, and this needs to be balanced with nutritional requirements.	Produced menus incorporating pupil, parent and teacher feedback.

Malcolm MacFadyen, Head of Facility Services
April 2018

Facility Services Scorecard 2017-20

Scorecard owned by: **Malcolm MacFadyen** FY 17/18

[Click here for Full Outcomes](#)

[Catering & Cleaning Team Scorecard](#)

[Property Services Team Scorecard](#)

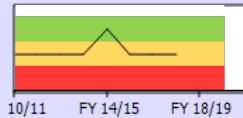
[Integrated Transport Team Scorecard](#)

[Click here for Customer Services Scorecard](#)

BO09 Our assets are safe, efficient and fit for purpose [FS]

Aligns to ABOIP Outcome No. 6

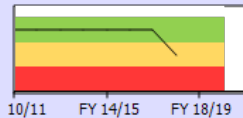
Success Measure **A** →



BO18 Improved lifestyle choices are enabled [FS]

Aligns to ABOIP Outcome No. 4

Success Measure **A** ↓



Management Information

RESOURCES

People	Benchmark	Target	Actual	Status	Trend
Sickness absence FS		9.1 Days	12.2 Days	R	↓
PDRs FS		90 %	98 %	G	↑

Financial	Budget	Forecast	Status	Trend
Finance Revenue totals FS	£K 279	£K 279	G	→
Capital forecasts - current year FS	£K 24,113	£K 22,408	R	↑
Capital forecasts - total project FS	£K 87,956	£K 87,938	A	↓

IMPROVEMENT

	Total No	Off track	On track	Complete	Status	Trend
FS Service Improvements 2017-20	3	0	1	2	G	

Facility Services Audit Recommendations	Overdue	Due in future	Future - off target	Status	Trend
	0	0	0	G	→

Health & Safety	Overdue	Rescheduled	Actions in Plan	Complete
Service H&S Plan Actions	0	3	7	4
H&S Investigation Actions	0	0	0	0

Customer Service FS	Customer satisfaction	97 %	Status	Trend
Customer Charter	Stage 1 Complaints	100 %	G	→
Number of consultations	Stage 2 Complaints	100 %	G	→

Facility Services Scorecard 2017-20

Scorecard owned by: **Malcolm MacFadyen** FY 17/18

[Click here for Full Scorecard](#)

B009 Our assets are safe, efficient and fit for purpose [FS]

Aligns to ABOIP Outcome No. 6
Success Measure **A** →

FS09_01-All statutory tests, inspections and remedial maintenance for Council Properties are carried out.
Actual Complete **✓**
Target Complete →
Benchmark Complete

FS09_02-The total mileage incurred by pool cars deployed for staff business use increases each year.
Actual 63,463 miles **R**
Target 65,134 miles ↓
Benchmark 47,000 miles

FS09_03-Deliver the Council's property related carbon reduction target
Actual 89 % **R**
Target 100 %
Tonnage to Date Tonnes 1,019

FS09_04-Legionella Management - Deliver a structured Council wide training programme
Actual On track to revised plan **✓**
Target Complete
Benchmark On track to revised plan

FS09_05-Our customer satisfaction reports show improved cleaning standards are rated good or above....
Actual 97 % **✓**
Target 90 % ↓
Benchmark 85 %

FS09_06-Our school transport is regularly inspected.
Actual 48 **✓**
Target 48 →
Benchmark 48

B009 Our assets are safe, efficient and fit for purpose - Net

£

Budget £ 11,459,109 **✓**
Forecast £ 11,459,109

FS09_07-The average age of the light vehicle fleet is maintained at below 5 years.
Actual 4.1 **✓**
Target 5.0 ↓
Benchmark 3.5

FS09_08-The average subsidy per passenger accessing council funded public transport is maintained...
Actual £ 1.84 **✓**
Target £ 2.03 ↑
Benchmark £ 2.00

FS09_09-[08A].... operational buildings are maintained to a satisfactory condition.
Actual 96.8 % **✓**
Target 80.0 % ↑
Benchmark

FS09_10-[08B]....ensures that operational buildings are suitable for their current use
Actual 73.7 % **✓**
Target 65.0 % ↑
Benchmark

FS09_11-The Council's Property Capital Plan is delivered on time [for projects managed by Property Services]
Actual On track **✓**
Target Complete →
Benchmark On track

B018 Improved lifestyle choices are enabled [FS]

Aligns to ABOIP Outcome No. 4
Success Measure **A** ↓

B018 Improved lifestyle choices are enabled - Net **£**
Budget £ 359,035 **✓**
Forecast £ 359,035

FS18_01-Achieve acceptable nutrition levels for all measurable vitamins and minerals by providing two Primary menu changes per year....
Actual On track **✓**
Target On track →
Benchmark On track

FS18_02-Quality meals are provided to all pupils, within managed cost margins
Actual 3.15 % **✓**
Target 5.00 % ↓
Benchmark 2.44 %

Annual Performance Review 2017-2018

Governance and Law

KEY SUCCESSES
Key Improvements from previous year's annual performance review
Business Outcome 28 - Our processes and business procedures are efficient, cost effective and compliant
<ul style="list-style-type: none"> 1. Roll out of Records Management Plan. 2. Deliver new PMA including roll out of paperless meetings, project shortlisted for SOLAR award in recognition of improvement in service delivery.
Business Outcome 28 - Our processes and business procedures are efficient, cost effective and compliant
<ul style="list-style-type: none"> 1. Delivery of Local Government and UK parliamentary elections, including comprehensive induction programme for new and returning Elected Members, the development of an Elected Member handbook and a Guidance booklet to encourage Candidates to stand for Election. 2. Review Scheme of Community Councils. 3. Commence review of Licensing Policy for completion in 18/19.
Other Key Improvements during 2017/18
Business Outcome 28 - Our processes and business procedures are efficient, cost effective and compliant
<ul style="list-style-type: none"> 1. Achieved external reaccreditation of Customer Service Excellence Award which highlighted that there had been considerable effort to enhance service delivery in a number of areas, justifying the award of 6 compliance pluses against the assessment criteria. The Governance and Law Team was also awarded a silver excellence award in recognition of service delivery to support a new council. 2. Debt recovery team continued to successfully deal with overdue sundry debts; overall sum paid/resolved on debts passed to Legal Services in 12 months to 28 February 2018 amounted to £1.76 M.
Business Outcome 28 - Our processes and business procedures are efficient, cost effective and compliant
<ul style="list-style-type: none"> 1. Achieved budget saving of £ 653.62 in delivery of public space CCTV contract. This is additional to the substantial reduction in running costs of £25k realised in 16/17 compared with the previous costs for running this service achieved by reviewing maintenance contracts and other process improvements

Case Studies illustrating the positive contribution to our communities

Business Outcome 31 - We have a culture of continuous improvement

The Area Governance team worked closely with Community Councils through a two stage process of consultation to amend and deliver a revised Scheme for the Establishment of Community Councils.

Business Outcome 28 and 10 - Our processes and business procedures are efficient, cost effective and compliant, and Quality of life is improved by managing risk

A process of review of fixed public space CCTV provision was carried out to ensure the systems continue to provide the level of public safety and reassurance sought by communities and our partners in Police Scotland. Following the review the maintenance contract has been re- procured, contributing to the savings detailed above whilst maintaining levels of community protection.

Business Outcome 23 - Economic growth is supported

The service has worked closely with local and national partners to deliver the WW100 Scotland Commemoration event on Islay in May 2018.

KEY CHALLENGES AND ACTIONS TO ADDRESS CHALLENGES

Key improvements from previous year's APR not completed plus any additional challenges that have been identified

Business Outcome 28 - Our processes and business procedures are cost effective, efficient and compliant

Challenge

Improvement in response times for casebook inquiries

Action

Improvement in response times for casebook inquiries

Completion Date: July 2018

Business Outcome 33 - Information and support are available for our communities

Challenge

Undertake Community Council elections on new Scheme and arrange first meetings

Action

Plan in place to deliver elections and to attend all constituted community councils to assist with establishment of the new Community Council

Completion Date: July 2018

Business Outcome 28 - Our processes and business procedures are cost effective, efficient and compliant

Challenge

Budget Reconstruction process

Action

Service complete templates and participate in corporate processes to support this review programme

Completion Date: Autumn 2018?

CONSULTATION AND ENGAGEMENT

Supports Business Outcome 28 - Our processes and business procedures are cost effective, efficient and compliant

We asked (focus of consultation)	You said (customer response)	We did (improvement actions)
Legal services conducted a telephone survey of customers in August/September 2017, and asked how satisfied customers were with the services provided by the Legal Services team.	Customers said they were generally satisfied with the services provided but that presentation of advice was sometimes overly complicated.	We viewed an online seminar on the presentation of advice and now ensure advice is presented in as straightforward a way as possible.

Supports Business Outcome 28 - Our processes and business procedures are cost effective, efficient and compliant

We asked (focus of consultation)	You said (customer response)	We did (improvement actions)
In the same survey Legal Services asked customers how satisfied they were with the timelines of responses to requests for advice.	Customers said they were generally satisfied but occasionally had to wait too long for advice.	We now ensure that if, for reasons beyond our control, the provision of advice is to be delayed, we advised clients of this and provide an estimate of when advice will be available.

***Charles Reppke, Head of Governance and Law
April 2018***

Governance & Law Scorecard 2017-20

Scorecard owned by: Charles Reppke FY 17/18

[Click here for Customer Services Scorecard](#)

[Click here for Full Outcomes](#)

Central Governance Team Scorecard

Area Governance Team Scorecard

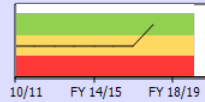
Legal Corporate Team Scorecard

Legal Commercial Team Scorecard

BO10 Quality of life is improved by managing risk [GL]

Aligns to ABOIP Outcome No.
6

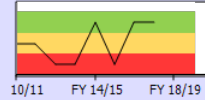
Success Measure



BO17 The support needs of children and their families are met [GL]

Aligns to ABOIP Outcome No.
4

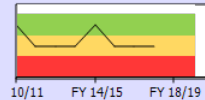
Success Measure



BO23 Economic growth is supported [GL]

Aligns to ABOIP Outcome No.
1

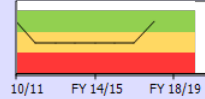
Success Measure



BO28 Our processes and business procedures are efficient, cost effective and compliant [GL]

Aligns to Council Outcome
MIH

Success Measure



Management Information

RESOURCES

People	Benchmark	Target	Actual	Status	Trend
Sickness absence GL		6.0 Days	8.4 Days	R	↓
PDRs GL		90 %	94 %	G	↑

Financial

	Budget	Forecast	Status	Trend
Finance Revenue totals GL	£K 225	£K 225	G	⇒
Capital forecasts - current year GL				
Capital forecasts - total project GL				

IMPROVEMENT

	Total No	Off track	On track	Complete	Status	Trend
GL Service Improvements 2017-20 Actions	4	0	1	3	A	
Governance and Law Audit Recommendations		Overdue	Due in future	Future - off target		
	0	⇒	1	↑	0	⇒

Health & Safety

	Overdue	Rescheduled	Actions in Plan	Complete
Service H&S Plan Actions	0	0	1	1
H&S Investigation Actions	0	0	0	0

Customer Service GL

Customer Charter	Customer satisfaction	78 %	↓
Number of consultations	Stage 2 Complaints	100 %	G ⇒
	Stage 2 Complaints	100 %	G ⇒

Governance & Law Scorecard 2017-20

Scorecard owned by: Charles Reppke FY 17/18

Click here for Full Scorecard

BO10 Quality of life is improved by managing risk [GL]

Aligns to ABOIP Outcome No. 6
Success Measure

BO10 Quality of life is improved by managing risk - Net
Budget £ 127,657
Forecast £ 127,657

GL10_01-Number of Anti-social Behaviour cases resolved within agreed timescale of 13 weeks
Actual 100.00 %
Target 80.00 %
Benchmark

BO17 The support needs of children and their families are met [GL]

Aligns to ABOIP Outcome No. 4
Success Measure

BO17 The support needs of children and their families are met - Net
Budget £ 33,698
Forecast £ 33,698

Percentage of Children's Panel members /Area Support team that are satisfied with the Council support
Actual 78 %
Target 75 %
Benchmark 77 %
Annual Measure

GL17_01-Number of fully trained & serving Children's Panel members
Actual 47
Target 45
Benchmark

BO23 Economic growth is supported [GL]

Aligns to ABOIP Outcome No. 1
Success Measure

BO23 Economic growth is supported - Net
Budget £ -136,167
Forecast £ -136,167

GL23_01-The percentage of taxi license & civic government licenses with no objections or representation...processed within 50 working days
Actual 71 %
Target 95 %
Benchmark

GL23_02-The percentage of Personal liquor licenses with no objections...determined within 32 working days
Actual 95.6 %
Target 95.0 %
Benchmark

GL23_03-The percentage of extended hours liquor license applications that are determined within 32 working days
Actual 100 %
Target 100 %
Benchmark 100 %

GL23_04-The percentage of occasional liquor license applications that are determined within 32 working days
Actual 100 %
Target 100 %
Benchmark 100 %

GL23_05-The percentage of applications for new Civic Government Licences with no objections or representations...determined within 32 working days [except Taxi]
Actual 97.6 %
Target 100.0 %
Benchmark 100.0 %

BO28 Our processes and business procedures are efficient, cost effective and compliant [GL]

Aligns to Council Outcome MIH
Success Measure

BO28 Our processes and business procedures are efficient, cost effective and compliant - Net
Budget £ 1,819,799
Forecast £ 1,819,799

GL28_01-Percentage of responses made within the timescales for subject access requests under the Data Protection Act
Actual
Target 100 %
Benchmark 100 %

GL28_02a-Percentage of draft minutes published and action mandates issued within a week - Central Committees
Actual 99 %
Target 96 %
Benchmark 98 %

GL28_03-Percentage of Members very satisfied or satisfied with member services support
Actual 90 %
Target 90 %
Benchmark 80 %

GL28_04-% of Members satisfied with new casebook facility for managing constituency workload
Actual
Target 60 %
Benchmark *Annual Measure*

GL28_05-The performance standards set by the Electoral Commission are met
Actual 10.00
Target 10.00
Benchmark 10.00

GL28_06-Percentage of Community Councils who feel supported by the service
Actual 75.0 %
Target 75.0 %
Benchmark *Annual Measure*

GL28_07-Percentage of responses made within the timescales for Freedom of Information requests
Actual 96 %
Target 100 %
Benchmark 96 %

GL28_08-Percentage of complaints resolved by frontline (Stage 1) resolution
Actual
Target 75.0 %
Benchmark

GL28_09-The percentage of substantive responses for all urgent requests for legal advice ...within one working day
Actual 100 %
Target 100 %
Benchmark 100 %

GL28_10-The percentage of responses for non-urgent requests for legal advice ...within 20 working days ...with no extension agreement
Actual 100 %
Target 100 %
Benchmark 100 %

GL28_11-All property transactions....are completed by agreed date.
Actual 100 %
Target 100 %
Benchmark 100 %

GL28_12-Section 75 Planning agreements are registered within 4 months from receipt of titles
Actual 100 %
Target 100 %
Benchmark 100 %

Annual Performance Review 2017-2018

Improvement and HR

KEY SUCCESSES

Key Improvements from previous year's annual performance review

Business Outcome 32 - Our Workforce is supported to realise its potential

1. 40% of managers have completed the Argyll and Bute Manager programme against a target of 20%. The programme was reviewed and relaunched in 2016 and whilst the first cohorts are still completing the various e-learning modules on the programme, feedback from the refreshed face to face elements has been excellent. Impact assessments for those completing the course will be undertaken during 2018/19.

Business Outcome 29 - Health and Safety is managed effectively

1. The Health and Safety team invested significant time and effort in developing new e-learning packages to support face to face health and safety training for managers at the Council. This will standardise the training and reduce the amount of officer time required to deliver face to face training and gives employees greater flexibility in completing training.
2. The team has assisted Roads and Amenity Services in assessing the safety of new shift working arrangements for waste collection in Lomond and Cowal. This has involved the assessment of new waste collection routes which have been introduced to enable collection using fewer vehicles. Waste collection is one of the riskier activities the Council undertakes and this work has been successfully concluded.

Business Outcome 5 - Information and support are available for everyone

1. The Communications Team responded to over 1,700 media enquiries, issued over 300 press releases and increased our use of social media as part of our work to inform people about the work and services of the Council.
2. Even more communities are now getting their news and information about the Council online - the number of people following the Council on corporate social media sites has increased to 20,000.
3. The Team launched an Argyll and Bute Instagram account which, in 14 weeks, became the most followed council Instagram site in Scotland.
4. The Communications Team carried out and reported on a wide ranging consultation exercise on the budget with communities and individuals across Argyll and Bute to inform the budget decisions taken by the Council.

Other Key Improvements during 2017/18

Business Outcome 32 - Our Workforce is supported to realise its potential

1. The council has a target to offer 60 modern apprenticeship places by 2020. To date 42 Modern Apprentices have so far been offered with 91% of our apprentices who have already completed going on to a positive destination. The majority (70%) secured further employment with the Council.

Business Outcome 28 - Our processes and business procedures are efficient, cost effective and compliant

1. The Employee Relations team have (following a successful pilot) taken on responsibility for conducting disciplinary investigations. This has reduced the average length of time taken to complete a disciplinary investigation from 13.1 weeks to 4.4 weeks. Subsequently this has reduced time for employees under investigation, increased productivity in front line services who no longer have to make time to carry out investigations, and reduced the potential cost of paying employees who are suspended pending disciplinary investigation.

Business Outcome 29 - Health and Safety is managed effectively

1. In Q1 a customer satisfaction survey undertaken by the Corporate Health and Safety Team across all Council Services who had recently contacted the Health and Safety Team highlighted that 90% of our customers had received good customer care and the same percentage identified that they found the health and safety advisory service very useful.
2. The Corporate Health and Safety Team developed a new management standard on health surveillance which was published on the Hub.
3. The Corporate Health and Safety Team performed vibration testing and assessment of hand held tools to enable Road and Amenity Services to comply with the Control of Vibration at Work Regulations (2005). This was a significant piece of work. 396 hand held tools were assessed and then further assessment was carried out to enable the introduction of £150k worth of new hand held equipment. Following HSE advice on the application of vibration limit values, all hand held equipment was re-assessed to ensure compliance with regulatory expectations.
4. The Health and Safety team supported Roads and Amenity Services with recommendations following a depot fire in Oban. The team continues to support the service to implement improvements in the new location.
5. The Corporate Health and Safety Team supported Road and Amenity Services at 2 Health and Safety Executive (HSE) visits. The H&S assurances ensured mitigation of risk to the organisation.
6. A review of legionella management arrangements and execution of the legionella action plan was undertaken and a number of areas for improvement were identified. The Health and Safety Manager worked with the Head of Facility Services to revise their current policy and management arrangements, enabling the Head of Facility Services to focus on creating a new action plan to implement the outcomes of legionella risk assessments and ensure that all staff with responsibilities for legionella management are trained and made competent.

7. A new health and safety audit programme was developed and agreed.
8. The Health and Safety Impact Assessment Process agreed by SMT in January 2017 has begun to bed in to Council processes and the work of key forums where strategic decisions are taken such as the Transformation Board. This will ensure that risk is assessed and mitigation put in place.

Case Studies illustrating the positive contribution to our communities

Business Outcome 31 - We have a culture of continuous improvement

The HR and OD team provide essential support to front line services but there is a cost associated with providing these support services. The HR and OD team have spent the last two years reviewing and redesigning their service. The team have streamlined processes through a programme of automation and improvement, put in place a structure which will best serve the council's strategic objectives in relation to Culture and talent management and transformation and improvement. The project reduced the cost of delivering the service by over £0.5million winning 3 internal excellence awards including the overall provosts award and receiving recognition through shortlisting for national awards for excellence in public sector HR. By reducing the cost of delivering vital back office services the HR and OD team have contributed to the council's overall savings protecting budget for the front line services delivered directly to our communities.

Business Outcome 32 - Our workforce is supported to realise its potential

Last year the Council's training centre was successful in securing a contract from skills development Scotland which generated income (reducing the overall cost of delivering our services) to deliver our Modern apprenticeships in house. This year the Training Centre has been successful in securing additional contracts to deliver external modern apprenticeships generating further income and creating opportunities for residents of Argyll to undertake Modern Apprenticeships. Additionally the Council's in house first aid and personal safety training delivery has been commercialised offering quality accredited first aid training at competitive prices to local groups and businesses.

Business Outcome 15 - Argyll and Bute is Open for Business

The Council's Instagram site has turned interest in Argyll into promotion of Argyll. Using images and photos taken by employees and members of the public, we are demonstrating the area as a great place to live, work and visit. Data analytics show that we are reaching people across the world, of working age-group and above. At a time when budgets are stretched, we have developed an effective, cost-free promotional resource for the Council and Argyll and Bute.

KEY CHALLENGES AND ACTIONS TO ADDRESS CHALLENGES

Key improvements from previous year's APR not completed

Business Outcome 28 - Our processes and business procedures are cost effective, efficient and compliant

Challenge

Performance on payroll and transactional processing timescales and other operational activities have dipped below target during the course of 2017/18. This is directly related to the fact that the team was implementing a significant programme of change associated with automation while trying to deliver business as usual. This was further compounded by unprecedented levels of sickness absence and a limited pool of trained and experienced staff in the labour market to fill these gaps.

Action

The implementation of automation actions has streamlined processes creating efficiencies which can be built on going forward. Training plans are in place via workforce planning and growing our own to ensure that in the longer term there is a suitable pipeline of experienced staff who can cover periods of leave such as maternity and sickness absence. Wellbeing actions are also being developed to improve the overall wellbeing of the team.

Completion Date March 2019

Business Outcome 28 - Our processes and business procedures are cost effective, efficient and compliant

Challenge

There was a high level of cancellations for Corporate Training, despite the programme having been procured on the basis of PRD requests and corporate priorities such as stress awareness and stress management. This resulted in the finite training budget being prevented from having the greatest impact.

Action

The Corporate training programme will be reviewed in 2018/19 to remove courses that were poorly attended and assess the most appropriate courses to deliver with the reduced budget that will have the greatest impact on the organisation's performance and improvement.

Completion Date March 2019

Business Outcome 30 – we engage with our customers, staff and partners

Challenge

The Communications manager commissioned an assessment of our internal communication channels to address the issues arising from employee surveys. These highlighted that non networked staff are not receiving corporate information and are not engaging in feedback. Networked staff have identified a high volume of information and made comment on which types of information they find useful. Actions were developed on this, but they were not implemented due to staffing issues throughout the year.

Action

A detailed action plan will be developed and delivered, monitored by the Communications Manager and the internal corporate communications groups. This will be a priority for action in 2018/19.

Completion Date March 2019

Business Outcome 29 - Health and Safety is managed effectively

Challenge

The small team of professionals has been affected by long term absence.

Action

Activity has been focussed on high risk, mostly operational areas. This has delayed strategic development of the health and safety management system and the planned audit programme.

Completion Date September 2018

Business Outcome 29 - Health and Safety is managed effectively

Challenge

There is currently a backlog of activity relating to Scottish Fire and Rescue Service correspondence, due to absence in the team.

Action

The Corporate Health and Safety Manager has prioritised increasing the team's accredited fire safety resource and so an additional team members can perform fire risk assessments.

Completion Date June 2018

CONSULTATION AND ENGAGEMENT

Supports Business Outcome 29 - Health and Safety is managed effectively

We asked (focus of consultation)	You said (customer response)	We did (improvement actions)
How effective and useful you found the health and safety advisory service.	93% of our customers told us that they had received good customer care and when they contacted us for help, found the health and safety advisory service to be useful.	Investigated all suggestions received and responded to each.

Jane Fowler, Head of Improvement and HR
26 April 2018

Improvement & HR Scorecard 2017-20

Scorecard owned by: Jane Fowler

FY 17/18

[Click here for Full Outcomes](#)

[HR&OD Team Scorecard](#)

[Communications Team Scorecard](#)

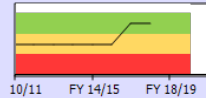
[Health & Safety Team Scorecard](#)

[Click here for Customer Services Scorecard](#)

BO05 Information and support are available for everyone [IH]

Aligns to ABOIP Outcome No. 5

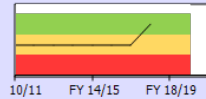
Success Measure



BO11 There is no place for discrimination and inequality [IH]

Aligns to ABOIP Outcome No. 6

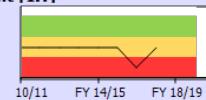
Success Measure



BO28 Our processes and business procedures are efficient, cost effective and compliant [IH]

Aligns to Council Outcome MIH

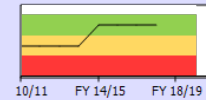
Success Measure



BO29 Health and safety is managed effectively [IH]

Aligns to Council Outcome MIH

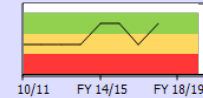
Success Measure



BO30 We engage with our customers, staff and partners [IH]

Aligns to Council Outcome MIH

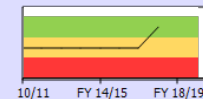
Success Measure



BO31 We have a culture of continuous improvement [IH]

Aligns to Council Outcome MIH

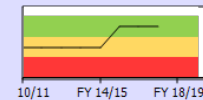
Success Measure



BO32 Our workforce is supported to realise its potential [IH]

Aligns to Council Outcome MIH

Success Measure



Management Information

RESOURCES

People	Benchmark	Target	Actual	Status	Trend
Sickness absence IH		6.0 Days	12.2 Days		
PRDs IH		90 %	92 %		

Financial

	Budget	Forecast	Status	Trend
Finance Revenue totals IH	£K 128	£K 128		

Capital forecasts - current year IH

Capital forecasts - total project IH

IMPROVEMENT

	Total No	Off track	On track	Complete	Status Trend
IH Service Improvements 2017-20	6	0	2	4	

Improvement & HR Audit Recommendations	Overdue	Due in future	Future - off target	Status Trend
	0	0	0	

Health & Safety	Overdue	Rescheduled	Actions in Plan	Complete
Service H&S Plan Actions	0		1	1
H&S Investigation Actions	0	0	0	0

Customer Service IH	Customer satisfaction	97 %	Status Trend
Customer Charter	Stage 2 Complaints	100 %	
Number of consultations	Stage 2 Complaints	100 %	

Improvement & HR Scorecard 2017-20

Scorecard owned by: Jane Fowler FY 17/18

[Click here for Full Scorecard](#)

BO05 Information and support are available for everyone [IH]

Aligns to ABOIP Outcome No. 5
Success Measure

BO05 Information and support are available for everyone - Net £ Budget Forecast

IHR05_01-Maintain the number of positive news promotions that are issued. Actual 130 Target 119 Benchmark 75

IHR05_02-Issue Gaelic press releases to promote the language. Actual 25 Target 24 Benchmark 24

BO11 There is no place for discrimination and inequality [IH]

Aligns to ABOIP Outcome No. 6
Success Measure

BO11 There is no place for discrimination and inequality - Net £ Budget Forecast

IHR11_01-Publish an Equalities Mainstreaming report. Actual Complete Target On track

BO28 Our processes and business procedures are efficient, cost effective and compliant [IH]

Aligns to Council Outcome MIH
Success Measure

BO28 Our processes and business procedures are efficient, cost effective and compliant - Net £ Budget £ 1,002,817 Forecast £ 1,002,817

IHR28_02-All HR contracts are issued within 5 working days of receipt of the Successful Candidate Form. Actual 86 % Target 100 % Benchmark 98 %

IHR28_03-Workforce plans that reflect the future needs of the organisation are in place and up to date. Actual Complete Target On track

IHR28_01-Maintain the 'Cost per Employee' of the HR service in line with CIPFA Benchmarking. Actual 339 Target 339 Benchmark 349

BO29 Health and safety is managed effectively [IH]

Aligns to Council Outcome MIH
Success Measure

BO29 Health and safety is managed effectively - Net £ Budget £ 290,643 Forecast £ 290,643

IHR29_01-Health and safety competence assessments for contractors are carried out within 10 working days. Actual 100 % Target 100 % Benchmark

IHR29_02-Percentage of accidents and incidents assessed and where applicable is initiated within 1 working day. Actual 100 % Target 100 % Benchmark 100 %

IHR29_03-Corporate Health and Safety Plan. Actual On track Target On track

BO30 We engage with our customers, staff and partners [IH]

Aligns to Council Outcome MIH
Success Measure

BO30 We engage with our customers, staff and partners - Net £ Budget £ 214,981 Forecast £ 214,981

IHR30_01-Increase Facebook followers. Actual 9,840 Target 6,425 Benchmark

IHR30_02-Increase Twitter followers. Actual 11,800 Target 7,682 Benchmark

IHR30_03-Communication enquiries are dealt with promptly and within deadlines. Actual 92.7 % Target 92.0 % Benchmark 95.4 %

BO31 We have a culture of continuous improvement [IH]

Aligns to Council Outcome MIH
Success Measure

BO31 We have a culture of continuous improvement - Net £ Budget £ 733,157 Forecast £ 733,157

IHR31_01-A Council-wide Self-evaluation programme is implemented according to agreed timescale. Actual Complete Target On track

BO32 Our workforce is supported to realise its potential [IH]

Aligns to Council Outcome MIH
Success Measure

BO32 Our workforce is supported to realise its potential - Net £ Budget £ 731,073 Forecast £ 731,073

IHR32_01-Percentage of respondents that are satisfied with the Corporate courses delivered based on completed evaluation forms. Actual 100 % Target 85 % Benchmark 85 %

IHR32_02-Maintain the number of modern apprenticeships created & commenced. Actual On track Target On track

IHR32_03-Undertake an annual Learning Needs Analysis to ensure the future skill needs of the organisation can be met. Actual Complete Target On track

IHR32_04-Actions in the Grow Our Own work plan are implemented on time. Actual Complete Target On track

IHR32_05-Implement the Peoples Strategy. Actual On track Target On track

Annual Performance Review 2017-2018

Strategic Finance

KEY SUCCESSES

Key Improvements from previous year's annual performance review

Business Outcome 28 – Our processes and business procedures are efficient, cost effective and compliant.

1. Medium to longer term financial strategy was approved by Policy and Resources Committee on 19 October 2017.
2. Investment returns continue to exceed the benchmark rate of return. As part of the preparation for the introduction of the Markets in Financial Instruments Directive II on 3 January 2018 the Council exercised its option to opt up to Professional Status to allow the treasury management function to continue to access Money Market Funds and other financial instruments.
3. New scrutiny framework incorporating a scrutiny prioritisation process was approved by the Audit and Scrutiny Committee at its meeting on 20 March 2018
4. Following a review of operational risk registers a new process and format was approved by SMT and implemented in Q4 2017-18.
5. The new Chief Internal Auditor commenced in post and revised our audit approach to incorporate audit work programmes more aligned to control objectives, a more robust review process and a revised report template which provides greater clarity over audit conclusions.
6. Two staff undertaking CIPFA Accountancy exams have continued to pass their exams with one receiving a prize for the best mark in one of the subjects. As it is difficult to recruit to accountancy positions, growing our own is really important for future workforce planning.

Business Outcome 05 – Information and support are available for everyone

1. The formal launch of the Money Skills Argyll Service took place on 18 August 2017 (following the soft launch on 17 July 2017).

Other Key Improvements during 2017/18

Business Outcome 28 – Our processes and business procedures are efficient, cost effective and compliant.

1. The External Audit of Annual Accounts was completed by 30 September deadline and unqualified Audit Certificate received.
2. Positive External Audit Annual Audit Report received and reported to council in November 2017.
3. Created new company within the financial system to account for Live Argyll, set up new monthly reporting and completed mini year end to ensure that transactions around the Trust go live were accounted for correctly.
4. All PRDs for the service, with the exception of staff of maternity or extended sick leave were completed.

Case Studies illustrating the positive contribution to our communities

Business Outcome 28 - Our processes and business procedures are efficient, cost effective and compliant.

The creation of the accounting processes for the new Leisure Trust was a significant piece of work, particularly as this transfer happened during the financial year. We engaged consultants to assist with some of the technical set up of the Council's main financial system, and the setting up of a separate company with our ledger to ensure that the Leisure Trust accounting is kept separate from the Council. A significant amount of staff time was involved in the set up and also the mini-year end to ensure that the transactions were accounted for correctly when the Trust went live. Financial processes are now in place to provide the Leisure Trust with routine financial reports and information.

KEY CHALLENGES AND ACTIONS TO ADDRESS CHALLENGES

Key improvements from previous year's APR not completed

Business Outcome 28 – Our processes and business procedures are efficient, cost effective and compliant.

Challenge

Implement a redesigned structure for Strategic Finance, ensuring that during transition we still provide an effective service to the Council.

Action

Consultation with Trade Unions and staff and the progress implementation including job evaluations and recruitment to new posts.

Completion Date: 30 September 2018

Business Outcome 28 – Our processes and business procedures are efficient, cost effective and compliant.

Challenge

Development of a Capital Strategy to comply with revised Prudential and Treasury Management Codes.

Action

Preparation of Capital Strategy as part of budget process.

Completion Date: 28 February 2019

Business Outcome 28 – Our processes and business procedures are efficient, cost effective and compliant.

Challenge

Streamline our Treasury Management processes with a view to moving this to paperless.

Action

Review current procedures and introduce electronic signatures.

Completion Date: 31 December 2018

Business Outcome 28 – Our processes and business procedures are efficient, cost effective and compliant.

Challenge

Ensure that our systems and process are set up to enable us to comply with “Making VAT Digital” legislation by 1 April 2019.

Action

Liaise with our VAT advisors and review our current processes/software to ensure that we are able to comply with requirements.

Completion Date: 31 March 2018

Business Outcome 28 – Our processes and business procedures are efficient, cost effective and compliant.

Challenge

Post implementation review of the financial monitoring report pack.

Action

Feedback from Members as to the usefulness and user friendliness of the financial monitoring pack. Creation of a new report to monitor delivery of the savings options agreed as part of the budget in February 2018.

Completion Date: 31 August 2018

Business Outcome 28 – Our processes and business procedures are efficient, cost effective and compliant.

Challenge

Review revenue budget monitoring risk matrix to ensure that there is sufficient attention to high risk areas.

Action

Risk matrix to be reviewed and risks categories to be updated and engagement meetings with budget holders are focused on the high risk areas.

Completion Date: 31 March 2019

Business Outcome 28 – Our processes and business procedures are efficient, cost effective and compliant.

Challenge

Review improvements to capital monitoring processes.

Action

Complete a review of the current capital monitoring process and create an action plan to implement the improvements.

Completion Date: 30 September 2018

Business Outcome 05 – Information and support are available for everyone

Challenge

Implementing a new Client Management System for the Money Skills Argyll Project.

Action

The MSA project team is working with the selected vendor and the Council's IT staff to configure and implement the system as quickly as possible, having to work around the school Easter holidays and financial year end in doing so.

Completion Date: 30 June 2018

CONSULTATION AND ENGAGEMENT

Supports Business Outcome 28 – Our processes and business procedures are efficient, cost effective and compliant.

We asked (focus of consultation)	You said (customer response)	We did (improvement actions)
Sought the views of our citizens as part of the budget process.	A good response was received to the budget consultation.	The findings from the consultation exercise were considered by Members.

Supports Business Outcome 28 – Our processes and business procedures are efficient, cost effective and compliant.

We asked (focus of consultation)	You said (customer response)	We did (improvement actions)
Client surveys at the end of each internal audit.	Responses are generally positive.	Each area of improvement is discussed at the Internal Audit Team development sessions to improve on future audit experiences.

Kirsty Flanagan, Head of Strategic Finance
11 May 2018

Strategic Finance Scorecard 2017-20

Scorecard owned by: **Kirsty Flanagan** FY 17/18

[Click here for Full Outcomes](#)

[Corporate Support Team Scorecard](#)

[Departmental Support Team Scorecard](#)

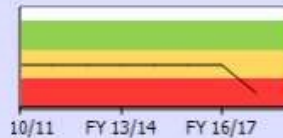
[Internal Audit Team Scorecard](#)

[Click here for Council Scorecard](#)

BO05 Information and support are available for everyone [SF]

Aligns to ABOIP Outcome No. 5

Success Measure **R** ↓



BO28 Our processes and business procedures are efficient, cost effective and compliant [SF]

Aligns to Council Outcome MIH

Success Measure **G** →



Management Information

RESOURCES

People	Benchmark	Target	Actual	Status	Trend
Sickness absence SF		6.0 Days	13.1 Days	R	↑
PRDs SF		90 %	93 %	G	↓

Financial

	Budget	Forecast	Status	Trend
Finance Revenue totals SF				
Capital forecasts - current year SF				
Capital forecasts - total project SF				

Council Efficiency Savings 2016-17	Annual Target	Status	Trend
Delivered	On track to be delivered	£ 0	→

IMPROVEMENT

SF Service Improvements 2017-20	Total No	Off track	On track	Complete	Status
Actions	8	4	0	4	R

Strategic Finance Audit Recommendations	Overdue	Due in future	Future - off target	Status
	0	0	0	→

Health & Safety	Overdue	Rescheduled	Actions in Plan	Complete
Service H&S Plan Actions				
H&S Investigation Actions	G	0	0	0

Customer Service SF	Customer satisfaction	98 %	Status	Trend
Customer Charter	Stage 2 Complaints	100 %	G	→
Number of consultations	Stage 2 Complaints	100 %	G	→

Strategic Finance Scorecard 2017-20

Scorecard owned by: **Kirsty Flanagan** FY 17/18

[Click here for Full Scorecard](#)

BO05 Information and support are available for everyone [SF]

Aligns to ABOIP Outcome No. 5

Success Measure  

BO05 Information and support are available for everyone - Net

£

Budget Forecast

SF05_01-The Big Lottery Fund project delivers on the agreed outcomes

Actual Red 


BO28 Our processes and business procedures are efficient, cost effective and compliant [SF]

Aligns to Council Outcome MIH



Success Measure  

BO28 Our processes and business procedures are efficient, cost effective and compliant - Net


£

Budget £ 1,679,917
Forecast £ 1,679,917 

SF28_01-Production of Unaudited Accounts

Actual Complete 
Target On track 



SF28_08-Participate in formal annual benchmarking for Accountancy

Actual Complete 
Target On track

SF28_15-Risks Management Overview Report approved.

Actual
Target On track



SF28_02-Production of Audited Accounts

Actual On track 
Target On track 



SF28_09-Return on investment of surplus funds at least equal to 7 day money market LIBID [London Interbank Bid] rate

Actual 0.5457 % 
Target On track 



SF28_16-Review of Strategic Risk Register

Actual Complete 
Target On track 



SF28_03-Annual Efficiency Statement Produced

Actual Complete 
Target On track 



SF28_10-Review treasury management practice (TMP) statements

Actual 100 % 
Target On track 

SF28_17-Percentage of audits completed in audit plan.


Actual 100 % 
Target On track 

SF28_04-Budget outlook reviewed and updated



Actual On track 
Target On track 

SF28_11-Investment Strategy Produced



Annual Measure

Actual Complete 
Target On track


SF28_18-Percentage of audit recommendations accepted by management.

Actual 100 % 
Target On track 



SF28_05-Revenue and capital monitoring reports prepared.

Actual Complete 
Target On track 



SF28_12-Treasury Management Report produced

Actual Complete 
Target On track



SF28_19-Planned number of days Continuous Monitoring Programme complete

Actual On track 
Target On track 



SF28_06-Comprehensive financial monitoring pack prepared

Actual On track 
Target On track 


SF28_13-Risk management policy, strategy and guidance manual reviewed

Actual Complete 
Target On track 



SF28_20-Effective participation in National Fraud Initiative - data completion

Actual Complete 
Target On track 


SF28_07-Distribution of routine reports to budget holders

Actual On track 
Target On track

SF28_14- Annual Risk Assurance Statements completed by Services

Actual On track 
Target On track 

SF28_21-Medium to Longer Term Financial Plan reviewed and updated

Actual Complete 
Target On track

1. Departmental Performance Report for: Customer Services

Period: April – June 2018

Key Successes	
<p>Business Outcome 05 Information and support are available for everyone</p>	
<p>1. 4 stars achieved in annual Socitm Better Connected assessment of council website (only 5 in Scotland and 39 in UK achieved this)</p>	
<p>Business Outcome BO23 Economic growth is supported</p>	
<p>1. For FQ1 we have paid 97.29% of invoices within 30 days – above target of 95.0%. 76.9% of council contracts awarded to SME businesses (above target of 75%). 34.1% of suppliers bidding for council contracts are local businesses (above target of 20%)</p>	
<p>2. All new NDR reliefs processed and awarded for end of June (day nursery; transitional relief; renewables relief) – additional £1.3m relief awarded)</p>	
<p>Business Outcome 28 Our processes and business procedures are efficient, cost effective and compliant</p>	
<p>1. Collections of NDR at end of June are 49.08% well above target of 32% and above previous year's 37.63%</p>	
<p>Business Outcome 30 People are informed and engaged</p>	
<p>1. We have continued to develop use of our social media channels: our followers on Facebook, Twitter and Instagram continue to increase; and we have re-launched use of the council's Linked-in site as an opportunity to promote jobs and the area as a good place to work.</p>	
<p>Business Outcome 32 Our workforce are supported to realise their potential</p>	
<p>1. The Council's training centre has received no less than three external verification visits from SQA during the period April to June. All of these have rated the centre as having significant strengths. This ensures our candidates are supported with the highest possible quality of learning experience and provides an excellent platform from which to expand our commercial activities.</p>	
<hr/>	
<p>Key Challenges and Actions Completed In Previous Quarter</p>	
<p>Business Outcome 28 Our processes and business procedures are efficient, cost effective and compliant</p>	
<p>1. General Data Protection Regulation arrangements implemented to ensure compliance with the new legislation.</p>	
<p>2. Review of Scheme for Community Councils concluded and main election and by election completed.</p>	
<p>3. Roll out of corporate mail system was completed – now live for all services within scope.</p>	

Business Outcome 33 Information and support are available for our communities

1. World War One commemoration event on Islay completed with very positive feedback

Short-term Operational Challenges		
<ol style="list-style-type: none"> 1. QKr pilot in JLB and Rhu primary schools – the ongoing pilot and evaluation of the on-line payment facility has taken up more operational time and resources than expected both centrally and in kitchens, and the service specific business benefits have not been apparent. The decision has been made by the project board to discontinue the pilot. 2. Vacancies/sickness absence and leave across Facility Services and Improvement and HR continue to be an issue – recruitment taking place /work plans being revised and staff being redirected to priority areas. 3. Benefit Changes in circumstances quarter to date have taken an average of 12.27days, above target of 6 days. With introduction of new system, we are not confident that all changes are being included in this measure as volumes are well down on previous year. Data is being verified. Backlog at end of June similar to previous year. Benefit new claims YTD have taken an average of 22.85 days above target of 21 days. (Although month of June was within target at 20.12 days). 4. Members uptake of Personal Development Plans has been low to date. 5. Arrangements for Victoria Cross ceremonies on Islay and in Helensburgh. 		
Key Challenges and Actions to address the Challenges		
Business Outcome BO09 (Our assets are safe, efficient and fit for purpose)		
<ol style="list-style-type: none"> 1. Challenge – While the updated Management Standard on the Control of Legionella was agreed in principle by SMT the finer detail of how temperatures are recorded and how infrequently used outlets are flushed needs to be agreed with Client Departments. This could involve training of circa 600 members of staff to undertake low level tasks and the scale of the task will prevent delivery of all training in the short term. Action – Agree detail with Client Departments and update Management Standard accordingly. 		
Carried Forward From Previous Quarter – Y	Completion Due Date: Ongoing	Responsible Person: Andrew MacKrell/Craig Houston
Key Challenges and Actions to address the Challenges		
<ol style="list-style-type: none"> 2. Challenge – Increase in cost of transport contracts 		

Action – work with Procurement Team in an effort to mitigate the increase in costs.

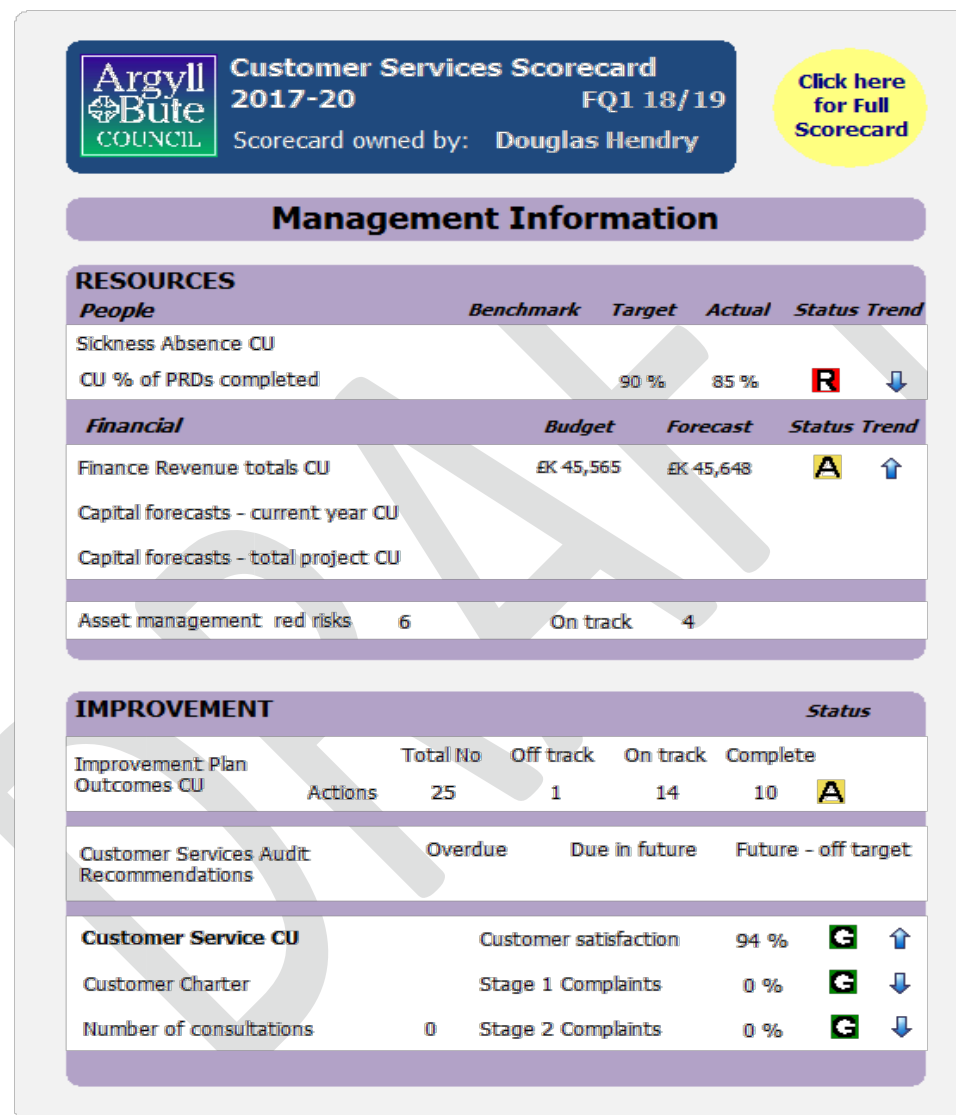
Carried Forward From Previous Quarter – N

Completion Due Date: 31 July 2018

Responsible Person Janne Leckie/Christine Todd

Key Challenges and Actions to address the Challenges		
Business Outcome BO18: Improved Lifestyle Choices are Enabled		
1. Challenge -Catering and Cleaning Innovation Project is in progress. Action -Catering and Cleaning Innovation Working Group continues to ensure that the project remains on track.		
Responsible Person: Jayne Jones Completion Due Date: On-going		
Carried Forward From Previous Quarter – Y	Completion Due Date: On-going	Responsible Person: Jayne Jones
Key Challenges and Actions to address the Challenges		
Business Outcome 28 Our processes and business procedures are efficient, cost effective and compliant		
1. Challenge – 2 nd By Election for Community Councils Action – Arrange further process to constitute last three community councils		
Carried Forward From Previous Quarter – N	Completion Due Date: 30th September 2018	Responsible Person: Shirley MacLeod
Key Challenges and Actions to address the Challenges		
2. Challenge: Address performance data for benefits change in circumstances following move to new system. Performance stats show huge increase in average no. of days to process, but document management system shows backlog in line with previous year – nothing older than 1 week unstarted. Action: Assess data being measured and compare to DWP SHBE stats. Maintain improvement in processing of new claims to bring that performance indicator back on target.		
Carried Forward From Previous Quarter – Y	Completion Due Date: 31st July 2018	Responsible Person: Fergus Walker

Key Challenges and Actions to address the Challenges		
<p>3. Challenge: Meet target for Customer Service Centre call abandon rates Action: Maintain improvement in call handling for next quarter throughout summer holiday period – using additional hours where necessary from part-time staff</p>		
Carried Forward From Previous Quarter – N	Completion Due Date: 31 September 2018	Responsible Person: Bob Miller
Key Challenges and Actions to address the Challenges		
<p>4. Challenge: Complete preparations for go live of remaining new online facilities for new council tax and benefits system by end of FQ2 2018. Resolve mismatches in authentication with MyAccount for forenames, and fix last bug in OpenPortal “My details” update. Prepare launch materials and launch to ex Gandlake users by direct invite and publicise generally to all new users. Action: Obtain fixes from supplier, test and implement.</p>		
Carried Forward From Previous Quarter – Y	Completion Due Date: 31 September 2018	Responsible Person: Fergus Walker
Key Challenges and Actions to address the Challenges		
Business Outcome 33 Information and support are available for our communities		
<p>1. Challenge - Transformation Activity/proposals for revenue budget strategy. Action - Transformation Board established and meeting on a regular basis, work streams agreed and being taken forward.</p>		
Carried Forward From Previous Quarter – Y	Completion Due Date: On-going	Responsible Person: Douglas Hendry





Departmental Performance Report for: Strategic Finance**Period: April to June 2018****Key Successes****Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.**

1. Unaudited Accounts prepared by 30 June deadline.
2. Annual Efficiency Statement reported to Council advising that we exceeded the 3% target, securing 4.14% of efficiency savings for 2017-18.
3. The 2017-18 outturn position was finalised in May 2017 and the performance against budget for financial year 2017-18 was an overall underspend of £2.567m (1.03%). The year-end underspend included savings as a result of diligent management around vacancy savings, enhanced contract management and decisions around borrowing, as well as increased Council Tax Income and additional funding, offset by the Council's share of the HSCP overspend and an overspend in winter maintenance.
4. Investment returns continue to exceed the benchmark rate of return – the rate of return for the 1st Quarter was 0.760% which compares favourably with the target of 7 day LIBID (London Interbank Bid Rate – the rate which banks are willing to borrow from other banks) which was 0.361% for the period.
5. All audits planned within Quarter 1 were completed (7 in total).
6. Audit and Scrutiny Committee agreed new scrutiny manual at their meeting in June which provides guidance to Council Officers and Elected Members on the Council's approach to scrutiny.
7. Following agreement on the new scrutiny framework approved in March 2018, this was used to agree the first scrutiny topic and work will commence on this in September 2018. Scrutiny training has been scheduled for the end of August for both Members and Audit staff.

Business Outcome BO05 – Information and support are available for everyone

1. Implemented a new client Management System for the Money Skills Argyll Project which simplifies the client data for the service and streamlines the activity which provides a much more effective and efficient way of tracking activity, identifying payments and reporting against the KPIs.

Key Challenges and Actions Completed In Previous Quarter**Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.**

1. Challenge: Preparation of year end accounts for 2017-18 within statutory timescale.
 1. Action: Year-end account preparation is well underway and resource will be focused to ensure that tasks are completed within planned timeframe.
 1. Completion Due Date: Council on 28 June 2018
2. Challenge: Audit and Scrutiny Committee to agree the first scrutiny topic.

2. Action: Chief Officers and Members have been asked for potential scrutiny topics and the Chief Internal Auditor will assess these through the scrutiny prioritisation process and present to Members at the June Committee meeting.
2. Completion Due Date: Audit and Scrutiny Committee on 19 June 2018.

Business Outcome BO05 – Information and support are available for everyone

1. Challenge: Implementing a new Client Management System for the Money Skills Argyll Project.

1. Action: The MSA project team is working with the selected vendor and the Council's IT staff to configure and implement the system as quickly as possible, having to work around the school Easter holidays and financial year end in doing so.

1. Completion Due Date: Revised target to have the system live by the end of May 2018.

Short-term Operational Challenges

1. Staff absence and vacancies are having an impact on the service and there is difficulty recruiting to temporary positions. A new structure for the service has been agreed and recruitment to the new structure has commenced.
2. Need to clarify with Big Lottery Fund the situation regarding the operational budget available to the programme in light of performance on the project to date. This will inform the decision to recruit to the vacant contract manager post.
3. Training on scrutiny for both Members and staff before embarking on first scrutiny review.
4. The revenue forecast outturn position as at the end of June is a forecast overspend of £2.801m of which £2.389m relates to Social Work Services within the Health and Social Care Partnership.

Key Challenges and Actions to address the Challenges

Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.

1. Challenge: Close monitoring of the forecast outturn position to bring the forecast overspend position within budget or as close to within budget as is possible.
1. Action: Council Services actively pursuing options to reduce any forecast overspend. Liaison with the new Chief Financial Officer of the IJB on the recovery plan and provide support and assistance to reduce the forecast overspend position. Also will discuss the accounting treatment for Social Work overspend with External Audit as part of the audit process.

Carried Forward From Previous Quarter – Y/N

No

Completion Due Date:

Will be ongoing throughout the year, but engagement with the new CFO in July/August with a particular focus on recovery plan.

Responsible Person

Kirsty Flanagan

Key Challenges and Actions to address the Challenges

Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.

- 2. Challenge: Scrutiny Training for both Members and staff
- 2. Action: Tender process completed and training provider now agreed.

Carried Forward From Previous Quarter – Y/N No	Completion Due Date: Training scheduled for 27&28 August 2018	Responsible Person Laurence Slavin, Chief Internal Auditor
Key Challenges and Actions to address the Challenges		
Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.		
3. Challenge: Progress with restructuring proposals for Strategic Finance to ensure we have a service that is fit for purpose to support the organisation, whilst at the same time providing business as usual service.		
3. Action: Implementation of new structure and liaison with Trade Unions.		
Carried Forward From Previous Quarter – Y/N Yes	Completion Due Date: Implementation commenced, aim to have all posts in place by October 2018. New Finance Manager appointed by end of July.	Responsible Person Kirsty Flanagan, Head of Strategic Finance
Key Challenges and Actions to address the Challenges		
Business Outcome BO05 – Information and support are available for everyone		
4. Challenge: Working with local Money Skills Argyll Partnership to deliver as much benefit to the area as we can and Working with the other Lead Partners in the Programme and Big Lottery Fund to improve the overall programme to make it more sustainable and deliverable.		
4. Action: Actively engage with Big Lottery Fund and other Partners to resolve issues with the programme.		
Carried Forward From Previous Quarter – Y/N No	Completion Due Date: Ongoing, but meetings scheduled for mid-August	Responsible Person David Forshaw, Principal Accountant

Strategic Finance Scorecard 2017-20

Scorecard owned by: **Kirsty Flanagan** **FQ1 18/19**

[Click here for Full Outcomes](#)

[Corporate Support Team Scorecard](#)

[Departmental Support Team Scorecard](#)

[Internal Audit Team Scorecard](#)

[Click here for Council Scorecard](#)

BO05 Information and support are available for everyone [SF]

Aligns to ABOIP Outcome No. 5

Success Measure: **A** ↑

BO28 Our processes and business procedures are efficient, cost effective and compliant [SF]

Aligns to Council Outcome MIH

Success Measure: 🟢 →

Management Information

RESOURCES

People	Benchmark	Target	Actual	Status	Trend
Sickness absence SF					
PRDs SF		90 %	93 %	🟢	↓

Financial	Budget	Forecast	Status	Trend
Finance Revenue totals SF	£K 1,643	£K 1,643	🟢	→
Capital forecasts - current year SF				
Capital forecasts - total project SF				

IMPROVEMENT

	Total No	Off track	On track	Complete	Status
SF Service Improvements 2017-20	5	5			
Strategic Finance Audit Recommendations		Overdue	Due in future	Future - off target	
Health & Safety		Overdue	Rescheduled	Actions in Plan	Complete
Service H&S Plan Actions					
H&S Investigation Actions					
Customer Service SF		Customer satisfaction	100 %		↑
Customer Charter		Stage 2 Complaints			🟢
Number of consultations	1	Stage 2 Complaints			🟢

Key Successes

Business Outcome BO05 Information and support are available for everyone

1. 4 stars achieved in annual Socitm Better Connected assessment of council website (only 5 in Scotland and 39 in UK achieved this)

Business Outcome BO23 Economic growth is supported

1. For FQ1 we have paid 97.29% of invoices within 30 days – above target of 95.0%. 76.9% of council contracts awarded to SME businesses (above target of 75%). 34.1% of suppliers bidding for council contracts are local businesses (above target of 20%)
2. All new NDR reliefs processed and awarded for end of June (day nursery; transitional relief; renewables relief) – additional £1.3m relief awarded)

Business Outcome BO28 Our processes and business procedures are efficient, cost effective and compliant

1. Collections of NDR at end of June are 49.08% well above target of 32% and above previous year's 37.63

Business Outcome BO30 We engage with our customers and staff

1. We have continued to develop use of our social media channels: our followers on Facebook, Twitter and Instagram continue to increase; and we have re-launched use of the council's Linked-in site as an opportunity to promote jobs and the area as a good place to work.

Business Outcome BO32 Our workforce is supported to realise its potential

1. The Council's training centre has received no less than three external verification visits from SQA during the period April to June. All of these have rated the centre as having significant strengths. This ensures our candidates are supported with the highest possible quality of learning experience and provides an excellent platform from which to expand our commercial activities.

Key Challenges and Actions Completed In Previous Quarter

Business Outcome BO28 Our processes and business procedures are efficient, cost effective and compliant

1. General Data Protection Regulation arrangements implemented to ensure compliance with the new legislation.
2. Review of Scheme for Community Councils concluded and main election and by election completed.
3. Roll out of corporate mail system was completed – now live for all services within scope.

Business Outcome 33 Information and support are available for our communities

1. World War One commemoration event on Islay completed with very positive feedback

<p>Short-term Operational Challenges</p> <ol style="list-style-type: none"> 1. QKr pilot in JLB and Rhu primary schools – the ongoing pilot and evaluation of the on-line payment facility has taken up more operational time and resources than expected both centrally and in kitchens, and the service specific business benefits have not been apparent. The decision has been made by the project board to discontinue the pilot. 2. Vacancies/sickness absence and leave across Facility Services and Improvement and HR continue to be an issue – recruitment taking place /work plans being revised and staff being redirected to priority areas. 3. Benefit Changes in circumstances quarter to date have taken an average of 12.27days, above target of 6 days. With introduction of new system, we are not confident that all changes are being included in this measure as volumes are well down on previous year. Data is being verified. Backlog at end of June similar to previous year. Benefit new claims YTD have taken an average of 22.85 days above target of 21 days. (Although month of June was within target at 20.12 days). 4. Members uptake of Personal Development Plans has been low to date. 5. Arrangements for Victoria Cross ceremonies on Islay and in Helensburgh. 		
<p>Key Challenges and Actions to address the Challenges</p> <p>Business Outcome BO09 Our assets are safe, efficient and fit for purpose</p> <ol style="list-style-type: none"> 1. Challenge - While the updated Management Standard on the Control of Legionella was agreed in principle by SMT the finer detail of how temperatures are recorded and how infrequently used outlets are flushed needs to be agreed with Client Departments. This could involve training of circa 600 members of staff to undertake low level tasks and the scale of the task will prevent delivery of all training in the short term 1. Action - Agree detail with Client Departments and update Management Standard accordingly. 		
<p>Carried Forward From Previous Quarter – Y</p>	<p>Completion Due Date: Ongoing</p>	<p>Responsible Person: Andrew MacKrell/Craig Houston</p>
<p>Key Challenges and Actions to address the Challenges</p> <p>Business Outcome BO09 Our assets are safe, efficient and fit for purpose</p> <ol style="list-style-type: none"> 2. Challenge - Increase in cost of transport contracts 2. Action - Work with Procurement Team in an effort to mitigate the increase in costs. 		

Carried Forward From Previous Quarter – N	Completion Due Date: 31 July 2018	Responsible Person: Janne Leckie/Christine Todd
Key Challenges and Actions to address the Challenges		
Business Outcome BO18 Improved lifestyle choices are enabled		
<p>3. Challenge - Catering and Cleaning Innovation Project is in progress</p> <p>3. Action - Catering and Cleaning Innovation Working Group continues to ensure that the project remains on track.</p>		
Carried Forward From Previous Quarter – Y	Completion Due Date: On-going	Responsible Person: Jayne Jones
Key Challenges and Actions to address the Challenges		
Business Outcome BO28 Our processes and business procedures are efficient, cost effective and compliant		
<p>4. Challenge - 2nd By-election for Community Councils</p> <p>4. Action - Arrange further process to constitute last three community councils</p>		
Carried Forward From Previous Quarter – N	Completion Due Date: 30 September 2018	Responsible Person: Shirley MacLeod
Key Challenges and Actions to address the Challenges		
Business Outcome BO28 Our processes and business procedures are efficient, cost effective and compliant		
<p>5. Challenge - Address performance data for benefits change in circumstances following move to new system. Performance stats show huge increase in average no. of days to process, but document management system shows backlog in line with previous year – nothing older than 1 week un-started.</p> <p>5. Action - Access data being measured and compare to DWP SHBE stats. Maintain improvement in processing of new claims to being that performance indicator back on target.</p>		

Carried Forward From Previous Quarter – Y	Completion Due Date: 31 July 2018	Responsible Person: Fergus Walker
Key Challenges and Actions to address the Challenges		
Business Outcome BO28 Our processes and business procedures are efficient, cost effective and compliant		
<p>6. Challenge – Meet target for Customer Service Centre call abandon rates</p> <p>6. Action – Maintain improvement in call handling for next quarter throughout summer holiday period – using additional hours where necessary form part-time staff</p>		
Carried Forward From Previous Quarter – N	Completion Due Date: 30 September 2018	Responsible Person: Bob Miller
Key Challenges and Actions to address the Challenges		
Business Outcome BO28 Our processes and business procedures are efficient, cost effective and compliant		
<p>7. Challenge – Complete preparation for go live of remaining new online facilities for new council tax and benefits system by end of FQ2 2018. Resolve mismatches in authentication with MyAccount for forenames, and fix last bug in OpenPortal “My Details” update. Prepare launch materials and launch to ex Gandlake users by direct invite and publicise generally to all new users.</p> <p>7. Action – Obtain fixes from supplier, test and implement.</p>		
Carried Forward From Previous Quarter – Y	Completion Due Date: 30 September 2018	Responsible Person: Fergus Walker
Key Challenges and Actions to address the Challenges		
Business Outcome BO33 Information and support is available for our communities		
<p>8. Challenge - Transformation Activity / proposals for revenue budget strategy</p> <p>8. Action – Transformation Board established and meeting on a regular basis, work streams agreed and being taken forward.</p>		
Carried Forward From Previous Quarter – Y	Completion Due Date: On-going	Responsible Person: Douglas Hendry



Customer Services Scorecard 2017-20 FQ1 18/19

Scorecard owned by: **Douglas Hendry**

[Click here
for Full
Scorecard](#)

Management Information

RESOURCES

<i>People</i>		<i>Benchmark</i>	<i>Target</i>	<i>Actual</i>	<i>Status</i>	<i>Trend</i>
Sickness Absence CU			1.88 Days	3.77 Days	R	↓
CU % of PRDs completed			90 %	85 %	R	↓
<i>Financial</i>		<i>Budget</i>	<i>Forecast</i>	<i>Status Trend</i>		
Finance Revenue totals CU		£K 45,565	£K 45,648	A	↑	
Capital forecasts - current year CU						
Capital forecasts - total project CU						
Asset management red risks	6	On track	4			

IMPROVEMENT

					<i>Status</i>
Improvement Plan	Total No	Off track	On track	Complete	
Outcomes CU	Actions	25	1	14	10 A
Customer Services Audit Recommendations	Overdue	Due in future	Future - off target		
Customer Service CU	Customer satisfaction	94 %	G	↑	
Customer Charter	Stage 1 Complaints	0 %	G	↓	
Number of consultations	0	Stage 2 Complaints	0 %	G	↓



Customer Services Scorecard 2017-20

Scorecard owned by: Douglas Hendry

FQ1 18/19

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

[Click here for Council Scorecard](#)

Customer & Support Services

Facility Services

Governance & Law

Improvement & HR

Priorities for 2015-17: Customer Services

[Click here for Management Information](#)

Making A&B a place people choose to live

- ABOIP Outcome No.5 - People live active, healthier and independent lives** Related Business Outcomes
- ABOIP Outcome No.6 - People live in safer and stronger communities** Related Business Outcomes
- ABOIP Outcome No.4 - Children and young people have the best possible start** Related Business Outcomes

Making A&B a place people choose to learn

- ABOIP Outcome No.3 - Education, skills and training maximises opportunities for all** Related Business Outcomes

Making A&B a place people choose to work

- ABOIP Outcome No.1 - The economy is diverse and thriving** Related Business Outcomes
- ABOIP Outcome No.2 - We have infrastructure that supports sustainable growth** Related Business Outcomes

Making it happen

- Supporting Outcome - Service Delivery Enablers** Related Business Outcomes

BO04 Benefits are paid promptly and accurately [CU Dept]

Aligns to ABOIP Outcome No. 5 Success Measure **A** ➔

BO05 Information and support are available for everyone [CU Dept]

Aligns to ABOIP Outcome No. 5 Success Measure **A** ➔

BO09 Our assets are safe, efficient and fit for purpose [CU Dept]

Aligns to ABOIP Outcome No. 6 Success Measure **A** ➔

BO10 Quality of life is improved by managing risk [CU Dept]

Aligns to ABOIP Outcome No. 6 Success Measure **C** ➔

BO11 There is no place for discrimination and inequality [CU Dept]

Aligns to ABOIP Outcome No. 6 Success Measure **C** ➔

BO17 The support needs of children and their families are met [CU Dept]

Aligns to ABOIP Outcome No. 4 Success Measure **A** ↓

BO18 Improved lifestyle choices are enabled [CU Dept]

Aligns to ABOIP Outcome No. 4 Success Measure **C** ↑

BO23 Economic growth is supported [CU Dept]

Aligns to ABOIP Outcome No. 1 Success Measure **A** ➔

BO27 Infrastructure and assets are fit for purpose [CU Dept]

Aligns to Council Outcome MIH Success Measure **C** ➔

BO28 Our processes and business procedures are efficient, cost effective and compliant [CU Dept]

Aligns to Council Outcome MIH Success Measure **A** ➔

BO29 Health and safety is managed effectively [CU Dept]

Aligns to Council Outcome MIH Success Measure **C** ➔

BO30 We engage with our customers, staff and partners [CU Dept]

Aligns to Council Outcome MIH Success Measure **C** ➔

BO31 We have a culture of continuous improvement [CU Dept]

Aligns to Council Outcome MIH Success Measure **C** ➔

BO32 Our workforce is supported to realise its potential [CU Dept]

Aligns to Council Outcome MIH Success Measure **C** ➔

Key Successes

Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.

1. Unaudited Accounts prepared by 30 June deadline.
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4. Investment returns continue to exceed the benchmark rate of return – the rate of return for the 1st Quarter was 0.760% which compares favourably with the target of 7 day LIBID (London Interbank Bid Rate – the rate which banks are willing to borrow from other banks) which was 0.361% for the period.
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7. Following agreement on the new scrutiny framework approved in March 2018, this was used to agree the first scrutiny topic and work will commence on this in September 2018. Scrutiny training has been scheduled for the end of August for both Members and Audit staff.

Business Outcome BO05 – Information and support are available for everyone

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Key Challenges and Actions Completed In Previous Quarter

Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.

- 1. Challenge:** Preparation of year end accounts for 2017-18 within statutory timescale.
1. Action: Year-end account preparation is well underway and resource will be focused to ensure that tasks are completed within planned timeframe.
Completion Due Date: Council on 28 June 2018
- 2. Challenge:** Audit and Scrutiny Committee to agree the first scrutiny topic.
2. Action: Chief Officers and Members have been asked for potential scrutiny topics and the Chief Internal Auditor will assess these through the scrutiny prioritisation process and present to Members at the June Committee meeting.
Completion Due Date: Audit and Scrutiny Committee on 19 June 2018.

Business Outcome BO05 – Information and support are available for everyone

1. Challenge: Implementing a new Client Management System for the Money Skills Argyll Project.

1. Action: The MSA project team is working with the selected vendor and the Council’s IT staff to configure and implement the system as quickly as possible, having to work around the school Easter holidays and financial year end in doing so.

1. Completion Due Date: Revised target to have the system live by the end of May 2018.

Short-term Operational Challenges

1. Staff absence and vacancies are having an impact on the service and there is difficulty recruiting to temporary positions. A new structure for the service has been agreed and recruitment to the new structure has commenced.
2. Need to clarify with Big Lottery Fund the situation regarding the operational budget available to the programme in light of performance on the project to date. This will inform the decision to recruit to the vacant contract manager post.
3. Training on scrutiny for both Members and staff before embarking on first scrutiny review.
4. The revenue forecast outturn position as at the end of June is a forecast overspend of £2.801m of which £2.389m relates to Social Work Services within the Health and Social Care Partnership.

Key Challenges and Actions to address the Challenges

Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.

- 1. Challenge** - Close monitoring of the forecast outturn position to bring the forecast overspend position within budget or as close to within budget as is possible.
- 1. Action** - Council Services actively pursuing options to reduce any forecast overspend. Liaison with the new Chief Financial Officer of the IJB on the recovery plan and provide support and assistance to reduce the forecast overspend position. Also will discuss the accounting treatment for Social Work overspend with External Audit as part of the audit process.

Carried Forward From Previous Quarter – N	Completion Due Date: Will be ongoing throughout the year, but engagement with the new CFO in July/August with a particular focus on recovery plan.	Responsible Person: Kirsty Flanagan
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Key Challenges and Actions to address the Challenges		
Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.		
<ul style="list-style-type: none"> 2. Challenge - Scrutiny Training for both Members and staff 2. Action - Tender process completed and training provider now agreed. 		
Carried Forward From Previous Quarter – N	Completion Due Date: Training scheduled for 27th & 28th August 2018	Responsible Person: Laurence Slavin
Key Challenges and Actions to address the Challenges		
Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.		
<ul style="list-style-type: none"> 3. Challenge – Progress with restructuring proposals for Strategic Finance to ensure we have a service that is fit for purpose to support the organization whilst at the same time providing business as usual service. 3. Action – Implementation of new structure and liaison with Trade Unions 		
Carried Forward From Previous Quarter – Y	Completion Due Date: Implementation commenced, aim to have all posts in place by October 2018. New Finance Manager appointed by end of July	Responsible Person: Kirsty Flanagan.
Key Challenges and Actions to address the Challenges		
Business Outcome BO05 Information and support are available for everyone		
<ul style="list-style-type: none"> 4. Challenge – Working with local Money Skills Argyll Partnership to deliver as much benefit to the area as we can and working with the other Lead Partners in the Programme and Big Lottery Fund to improve the overall programme to make it more sustainable and deliverable. 4. Action - Actively engage with Big Lottery Fund and other Partners to resolve the issues with the programme. 		
Carried Forward From Previous Quarter – N	Completion Due Date: On-going, but meetings scheduled for mid-August.	Responsible Person: David Forshaw

Strategic Finance Scorecard 2017-20

Scorecard owned by: **Kirsty Flanagan** **FQ1 18/19**

[Click here for Full Outcomes](#)

[Corporate Support Team Scorecard](#)

[Departmental Support Team Scorecard](#)

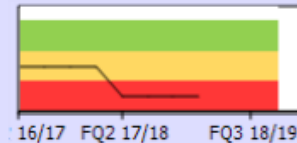
[Internal Audit Team Scorecard](#)

[Click here for Council Scorecard](#)

BO05 Information and support are available for everyone [SF]

Aligns to ABOIP Outcome No. 5

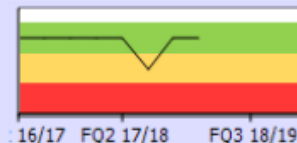
Success Measure **R** →



BO28 Our processes and business procedures are efficient, cost effective and compliant [SF]

Aligns to Council Outcome MIH

Success Measure **G** →



Management Information

RESOURCES

People	Benchmark	Target	Actual	Status	Trend
Sickness absence SF		1.5 Days	0.7 Days	G	↑
PRDs SF		90 %	93 %	G	↓
Financial	Budget	Forecast			
Finance Revenue totals SF	£K 1,643	£K 1,643		G	→
Capital forecasts - current year SF					
Capital forecasts - total project SF					

IMPROVEMENT

	Total No	Off track	On track	Complete	Status
SF Service Improvements 2017-20	5	5			
Strategic Finance Audit Recommendations	Overdue	Due in future	Future - off target		
Health & Safety Service H&S Plan Actions	Overdue	Rescheduled	Actions in Plan	Complete	
H&S Investigation Actions					
Customer Service SF	Customer satisfaction	100 %			↑
Customer Charter	Stage 2 Complaints				G
Number of consultations	1	Stage 2 Complaints			G

Strategic Finance Scorecard 2017-20

Scorecard owned by: **Kirsty Flanagan** **FQ1 18/19**

[Click here for Full Scorecard](#)

BO05 Information and support are available for everyone [SF]

Aligns to ABOIP Outcome No.

Success Measure **R** →

5

BO05 Information and support are available for everyone - Net

£

Budget Forecast

Metric	Actual	Target	Benchmark	Status
SF05_01-Number of new participants engaging in projects each month	6	80		R ↓
SF05_02-Number of participants who sign up to a personal action plan	4	58		R ↓
SF05_03-Number of participants who have completed 100% of their personal action plan	5	43		R ↓

BO28 Our processes and business procedures are efficient, cost effective and compliant [SF]

Aligns to Council Outcome MIH

Success Measure **G** →

BO28 Our processes and business procedures are efficient, cost effective and compliant - Net

£

Budget £ 1,642,869 **G**

Forecast £ 1,642,869 →

Metric	Actual	Target	Status
SF28_01-Production of Unaudited Accounts	Complete	On track	G →
SF28_02-Production of Audited Accounts	On track	On track	G →
SF28_03-Annual Efficiency Statement Produced	Complete	On track	G →
SF28_04-Budget outlook reviewed and updated	On track	On track	G →
SF28_05-Revenue and capital monitoring reports prepared.	Complete	On track	G →
SF28_06-Comprehensive financial monitoring pack prepared	On track	On track	G →
SF28_07-Distribution of routine reports to budget holders	On track	On track	G →
SF28_08-Medium to Longer Term Financial Plan reviewed and updated	On track	On track	G →
SF28_09-Participate in formal annual benchmarking for Accountancy	On track	On track	G →
SF28_10-Return on investment of surplus funds at least equal to 7 day money market LIBID [London Interbank Bid] rate	0.7110 %	On track	G ↑
SF28_11-Review treasury management practice (TMP) statements	100 %	On track	G →
SF28_12-Investment Strategy Produced	Complete	On track	G →
SF28_13-Annual Treasury Management Report Produced	Complete	On track	G →
SF28_14-Annual Risk Assurance Statements completed by Services	On track	On track	G →
SF28_15-Risks Management Overview Report approved.	On track	On track	G →
SF28_16-Review of Strategic Risk Register		On track	
SF28_17-Annual Audit Plan approved by 31 March	On track	On track	G ↓
SF28_18-Percentage of audits completed in audit plan.	100 %	On track	G →
SF28_19-Percentage of audit recommendations accepted by management.	100 %	On track	G →
SF28_20-Internal Audit Client Feedback Survey	100 %	On track	G ↑

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ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES
COMMITTEE****CUSTOMER SERVICES****16th AUGUST 2018**

PROPOSED BY ELECTION- COLONSAY COMMUNITY COUNCIL

1.0 EXECUTIVE SUMMARY

Following the recent election process carried out following the adoption of the revised Scheme for the Establishment of Community Councils, Colonsay Community Council has been established with a membership of 4 community councillors (50% of the membership specified in Appendix 3 of the Scheme, which is 8 members). In adhering to the Scheme they are able to co-opt members to a maximum of one third of the total members of the community council, ie 2 persons can be co-opted. 5 individuals have expressed an interest in joining the community council, and the community council have requested that the Council carry out a by election process to enable these interested persons to stand for election.

PROPOSED BY ELECTION- COLONSAY COMMUNITY COUNCIL.

2.0 INTRODUCTION

- 2.1 Following the recent round of community council elections Colonsay Community Council has been established with an elected membership of 4. The Scheme for the Establishment of Community Councils allows them to co-opt 2 members, but they have 5 people interested in joining, and have requested that the Council carry out a by election to enable these interested persons to stand for election.

3.0 RECOMMENDATIONS

That the Committee:

- 3.1 Notes the request from Colonsay Community Council for a by election be carried out to fill spaces in their membership and agrees that given the exceptional circumstances pertaining to this matter the request be granted.

4.0 DETAIL

- 4.1 Following the recent adoption of the revised Scheme for the Establishment of Community Councils elections were held with a date of election of 26th April 2018. The nominations period ran from Tuesday 6th to Thursday 22nd March 2018.
- 4.2 At close of nominations, 4 people were validly nominated for Colonsay community Council and were duly deemed to be elected.
- 4.3 At the inaugural meeting of the Community council, held on 7th May, it was noted that a number of residents on Colonsay had intimated to the newly elected members that they had been interested in standing for the community council, but had not managed to submit applications either because of the timelines involved, or because they had only recently made applications to be on the electoral register. Concerns were also raised about papers having to be lodged at Kilmory or at Council service points, which it was felt caused timing difficulties given postal arrangements on the island.
- 4.4 At the first ordinary meeting of the Colonsay Community Council it was noted that 5 persons have now expressed an interest in joining

the community council. There are 2 ways this could be taken forward;

- a) Where a vacancy arises which does not result in the number of community councillors falling below 50% of the membership figures specified in Appendix 3 of the Scheme, the community council may agree to fill the vacancy through co-option with full voting rights, to a maximum of one third of the total membership of the community council (in the case of Colonsay Community Council this equates to a maximum of 2 co-opted members) (Section 6.8 a) of the Scheme)
- b) In terms of section 6.10 of the Scheme, should a vacancy or vacancies arise in the membership of a community council between elections, the community council will advise Argyll and Bute Council who may hold an interim by election and offer each community council the opportunity to be included in the by election.

4.5 Given the situation which has arisen in Colonsay, the community council is faced with either co-opting a maximum of 2 members, who can serve for a maximum of two years until the planned interim by election is held in spring of 2020, or with requesting that the Council carry out a by election process which would enable all of the interested parties to stand for election. If this request is granted and elections take place, the outcome would be that the community council would move to full membership at the conclusion of the process, rather than having only 75% membership for the next two years.

4.6 . Members should note that should they agree to the request from the community council for a by election to be held, should the number of candidates validly nominated exceed the total number of seats on the community council (currently 4) a poll will be held. This would be a postal ballot with associated costs for printing of ballot papers, postage etc, but the costs can be covered from the existing election budget account.

5.0 CONCLUSION

- 5.1 Following the recent round of community council elections Colonsay Community Council has been established with an elected membership of 4. The Scheme for the Establishment of Community Councils allows them to co-opt 2 members, but they have 5 people interested in joining, and have requested that the Council carry out a by election to enable these interested persons to stand for election and enable the community council to achieve 100% membership now rather than run for 2 year with a membership level of only 75%.

6.0 IMPLICATIONS

- 6.1 Policy – None, proposals are consistent with policy.
- 6.2 Financial –It is expected that the cost of holding any agreed election will be contained within the current elections budget.

- 6.3 Legal – None.
- 6.4 HR – The election process will be carried out by existing staff.
- 6.5 Equalities - None
- 6.6 Risk – Failure to agree to the by election request could result in adverse publicity for the Council.
- 6.7 Customer Service - None

**Executive Director of Customer Services
Policy Leads - Councillors Currie and Colville**

17th July 2018

For further information contact: Shirley MacLeod, Area Governance Manager, 22 Hill Street, Dunoon (01369 707134)

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES
COMMITTEE****CUSTOMER SERVICES****16th AUGUST 2018**

INFORMATION MANAGEMENT STRATEGY 2018 - 2021

1.0 EXECUTIVE SUMMARY

- 1.1. This Information Management (IM) Strategy 2018-21 follows a review of the 2014-18 Information Management Strategy which recognised the Council's changing and emerging priorities. This document outlines the approach that the Council will take to the governance, deployment and development of improved processes, procedures and technologies for better management of our information. It defines our vision, key principles and overall direction of travel for Information Management across the Council. The ICT Steering Board reviewed and approved the Strategy document on 3rd July 2018 and it was subsequently approved by SMT on the 23rd July 2018.

2.0 INTRODUCTION

- 2.1. The existing IM Strategy (2014 – 18) was approved by the Policy & Resources (P&R) Committee on 19th March 2015. The Council continues to face increasing external scrutiny relating to the various Legal (and sometimes conflicting) obligations that are placed on the Council including Freedom of Information (FOI), the enhanced Data Protection legislation in the form of the General Data Protection Regulations (GDPR) and Public Records (Scotland) Act 2011 (PRSA).
- 2.2. This new version of the IM Strategy considers those new and emerging priorities and presents an approach that best ensures our organisation is equipped to manage its information and that of our customers appropriately, and therefore best equipped to meet our legislative obligations.

3.0 RECOMMENDATIONS

- 3.1. It is recommended that the Policy & Resources Committee approve the Information Management (IM) Strategy for Argyll and Bute Council 2018 - 2021.

4.0 DETAIL

- 4.1. GDPR came into force in the UK on 25 May 2018. It affects all organisations processing the personal data of individuals in the EU in relation to offering goods or services and significant penalties can be imposed on organisations and individuals in breach of the new law, with fines of up to €20 million or 4% of annual worldwide turnover, whichever is greater.
- 4.2. Both the GDPR and PRSA legislation requires the Council to evidence the existence of retention and disposal schedules at an operational level (as opposed to policy level commitments to good retention and disposal practice).
- 4.3. There are a number of Key Programmes identified within the IM Strategy required to help deliver effective Information Management, meet the legislative requirements, and achieve the outcomes that matter to the Council, its partners and customers. The Key Programmes provide the cornerstone for an IM Improvement Action Plan for 2018 through to 2021 namely:
 - Governance, Compliance & Assurance;
 - Information Asset Culture; and
 - Enabling Systems & Technologies.
- 4.4. **Governance, Compliance and Assurance** – A new IM Steering Board that meets quarterly will oversee the implementation of the associated action plan that provides a road map for implementing the Information Management Programme. In addition, the IM Strategy outlines the roles and responsibilities for a newly formed IM Steering Board, SMT, Members, and the Audit and Scrutiny Committee. The overall aim and role of the IM Steering Board is to set the strategic direction for Information Management for the Council.
- 4.5. **Information Asset Culture** – It is essential to encourage a culture that understands there is a balance between the costs of maintaining the information held, versus the value of that information to the Council and the services that it delivers. The previous Information Management Strategy (2014–18) enabled the creation of our Information Asset Registers (IARs). Every service across the Council now has an IAR, and these were further developed to assist with preparation for the General Data Protection Regulation (GDPR), and are effectively our “Register of Processing” (a necessity under GDPR). The next step is to embed these IARs within our working practices – by ensuring all staff know what they are, how to use them, and retention policies are implemented.
- 4.6. **Enabling Systems & Technologies** – MS SharePoint has evolved to become the collaborative hub for storing and sharing unstructured

documentation and other content across the Council. An exercise to migrate MS SharePoint 2007 sites to MS SharePoint 2010 has been recently completed and a focus of the Information Management Strategy is the longer term objective to establish a framework for a new MS SharePoint 2016 environment which will incorporate predefined templates depending on the nature and purpose of the site. This will allow the pre-population of metadata and rules to help better categorise, organise and manage unstructured content in a consistent way across the Council. This is essential for better equipping the Council for GDPR and PRSA compliance.

4.7. **Information Management Improvement Action Plan** – The Improvement Action Plan, *Section 9 of the appended IM Strategy 2018-21 document*, provides the road map for implementing the Information Management Programme. It is a summary of the things we need to undertake to achieve planned outcomes associated with the key 3 Programmes that the Strategy has identified. These are supported by timeframes and the officers and/ or groups assigned ownership for delivery assurance.

5.0 CONCLUSION

The IM Strategy 2018 - 21 outlines the approach that the Council will take to the deployment and development of improved processes, procedure and technologies for better management of our information. It defines our vision, key principles and overall direction of travel for Information Management across the Council, recognising the emerging priorities for the Council and in particular the significant responsibilities for compliance with recently changed legislation. The associated Action Plan is achievable and essential for good Information Management practice and minimising the risk of non-compliance for the Council. The Policy & Resources Committee is asked to approve the Information Management (IM) Strategy for Argyll and Bute Council 2018 – 2021.

6.0 IMPLICATIONS

6.1. **Policy** – No

6.2. **Financial** – None at present – Subject to future business cases should they arise

6.3. **Legal** – Public Records (Scotland Act) 2011, GDPR 2018, FOI

6.4. **HR** – Staff Guidance, Training

6.5. **Equalities** - None

6.6. **Risk** – Reduces risk of non-compliance with PRSA, GDPR and FOI legislation and associated reputational risk.

6.7. **Customer Services** – Better management of customer information leading to improved services to customers. Better able to respond to FOI and GDPR related requests.

Douglas Hendry
Executive Director of Customer Services

Policy Lead for Corporate Services
Councillor Rory Colville

For further information contact:
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APPENDIX

“Information Management Strategy 2018 - 2021”



Information Management Strategy 2018-21

Version 0.7 August 2018

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1 Argyll and Bute – Our Information Management Strategy

1.1 Document Purpose

The purpose of this document is to establish a strategic framework for information management across Argyll and Bute Council (the Council). It is aligned with other corporate Council strategies to deliver positive outcomes for its staff and customers with an emphasis on compliance and good practice.

This document covers the following elements:

- *Information Management Overview*
- *Our Vision*
- *Our Principles*
- *Corporate Priorities*
- *Key Programmes*
- *Governance*
- *Resourcing*
- *Action Plan*

1.2 Introduction

This Information Management Strategy builds on a review of the IM Strategy established for 2014 to 2018, recognising that the emerging priorities for the Council have been subject to changes over that time.

The strategic outcomes are largely unchanged from the original strategy and reflected in “Our Principles”, however, as a Council we face a changing landscape in terms of how we manage and process information. New data protection legislation, came into force in May 2018, placing more stringent requirements upon organisations in terms of how personal data is handled, and the Public Records (Scotland Act) 2011 requires public authorities to agree and adhere to a records management plan

This document outlines the approach that the Council will take to the deployment and development of improved processes, procedure and technologies for better management of our information. It defines our vision, key principles and overall direction of travel for Information Management across the Council.

2 Information Management Overview

What Is Information?

For the purpose of this document Information is defined as any printed or electronically held document or structured data stored in databases within the Council and any associated third party organisations.

This includes:

- *Any printed or handwritten document including correspondence received by the Council;*
- *Any electronically held document, including media images, email, office documents, social media, audio and video information (often referred to as unstructured information);*
- *Any information held in a database or similar repository such as customer relationship management information, asset management information or finance information (often referred to as structured information); and*
- *Informal or tacit information held by individuals in notes of meetings, diaries, site visit notes, knowledge banks.*

This deliberately broad and wide ranging definition has the implication that any information, in whatever shape or form, needs to be managed with the appropriate level of care and attention.

Information is essential to all staff, at all levels, and across all services of the Council in order that they can carry out their day to day duties. The Council needs, within its regulatory obligations, to safely manage and secure the information created or managed, but it also needs to dispose of information that is no longer needed and holds little value to the Council. Moving forward we must develop a culture that understands there is a balance between the costs of maintaining the information held, versus the value of that information to the Council and the services that it delivers.

Definition of “Information Management”

Information Management *describes the means by which an organisation “efficiently governs, plans, controls, collects, creates, evaluates, organises, stores, analyses, disseminates, maintains, and disposes of its information, and through which it ensures that the value of that information is identified and exploited to the fullest extent.”*

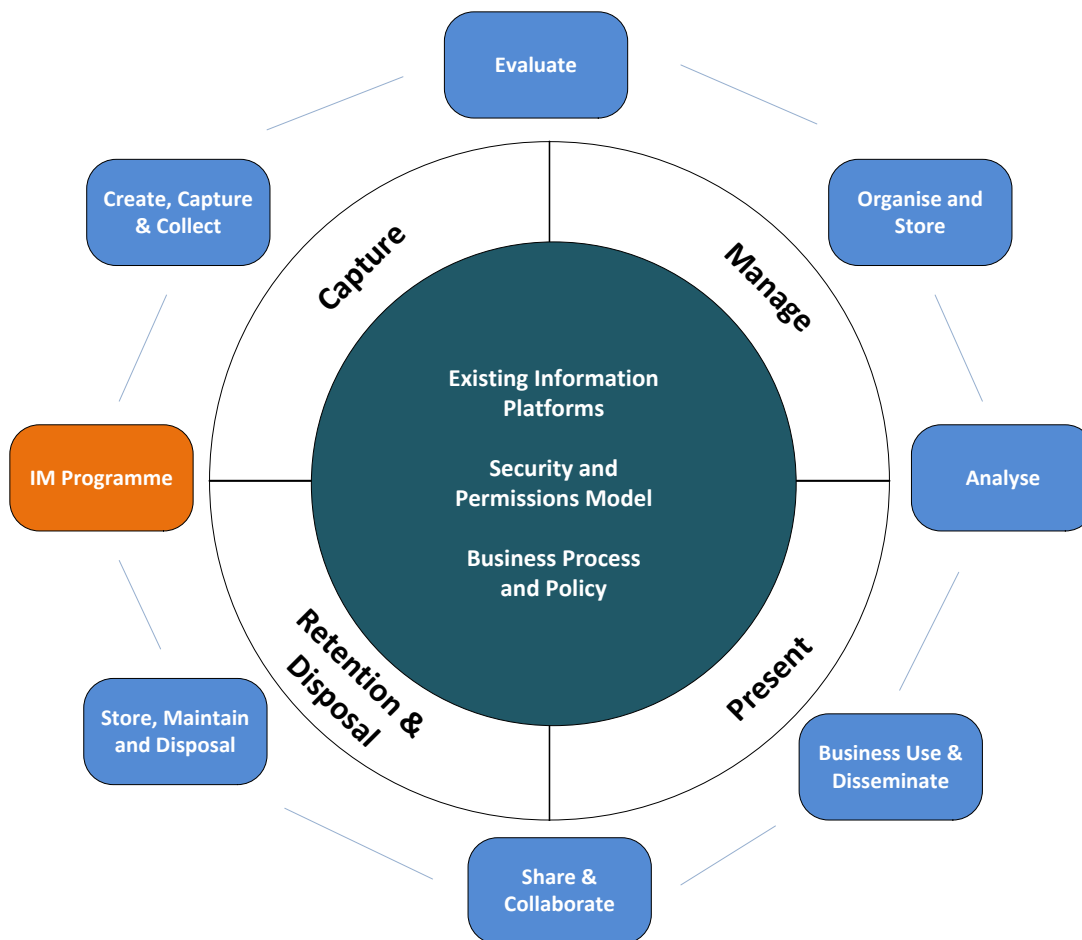
Information Management is not an ICT issue. It incorporates many elements including the nature of the information, the technology used to manage the information, the people (both skills and behaviour) used to work with the information - and the governance applied to the information including management and leadership.

An Information Management Programme has been developed to give guidance to staff within the Council that focuses on embedding a culture of better management of information that becomes part of our normal day to day operation. Information is available on the hub ([Managing Records and Information](#)). This guidance is being updated in line with data protection legislation changes from 25th May 2018.

Information Lifecycle

Through this Information Management Strategy the Council recognises that Information is an asset to the Council and that the Council needs to manage information through its lifecycle – no different from managing any other asset. Like any other asset, information has a value to the Council, its staff, customers, communities, partners and third-party suppliers. The Council needs to manage the creation, collection and use of information in a cost effective manner, but more importantly if managed effectively the information has the capability to aid effective decision making and support the efficient delivery of the services provided.

Diagram 1: The Information Management Lifecycle



3 Business Context

To maximise the potential benefit from our information we need to manage it effectively, re-use it where we can, share it appropriately and ensure that it is adequately protected

The Council continues to face increasing external scrutiny relating to the various Legal (and sometimes conflicting) obligations that are placed on the Council including the FOI, the enhanced Data Protection legislation in the form of the General Data Protection Regulations (GDPR) and PRSA - Public Records (Scotland) Act 2011.

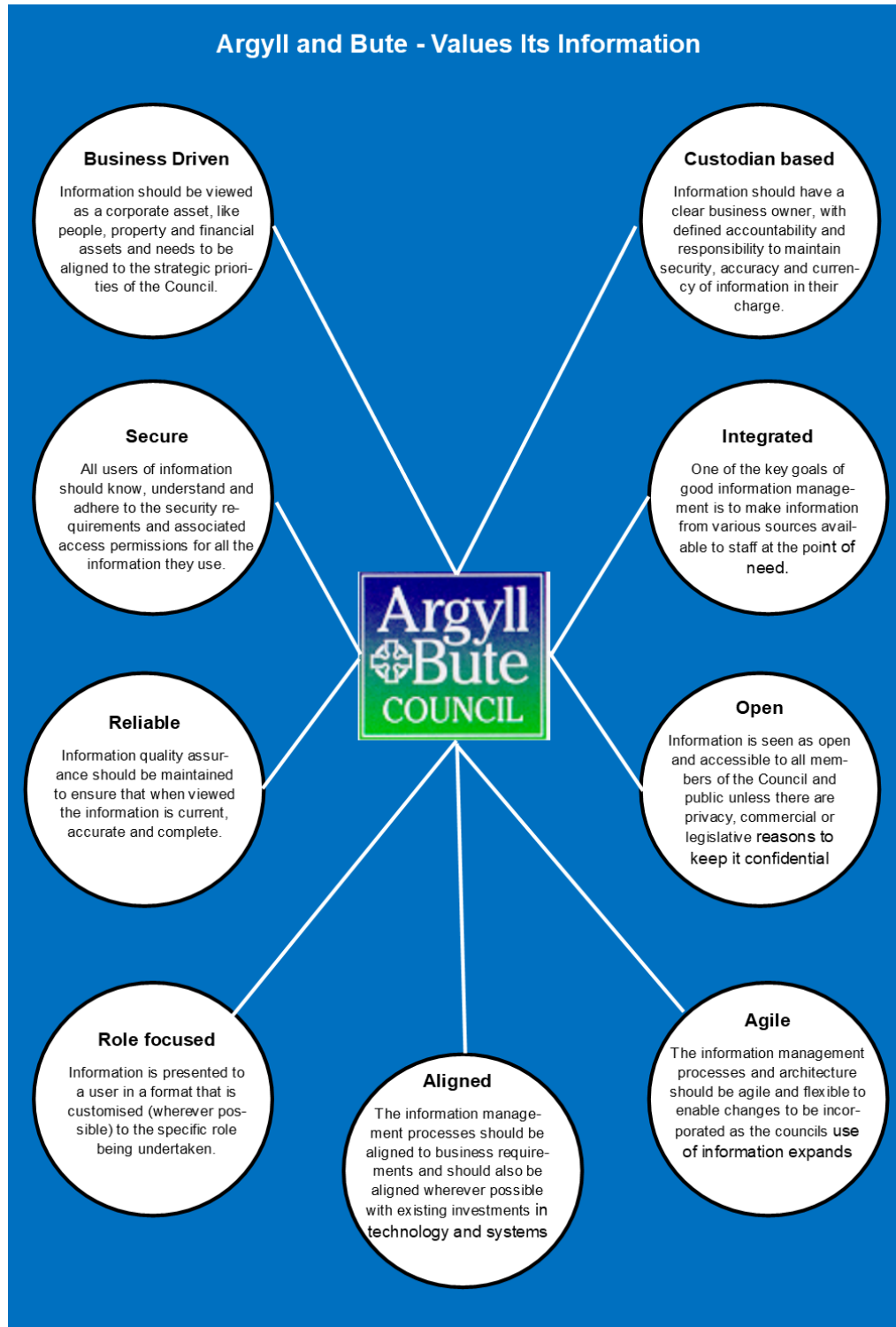
GDPR will be in force in the UK on 25 May 2018. It will affect all organisations processing the personal data of individuals in the EU in relation to offering goods or services and significant penalties can be imposed on organisations and individuals in breach of the new law, with fines of up to €20 million or 4% of annual worldwide turnover, whichever is greater.

Both the GDPR and PRSA legislation requires the Council to evidence the existence of retention and disposal schedules at an operational level (as opposed to policy level commitments to good retention and disposal practice).

Throughout the public sector, information sharing and cross agency working is creating opportunities to streamline services and drive operational efficiencies. Good information management practices will best place the council to engage in collaborative working and take advantage of potential efficiencies.

4 Our Vision

The Council's information vision is to create an environment where everyone, including associated partner organisations values information and supports the manner in which the Council governs, manages and uses information.



5 Our Principles

This Information Management Strategy will be delivered against a set of principles:

1. Create a culture which values information and treats it accordingly

Accurate information is essential for all of our employees, every day, and at all levels so that we can all do our jobs individually or collectively as services of the Council. It needs to be accurate, available and accessible. We need all to be able to recognise its relevance and value.

2. Improve access to information through technology, process and tools,

Customers and staff should be able to access information through a number of channels i.e. Face to face, online, phone or email. Access to information will be delivered as “digital first” and customers who can use digital media will be enabled and encouraged to self-serve. Those who are unable to self-serve will be assisted to access services so they are not disadvantaged.

3. Ensure best use of information by developing opportunities for sharing and re-use

Throughout the public sector, information sharing and cross agency working is creating opportunities to streamline services and drive operational efficiencies. Good information management practices will best place the council to engage in collaborative working and take advantage of potential efficiencies.

4. Hold information once and securely

This means we will collect, maintain and secure customer details once. This information will be used to update all our main systems. So not only will data be secure but it will not have to be provided many times. Risk and security controls should be balanced according to business objectives – security controls should be proportionate to risk. In addition, security should be user transparent and not cause users undue extra effort.

5. Use data well

We will share the right data within the Council, our partners and with customers, in accordance with data protection legislation. We will use data analytics to make the right decisions and open up our data where we can to provide customers, communities and businesses access to what we hold.

6. Comply with information management legislation, policies, standards, codes of practice and other guidance.

We have in place policies, procedures and guidance for staff to encourage good working practices and compliance with legislation.

7. Develop our workforce to manage information appropriately.

We will support our workforce to maintain and develop their skills to understand the value of our information, manage and respect it accordingly.

6 Council Priorities

The Information Management Strategy supports council objectives by providing staff access to comprehensive and reliable information, at the point of need, where everyone, understands the importance of handling it correctly, sharing it appropriately and protecting it from improper use.

6.1 Alignment with the Council's Corporate Plan

The new Corporate Plan 2018 – 21 states the Councils aim for “*Getting It Right*” – ensuring “*our support services assist front line services to make sure that we get it right for our communities and citizens*”, in particular supporting the delivery of our priorities by:

- *Ensuring our structure and systems make our council high performing;*
- *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;*
- *Engaging, consulting and working with our customers, communities and partners’ and*
- *Providing excellent customer service and communication.*

Adoption of a corporate IM strategy can help to achieve these aims through:

- Creating a culture which values information and treats it accordingly;
- Improving access to information through technology, processes and tools:
 - Improving the efficiency of business processes through the delivery of workflow and business process automation;
 - Training staff in the better use of information, with policies and processes in place for sharing information both within and outside of the council where appropriate;
 - Improving the use of information by storing information in a coherent and easily searchable manner (based on relevance and need), that is accessible to all staff from any location; and
 - Generating high quality management information that can be used to facilitate the improvement in business processes.
- Ensuring best use of information by developing opportunities for sharing and re-use:
 - Controlling the growth in information storage costs by storing information once and removing redundant, obsolete and trivial information; and
- Ensuring compliance with information management legislation, policies, standards, codes of practice and other guidance.

6.2 Envisaged Benefits

There are a number of outcomes that benefit the council, staff and customers:

Corporate Benefits

- Identification and understanding of the Council Information Assets will contribute greatly to the creation of clearly defined and understood policy and guidance Retention and Disposal;
- Supports broader decision making and policy making;
- The Council will be better positioned to demonstrate compliance with regulations such as Public Records (Scotland) Act 2011 and GDPR 2018;
- Enables the council to provide a more effective service to its customers with greater transparency around the information it holds;
- Increases its efficiency by enabling it to get the most out of the information it holds, avoiding duplication and promoting re-use where appropriate;
- Reduces levels of information-related risk and helps to ensure that council information is protected and secure;
- Preserves its public reputation and enables it to meet public expectation of how it will manage their information;
- Builds trust in the quality of its information both for staff and the public;
- Preserves for the public record decisions being made now which will become our history in the future;
- Increases its efficiency by enabling it to get the most out of the information it holds, avoiding duplication and promoting re-use where appropriate; and
- Reduces levels of information-related risk and ensures that council information is protected and secure.

Benefits for Staff

Improving the way services manage their information brings a number of benefits both to the individual and the services within which they operate. Good information management provides staff with the following benefits:

- Improved searching, retrieving and use of information through the introduction of a more consistent structure for storing information resulting in being able to find information quickly and easily;
- Access to better quality and more reliable information;
- Better access to the right information as a result of de-duplication of information and version control;

- Raised awareness of responsibilities for information handling leading to staff being better equipped to comply with policy and legislation;
- Use of email archiving, search and classification better understood;
- Working more efficiently, making best use of existing information resources - re-using information and not reinventing the wheel;
- Better equipped to work collaboratively - making best use of skills and knowledge;
- Greater certainty and understanding of what to keep, how it should be kept and what to dispose of ;
 - Knowing what to share and with whom;
 - Reassurance that everyone is complying with responsibilities under legal requirements.

Benefits for Customers

- Information is captured once and not repeatedly;
- Information is more accurate, reliable and accessible;
- Assurance that information relating to them is protected and handled appropriately;
- That when they give consent to share information, that consistent standards will be applied;
- The council is more responsive, informed and able to deal with customer queries and transactions quicker.

7 Key Programmes

There are a number of Key Programmes required to help deliver effective Information Management and achieve the outcomes that matter to the Council, its partners and customers. The Key Programmes provide the cornerstone for an Information Management Improvement Action Plan for 2018 through to 2021:

- Governance, Compliance & Assurance;
- Information Asset Culture; and
- Enabling Systems & Technologies.

6.3 Governance, Compliance and Assurance

Role of the Information Management (IM) Steering Board

The overall aim and role of the IM Steering Board is to set the strategic direction for Information Management for the Council. The IM Steering Board will oversee the implementation of the associated action plan that provides a road map for implementing the Information Management Programme and delivery of the Information Management Strategy.

IM Steering Board Member Responsibilities

- Provide input and direction for the implementation and ongoing review and governance of the Information Management Strategy and Programme;
- Provide representation from business, HR and technical areas within the Council, supported by specialists on a regular and 'as needed basis'; and
- This Board meets quarterly.

Responsibilities of the Strategic Management Team (SMT)

The SMT is responsible for understanding the implications, importance and obligations for effective Information Management for the organisation as a whole and not on current organisational structures and methods, thereby creating an environment where IM initiatives can be successfully implemented. SMT also has responsibility for supporting key IM activities with the right level of funds and resources. Information Management should always be a consideration of the Strategic Management Team when considering new policies and procedure.

Responsibilities of Members

Members have a responsibility to approve the IM strategy for the Council.

Audit and Scrutiny Committee

The Audit and Scrutiny Committee provide an assurance role for the IM Strategy and implementation of the associated plan.

6.4 Information Asset Culture

Information is essential to all staff, at all levels, and across all services of the Council in order that they can carry out their day to day duties.

The management of our Information Asset Register (IAR) will be embedded within our working practices – by ensuring all staff know what they are, how to use them, and implement retention policies.

The Council needs, within its regulatory obligations, to safely manage and secure the information it owns, but it also needs to dispose of information that is no longer needed and holds little value to the Council.

Encouraging a culture that understands there is a balance between the costs of maintaining the information held, versus the value of that information to the Council and the services that it delivers. Effective Records Management is key with the overall programme for better Information Management.

The previous Information Management Strategy (2014 – 18) enabled the creation of our Information Asset Registers (IARs). Every service across the Council now has an IAR, and these were further developed to assist with preparation for the General Data Protection Regulation (GDPR), and are effectively our “Register of Processing” (a necessity under GDPR).

The next step is to embed these IARs within our working practices – by ensuring all staff know what they are, how to use them, and retention policies are implemented.

6.5 Enabling Systems and Technologies

Improve Access to Information through Technology, Process and Tools

Microsoft SharePoint is a component of the MS Office Professional suite of applications and is widely used within the Council with well over 100 sites. An exercise to migrate MS SharePoint 2007 sites to MS SharePoint 2010 has been recently completed. The longer term plan is to establish a framework for a new MS SharePoint 2016 environment which will incorporate predefined templates depending on the nature and purpose of the site.

This will allow the pre-population of metadata and rules to help better categorise, organise and manage unstructured content in a consistent way across the Council.

8 Resourcing

Information Management is an integral feature of the day to day functions and duties of all staff. Information Management should be appropriately highlighted within our Core Competencies.

Records Management Team

Future budgetary pressures are expected over the strategy period given the Council's overall financial outlook. It will be very challenging to remove further cost without reducing the ability of the ICT service to continue to support business improvement activity across the Council at the current level.

The attached action plan is based on current resources. If these change, then a revision of the action plan may also be required. It should also be noted that some of the planned actions are dependent on business case justification. If the business cases do not show a positive return, then these actions will be dropped at that point. Where a positive return is demonstrated, then the savings will be needed to fund the cost of the new developments.

9 IM Improvement Action Plan

Programme 1 – GOVERNANCE, COMPLIANCE & ASSURANCE							
Action	Description	Planned Outcome	Owner	Start	End	Relevance - Other Programmes	
						2	3
Change the Governance Structure for IM to more appropriately reflect the current IM structure within the Council.	Establish a new IM Steering Group to oversee the progress of the IM action Plan.	<ul style="list-style-type: none"> New IM Steering Group established New IM Working Group established 	Iain Jackson	June 2018	-	✓	✓
Corporate Governance for establishing the corporate taxonomy/ standard metadata.	<p>Creation of a Corporate Taxonomy and guidance around the use of folksonomies/ metadata (for use within the new version of MS SharePoint 2016 See Programme 3 below).</p> <p>(Heads of Service are responsible for ensuring staff apply the corporate taxonomy in their use of MS SharePoint 2016.)</p>	Administrators and users of SharePoint apply the corporate taxonomy in the organisation and describing of SharePoint information.	Iain Jackson/ all Heads of Service	Aug 2018	March 2019	✓	✓
Conduct a quality check of the IARs	<p>Each Service shall hold a complete, accurate and consistent record of all information assets.</p> <p>Carry out an audit/ quality check of the current IARs to assess the classification of information, quality and risk levels assigned.</p>	<p>Annual updates/ approvals for all IARS completed.</p> <p>Deviations from SCARRS standard entries reviewed and approved.</p> <p>Report on the quality of the IARS following the annual</p>	<p>All Heads of Service</p> <p>Iain Jackson</p>	ongoing	Annual 30 th April 2019	✓	✓

		review of IARs.	Iain Jackson				
Regular performance Monitoring for FOI and Data Subject Access Requests.	Ensure performance targets for these areas are met on a quarterly basis.	Compliance with both FOI and GDPR legislative requirements.	Iain Jackson	ongoing	Quarterly from 1 April 2018		
Assurance for the implementation of retention and disposal of records in accordance with the Council's Records Management Plan.	All actions completed as set out in the Records Management Plan (RMP).	Assurance that information management processes are being applied in accordance with RMP.	Iain Jackson	ongoing	Annual 30 th April 2019		

Programme 2 – INFORMATION ASSET CULTURE							
Action	Description	Planned Outcome	Owner	Start	End	Relevance - Other Programmes	
						1	3
Embed the use of IARs across the organisation	Equip staff with the knowledge of what to use the IARs for and put processes in place to assist with the implementation of retention policies.	<ul style="list-style-type: none"> All services must ensure that staff know what the IARs are for and how to use them All services must ensure that retention and disposal is carried out in accordance with the IAR 	Heads of Service / Iain Jackson	ongoing	Annual 30 th April 2019	✓	✓
Implement an Awareness Training Programme for IM across the organisation	Introduce an appropriate programme and a set of training materials to ensure all staff are aware of their responsibilities around the management of information.	<p>Staff understand what is required of them in terms of improved IM</p> <p>Mandatory Records management training module for LEON almost ready</p>	Jane Fowler/ Iain Jackson	April 2018	July 2018	✓	✓

	Review Core Competencies for staff with specific reference to Information and Records Management						
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Programme 3 – ENABLING TECHNOLOGIES							
Action	Description	Planned Outcome	Owner	Start	End	Relevance - Other Programmes	
						1	2
Complete a MS SharePoint 2016 corporate environment.	<ul style="list-style-type: none"> • Creation of a MS SharePoint (MSSP) 2016 corporate framework to be created which reflects the Councils agreed Taxonomy and metadata. • Revisit the benefits of acquiring additional records management technologies, based on an improved, better organized MSSP corporate environment. 	<p>A MS SP environment that enables a greater level of consistency in the way that non structured data is stored and described. Improved records management capability;</p> <p>Revised business case for supporting Records Management Technologies.</p>	Katrina Duncan	June 2018	June 2019	✓	✓
				Sep 2018	Jan 2019	✓	✓
Migration of all 2010 MS SharePoint to SharePoint 2016.	<ul style="list-style-type: none"> • The mapping and transformation of existing MS SharePoint 2010 sites to new MS SharePoint 2016 framework environment. 	A greater level of consistency in the way that non structured data is stored and described. Improved records management capability.	Katrina Duncan	January 2019	June 2020	✓	✓
Assess existing systems for hosting unstructured data to determine whether compliance with GDPR	Review capacity of network drives to provide an audit trail, business classification filing structure, retention and disposal of documents.	Provide a recommendation to IM based on compliance effectiveness.	Governance Team along with Network Driver Owners/ Service Leads	Nov 2018	April 2019	✓	✓

Programme 3 – ENABLING TECHNOLOGIES							
Action	Description	Planned Outcome	Owner	Start	End	Relevance - Other Programmes	
						1	2
and PRSA can be achieved							
Review of GDPR high priority business systems to ensure compliance with IM Strategy.	Review products and develop roadmaps of 3 rd party software to ensure we are best supported through existing contracts and software for IM best practice and compliance.	Identify opportunities and implement 3 rd party software improvements that support the Council in achieving better information management in accordance with our records management principles ensuring compliance with legislation.	ICT CLOs and Service Leads	August 2018	February 2019	✓	✓
Optimise the use of the Civica corporate Document Management System Disposals functionality for improving Information Management and Records Management	Determine and implement an improvements action plan of improvements for optimizing the use and effectiveness of this existing resource.	Richer disposals functionality implemented to ensure both records and documents can be identified and removed in accordance with retention policies.	IM Steering Board	June 2018	June 2019	✓	✓
Develop an improved method of hosting the IARs	Replacement of flat, non-functional, spreadsheets for hosting IARS (Record of processing) with a small database application. This will allow all staff basic access and assist with implementation of retention policies.	A more user-friendly method of accessing the IARs and determining what should happen to a record. Improved visibility of compliance and associated actions.	Katrina Duncan	May 2018	Nov 2018	✓	✓

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ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES
COMMITTEE****DEVELOPMENT AND INFRASTRUCTURE****16th AUGUST 2018**

REVIEW OF ADVICE SERVICES

1.0 EXECUTIVE SUMMARY

- 1.1 The current arrangements for the provision of advice services are unsustainable and requires to change. Key drivers include changing national policy; an increasing demand for support by clients, reducing council budgets and a more challenging funding climate for advice agencies. At Policy and Resources Committee on the 24th May 2018 it was agreed to undertake more detailed work on the options of outsourcing and revised mixed economy; and the options of extending affordable credit across Argyll and Bute.
- 1.2 This paper details the outcome of this work and proposes a strategy and a sustainable, affordable model by which the Council could support advice services for the future. This has been developed having regard to national and local drivers, the need to achieve budget savings, and through consultation with other advice providers, clients and other local authorities.
- 1.3 The key issues in the report are:
- a. The advice strategy should dovetail into the Council's corporate priorities, local outcomes and its anti-poverty strategy. Clear governance arrangements are a key part of the new model, and the Council strategy for advice services strategy is proposed as *"collaborative working, to provide a strategic lead role in the development of policy (e.g. anti-poverty strategy etc.); deliver its statutory services; provide core intervention work to vulnerable in our communities, and to support other external agencies to carry out promotional and preventative advice to clients"*.
 - b. The mixed economy model provides the most resilient and effective option for Argyll and Bute. The removal of duplication and better partnership working were important aspects of any new model. Contracting one advice agency to work alongside the council removes duplication of resources in terms of management and accommodation costs and possible duplication through same service being provided by two organisations in the same geographical area.
 - c. There is no cost neutral solution to directly extend affordable credit. There is the no- cost opportunity for the Council to promote affordable credit and the schemes operating across its area which include the two local credit unions, Scotwest Credit Union and Scotcash, (the alternative affordable low-cost lender.

- 1.4 Finance. At the budget meeting on the 22nd February 2018, Council agreed that: no saving would be taken in 2018/19; and that the decision on the future of advice support to local people that meets budget savings for 2019/20 and 20/21 (£57.1k and £105.1k respectively); including consideration of credit union services would be delegated to this committee.

1.5 **RECOMMENDATIONS**

Members are asked to consider the following recommendations:

- a. approve the new model and implementation of the new arrangements for advice services of mixed economy and support to a single advice provider, commencing on the 1st April 2019 (paragraph 5.4)
- b. agree that the focus of Council activity should be on the vulnerable and acknowledge the critical role for the Health and Social Care Partnership in identifying and referring vulnerable clients (paragraph 5.4.a.)
- c. agree the new Governance arrangements and the changing remit and name of the Welfare Reform Working Group (paragraphs 5.5 & 5.6)
- d. approve the “no-cost” option for affordable credit (paragraph 6.3)
- e. endorse the development of the Council’s website to provide a “single landing page” for advice services which can signpost clients to appropriate services, provide links to national and local advice via other websites, and highlight issues relating to advice services across Argyll and Bute (paragraph 6.3)

The budget savings agreed during the budget meeting on February 22nd 2018 will be achieved through the delivery of items a. to e. above

REVIEW OF ADVICE SERVICES

2.0 INTRODUCTION

- 2.1 The advice landscape in Argyll and Bute is diverse and consists of internal Council services (e.g. welfare rights, homelessness, debt counselling), two advice agencies (Argyll and Bute Citizens Advice Bureau and Bute Advice Centre) and a range of voluntary and third sector providers (e.g. Ali-energy, etc.) delivering local services. Council support is provided through the delivery of its own internal advice focused services and through core funding to Argyll and Bute Citizens Advice Bureau and Bute Advice Centre.
- 2.2 The paper to Committee on the 24th May 2018 proposed a new model for the delivery of advice services aimed at finding capacity with a reducing budget, addressing issues of duplication and ensuring that the vulnerable in our communities have access to advice. This report details the outcome of this detailed work and proposes a strategy and a sustainable, affordable model by which the Council could support advice services for the future. This has been developed with the support of an external contractor, ATInnovations.

3.0 RECOMMENDATIONS

- 3.1 Members are asked to consider the following recommendations:
- a. approve the new model and implementation of the new arrangements for advice services of mixed economy and support to a single advice provider, commencing on the 1st April 2019 (paragraph 5.4)
 - b. agree that the focus of Council activity should be on the vulnerable and acknowledge the critical role for the Health and Social Care Partnership in delivering this model (paragraph 5.4.a.)
 - c. agree the new Governance arrangements and the changing remit and name of the Welfare Reform Working Group (paragraphs 5.5 & 5.6)
 - d. approve the “no-cost” option for affordable credit (paragraph 6.3)
 - e. endorse the development of the Councils website to provide a “single landing page” for advice services which can signpost clients to appropriate services, provide links to national and local advice via other website, and highlight issues relating to advice services across Argyll and Bute (paragraph 6.3)

The budget savings agreed during the budget meeting on February 22nd 2018 will be achieved through the delivery of items a. to e. above

4.0 COUNCIL STRATEGY FOR ADVICE SERVICES

4.1 National strategies and drivers relating to advice services have a direct impact to this review, as Council strategy should be consistent with these which represent best practice. The key principles are:

1. Better understanding of demand to inform future funding decisions.
2. Joined-up decision making to avoid duplication and improve collaboration.
3. Funding decisions to focus more on early intervention and on prevention by supporting interventions which develop capabilities and address areas of low skill which potentially will reduce longer-term demand on services
4. To work towards achieving more consistent measurement of outcomes using common indicators to enable measurement across service providers.
5. To achieve outcomes-focused grant agreements, interventions should be embedded across sectors (e.g. involve the Third Sector and NHS).

4.2 There are significant challenges ahead with an increase in debt nationally, increasing fuel poverty, and the roll out of universal credit which has increased demand for advice in the areas where it has already been introduced. It is important that the Council recognises its role in developing clear strategies which can be delivered through collaborative working linked to community planning outcomes; delivering our statutory duties and tailoring services to meet the needs of clients, particularly the vulnerable.

4.3 At Policy and Resources Committee on the 24th May 2018, the Anti-Poverty Strategy was agreed, namely:

We want an Argyll and Bute where no-one lives in poverty. Everyone should be able to achieve their potential and feel healthy, happy and valued. We want to be a place where everyone understands that tackling poverty is everyone's responsibility. We believe that if we act locally, and in partnership, we can make a real difference

The strategy for advice services is co-dependent with the Anti-Poverty strategy and it is essential that these dovetail with one another. The broad advice services strategy which was detailed in a report to the same Committee, has been reviewed in light of the detailed assessment, and remains appropriate, namely:

“working in partnership with others, providing a strategic lead role in the development of policy , to deliver our statutory services through the provision of core intervention work to vulnerable in our communities, and to support other external agencies to carry out promotional and preventative advice to clients.”

This strategy will form the basis upon which the Council supports the delivery of advice services and targets its resources accordingly.

5.0 OPTIONS APPRAISAL OF FUTURE DELIVERY MODELS

- 5.1 Further work has been undertaken to evaluate the models of outsourcing of all advice services to another agency, and mixed economy which is a mixture of delivered by Council and a single advice agency. Supported by an external contractor, ATInnovations, , this work included discussions with other local authorities and the Improvement Service, a stakeholder and client consultation and the visits to East Ayrshire Council who have these models in place.
- 5.2 The outcomes of this work were:
- a. Of the two local authorities approached for discussions around the models they adopt for advice provision, only East Ayrshire Council was visited. Due to staff changes and other commitments South Lanarkshire were unable to host a visit within the timescales
 - b. The meeting with East Ayrshire Council (hereafter referred to as EAC) officials concentrated on the model, why it was the preferred model, how it worked, referrals, monitoring and performance arrangements and reporting to elected officials. The meeting with East Ayrshire Citizens Advice Bureau (hereafter referred to as EACAB) concentrated on how they delivered on behalf of the council and the effectiveness of the partnership arrangements in place. During initial discussions with East Ayrshire it became apparent that they operated a mixed economy model whereby EAC work with vulnerable clients and EACAB work with complex debt cases. The Service Level Agreement between EAC and EACAB reflects this and is monitored by EAC with performance reported to the Financial Inclusion Group and quarterly information is presented to elected officials
 - c. The comparable level of funding with East Ayrshire Council (£1 million) is significantly greater that Argyll and Bute (£396,383).
 - d. East Ayrshire Council define vulnerable as anyone who is in the Social Work Information System (SWIS).
 - e. The key learning point agreed with all respondents was how the partners in East Ayrshire Council worked together to make the model a success. It was felt that having a focused group – EA Financial Inclusion Group – contributed to this success and the effective partnership working that was in place there. The importance of having a clear strategy, priorities, and a focus on delivering Council services to meet these. Linkages to Community Planning outcomes were important as was having good linkages with the Health and Social Care Partnership. The importance of involving all the partners in the development and direction of advice in East Ayrshire was important.
 - f. The importance of one reporting structure that combined all advice agency statistics – public and contracted – that is then fed into elected officials that keeps the profile of advice high with elected officials and allows a mechanism for reporting key issues was important.
 - g. A confidential on-line referral system is essential in avoiding duplication and ensure that clients have easy access to services from a single contact. They have a similar system to our Argyll and Bute Advice Network (ABAN system) which provide this infrastructure.
 - h. Discussions with the Improvement Service has identified that the majority of Councils deliver a mixed economy model, with relatively few fully outsourcing.
- 5.3 **Consultation process:** A consultation process was undertaken to obtain the views of key stakeholders and also of clients on key areas of the advice services review. A good response was received from the Stakeholder Survey from five key agencies and there

has also been engagement with the Councils Welfare Reform Group which has membership of a range of different agencies. A client survey was published on the Council website, but the response was poor (1 response).

The key findings of the survey were:

- All respondents agreed with the main aims of the strategic position
- The continued provision of face to face advice, particularly for vulnerable clients, was identified as the most important element of any new advice proposal.
- The use of national advice lines as a first point of call for residents raised concerns among advice providers. Five of the respondents were against this and four were in favour. There was concern raised about how vulnerable clients who may use this service are referred to local advice providers for face to face support. It was felt that a triage system should be in place with these national providers to allow this to happen
- There was consensus that a single advice agency working in partnership with Argyll and Bute Council would help to eliminate duplication in terms of management costs and in the provision of advice. There was a concern whether a single provider would be able to provide a service across the geography of Argyll and Bute
- All respondents agreed that any contract issued by Argyll and Bute Council should be linked to performance against key criteria/outcomes
- The mixed economy model provides the best holistic approach utilising the present mix of skills but it should be integrated in a more meaningful way.
- A collaborative approach is essential as is the means of confidentially sharing referrals and caseload
- Two-thirds of respondents agreed that increasing financial resilience of our residents and better use of national advice sources will lead to reduced pressure on services in the future.

5.4 **Model:** On further evaluation (see Appendix 1) the mixed economy model is the most resilient option for Argyll and Bute. The removal of duplication and better partnership working were important aspects of the new model. Contracting one advice agency, (rather than two which we currently do), to work alongside the Council removes duplication of resources in terms of management and accommodation costs and will provide the same level of service across Argyll and Bute.

Critical to its success will be:

a. Clear definition of client groups

The proposed new model would provide a split in client groups, where the Council will deliver its statutory functions (welfare rights, homelessness) and debt counselling to vulnerable clients only, and contract the external provider to provide similar advice to non-vulnerable. The definition of vulnerable is fundamental in distinguishing between services and the support of the Health and Social Care Partnership is critical to developing a referral process for those who they deem vulnerable. Discussions are ongoing but it is proposed the following will be classed as vulnerable and should be referred to the Council through ABAN:

- anyone who is currently homeless; OR
- anyone who is at risk of becoming homeless; OR

- anyone who has an assigned Social Work case worker; AND
- who has a current housing benefit or council tax claim

If the client is not vulnerable, they should be referred elsewhere. There are ongoing discussions with the Health and Social Care Partnerships to ensure their participation in identifying and referring vulnerable clients for advice.

b. Advice service design and utilising all advice avenues

The Council cannot directly impact on non-Council funded agencies or third sector, but the model for Council services and the external provider will be based on the principles of promotion, prevention and intervention, namely:

- Prevention and Interventions only, with all front-line promotional and early preventative intervention work being undertaken by free national advice agencies or other non-Council funded agencies or third sector
- Specific advice to non-vulnerable clients relating to debt, maximising income and other poverty related advice debt would be outsourced to a single provider. This may be delivered by an Advice Agency, a national provider or “arms-length organisation
- Priority given to statutory services (Welfare rights and homeless)
- Debt counselling and advocacy provided to a level commensurate with budget savings agreed by members at Council meeting in February 2018 ie. Cases can only be accepted up to resources which deploy 1 FTE debt counsellor with priority given to vulnerable clients and non-vulnerable signposted to external providers.

c. The continued use of the confidential on-line Argyll and Bute Advice Network (hereafter called ABAN) system.

Clients require to have easy access to advice and ideally be able to access a range of services through a single contact. The new model will utilise the existing ABAN system, which allows any member agency and enquiries/cases to other agencies with the clients expressed permission. Work is ongoing at present to ensure that the system meets the requirements of the General Data Protection Regulation (GDPR compliant). Integral to the new model, will be a drive to increase ABAN membership to include health and social care/NHS and review the remit of the ABAN Steering Group and consider how it links to the new governance arrangements.

d. The development of appropriate measures for contract outcomes and monitoring.

The contract with the external provider will be prescriptive in terms of client group, outcomes and measures. The tender specification is still to be developed but will include:

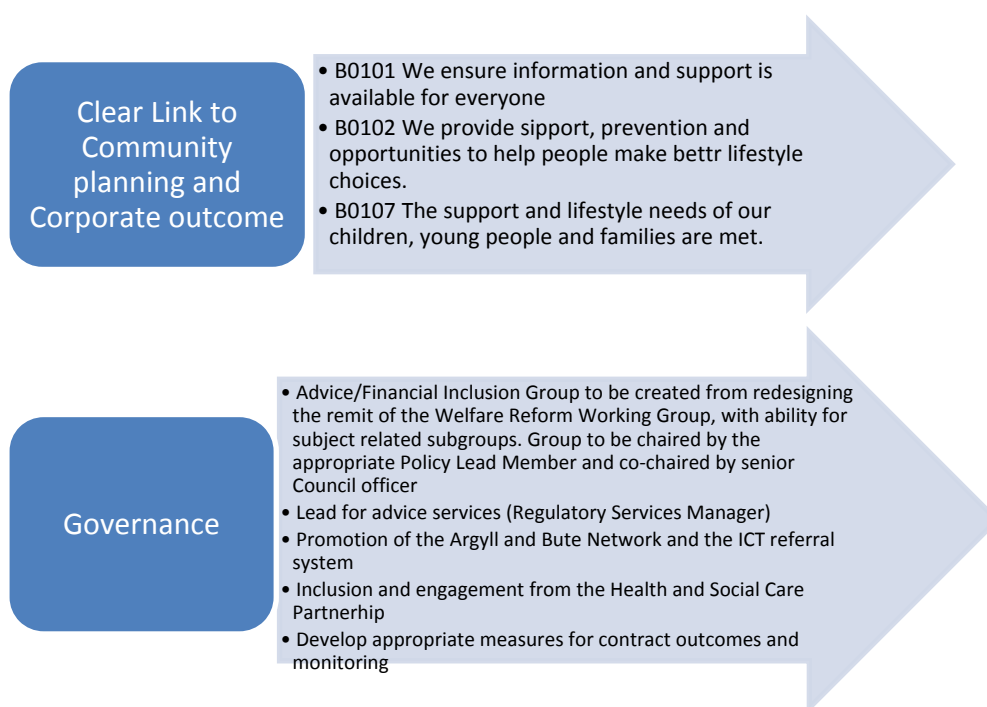
- The contract will require the service to cover the whole area of Argyll and Bute and promote inclusiveness, equality and access to services for all.
- Performance and outcome measures will be consistent with the Common Advice Performance Management Framework. This framework aims to capture key performance indicators (See Appendix 4) for money and welfare rights advice services funded by local authorities on both an in-house and commissioned basis. It provides a consistent basis for reporting and measuring money and welfare rights advice performance. These measures will identify the benefits the

services deliver for their users.

- The option for the single provider to subcontract some services to another advice providers. This will ensure promoting collaborative working, yet ensuring common reporting and performance measures

5.5 **Governance:** A delivery model in itself will not achieve the outcomes of the review, and it is important that there are clear governance arrangements in place. These will improve the links between strategy and delivery of all advice services activities, promote collaboration across agencies; enhance the reporting of demand, performance, outcomes and trends, and provide regular reports on the “state of advice services” in Argyll and Bute Council to elected members, and the wider public.

The key components will be:



Note: OPERATIONAL MATTERS ARE NOT WITHIN THE REMIT OF THIS GROUP. Operational matters include: Case Work, Case Review work, Welfare Rights & Debt Counselling event planning, day-to-day work, attending team meetings etc, contract management.

5.6 The proposal is that the Advice /Financial Inclusion Group will be chaired by the Policy Lead Member for Communities, Housing, Islands and Gaelic and co-chaired by a Senior Council Officer. This multiagency group will provide leadership on the Anti-Poverty Strategy. It will promote this and other messages by supporting both local and national campaigns. We will make it clear to all stakeholders that we are committed to addressing the causes of poverty and supporting people to improve the quality of their lives. The group can review and influence strategy, identify shared training opportunities and share best practice. This group will report to the Community Services Committee.

6.0 OPPORTUNITIES AND COSTS OF EXTENDING AFFORDABLE CREDIT

6.1 Access to affordable credit is a key element of financial inclusion activity and compliments the work of debt and welfare rights advisers. It is also a priority of the Councils political administration to seek to extend affordable credit across Argyll and Bute.

6.2 Opportunities were considered to extend the level of affordable credit to build upon the current landscape where there are local credit unions (Bute and Cowal Credit Union, and Islay & Jura Credit Union) and SCOTWEST, (based in Glasgow, but available to A&B residents). Discussion with local credit unions identified minimal opportunity of developing or extending the availability of credit and meetings were had with Pollok Credit Union and SCOTCASH to update their proposals and get an up to date costing.

Currently, Debt Counselling staff regularly advise clients to contact an appropriate Credit Union (Bute & Cowal, Islay & Jura or SCOTWEST). Welfare Rights give similar advice, but less frequently. This advice is not currently formally recorded. Neither Debt Counselling nor Welfare Rights are currently signposting to SCOTCASH. There are clear advantages from the schemes operated by Pollok and the enhanced Scotcash schemes, but these require a financial investment in terms of ongoing revenue and some capital costs (see Appendix II).

6.3 The cost neutral solution is to actively promote the SCOTWEST and SCOTCASH basic models. These models have limitations, but they do allow for an affordable credit option to be delivered across the local authority area. It could be that both options are promoted depending upon the financial status & circumstances of the applicant. Both models have eligibility requirements, so may not be appropriate to all clients. SCOTWEST usually require a potential client to be working and to save with them for a period before credit may be granted. SCOTCASH base their eligibility requirements on the client's current circumstances, not their past credit history.

The intention is to develop the Councils website to provide a "single landing page" for advice services which can signpost clients to appropriate services, provide links to national and local advice via other website, promote affordable credit options and highlight issues relating to advice services across Argyll and Bute.

7.0 FINANCIAL IMPLICATIONS

7.1 This review of advice services is predicated on a reducing budget with savings of £105,100 to be achieved, founded on the Council recognising that it cannot provide advice services to all; a focus on core advice types only and a prescriptive contract to a single advice agency.

The savings will be achieved from a reduction in Council posts as a result of transferring "non-vulnerable advice" to the external provider, and the restructuring of the existing contracts. This will see a reduction of a post within each of the debt counselling and welfare rights team and, reduced funding being provided to a single external provider which will be selected through a procurement exercise. (Appendix III provides a breakdown of these savings)

- 7.2 As per previous Budget Strategy decisions relating to advice savings, £57.1k savings (Reduction in core funding to Advice Agencies and 1 FTE post in Debt Counselling) will be taken in 2019/20 with the remaining £48k (1FTE Welfare Rights Officer) taken in 2020/21.

8.0 CONCLUSIONS

- 8.1 The new arrangement for advice services will provide a strategy and model which meets national and local priorities, albeit with a reducing budget. The use of front-line promotional and early preventative intervention work provided free by national advice agencies will help to manage the demand for services while local budgets are reduced. There will be significant challenges in moving to these new arrangements which include implementing the new arrangements, attracting a successful external provider and securing engagement from the Health and Social Care Partnership in respect of identifying and supporting vulnerable clients.
- 8.2 The roll-out of Universal Credit (UC) and other changes is expected to increase demand on advice services but additional support is being provided by Housing Services through two additional temporary Welfare Rights Assistants within budgets agreed at the February Council meeting. It is however essential that the new arrangements are monitored to ensure that they cope with demand. A Scottish Government report states that rent arrears were found to be 2.5 times higher for clients on UC than for those still on housing benefit. There is therefore a risk of an increase in 'bad debt' due to the council for both Council Tax & Housing costs. Current arrangements already attempt to mitigate the amount of bad debt owed by clients, although there may be a need to consider whether a more proactive and cost effective approach might be needed should levels increase. Any new arrangements will be identified through the new Governance structure and reported to the relevant Committees.

9.0 IMPLICATIONS

- | | | |
|-----|------------------|---|
| 9.1 | Policy: | Dovetails with corporate and community planning priorities and will be embedded therein |
| 9.2 | Financial | Final strategy will identify savings |
| 9.3 | Legal | None at this stage |
| 9.4 | HR | Loss of Council posts. |
| 9.5 | Equalities | No adverse impact although positive target on vulnerable clients |
| 9.6 | Socio-economic | Positive as directly supports vulnerable and other clients |
| 9.7 | Risk | <ul style="list-style-type: none"> • Impact of Universal Credit roll-out to Argyll & Bute may significantly increase demand for advice services resulting in unmet demand for both statutory and non-statutory services • That there will be no interest in contract by external provider |
| 9.8 | Customer Service | None at this stage |

Executive Director of Development and Infrastructure
Policy Lead: Councillor Robin Currie

For further information contact:

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Appendix I	Evaluation of delivery models of mixed economy and outsourcing
Appendix II	Appendix III: Cost implications for extending affordable credit
Appendix III	Breakdown of proposed savings
Appendix IV	Performance Indicators

Appendix I: Evaluation of delivery Models

	Improved capacity	Value for money	Quality of service	Resilience	Consistency	Impact to clients	Impact to advice agencies	Impact to Council staff	Ability to access other funding streams/external funding/grants	Process of moving to new model
Mixed economy	Positive	Positive	Positive	Positive	Neutral	Positive	Neutral	Positive	Positive	Neutral
Outsourced	Positive	Neutral	Positive	Negative	Positive	Negative	Positive	Neutral	Positive	Negative

+

Consistent with national drivers					
	Utilises national advice services	Joined up decisions avoiding duplication	Consistent measured outcomes	Collaborative working	Shift from face-to-face for non-vulnerable clients
Mixed Economy	Positive	Positive	Positive	Positive	Positive
Outsourced	Positive	Positive	Positive	Neutral	Neutral

Table 4 - Scoring Matrix - Key Factors

Preferred model: Mixed economy and single advice provider

Appendix II: Cost implications for extending affordable credit

	SCOTWEST	Pollok CU	SCOTCASH Basic	SCOTCASH Enhanced
Services Offered				
Affordable Credit	✓*	✓	✓	✓
Savings	✓	✓		✓
Bank Account				✓
Delivery Method				
Online	✓	✓	✓	✓
Telephone	✓	✓	✓	✓
Face to Face				✓
Costs				
Capital Costs	£0	£50,000**	£0	£0
Revenue Costs	£0	£12,000	£0	£31,000

* Concentrated on payroll deduction through employers.

** Loan guarantee fund

Table 6 - Affordable Credit Matrix[□]

Appendix III: Breakdown of proposed savings

	Current	Comments	Proposed as of 2019/20	Proposed as of 2020/21	Comments
Council delivered services					
Welfare Rights	£249,593		£249,593	£201,593	Reduction in 1 FTE post
Debt Counselling	£83,040		£36,940	£ 36,940	Reduction in 1 FTE post
Homelessness		Within general housing budget			No change- statutory
Funding to External providers	£63,750	Comprises of £41250 from Regulatory Services budget and £22500 from central budget	£52,750	£ 52,750	This is dependent on being sufficient to attract external provider
Total	£396,383		£339,283	£291,283	
Saving			£57,100	£105,100	

Appendix IV – CAPMF Performance Indicators

Indicator C1 - Services	Money Advice & Welfare Rights provision in area – internal & external. Systems used for case management
Indicator - C2 Demographics	Sex, Age/DoB, Ethnicity, Household Composition, Disability, Income, Housing Tenure,
Indicator C3 - Debt Owed	Amount, number & type of debts owed by clients
Indicator I1 - Staffing	In-house Paid/Volunteer FTE, External Paid/Volunteer FTE
Indicator I2 - Funding	LA Funding internal/external. Any other funding received & source
Indicator A1 - Volume	Numbers of contacts, contacts by channel, referrals, reason for contact, open cases, closed cases
Indicator OP1 – Debt Strategy	Breakdown of debt strategy agreed with client
Indicators OP2, OP3 & OC1 – Welfare Rights financial gain	No of claims submitted, awards made & financial gain for each benefit type. Number of mandatory reconsiderations, appeals & outcome for each benefit type,
Indicator OC1 – Other financial gain	All financial gain not included above (includes money advice) – verified & non-verified
Indicator OC2 – Softer outcomes	Improved health/wellbeing, improved capacity/ability to cope, increased financial capability/resilience
Appendix 1 – Money Advice debt supply survey	Number of clients in defined debt types

ARGYLL AND BUTE COUNCIL**Policy and Resources Committee****Development and Infrastructure****16th August 2018**

FILM IN ARGYLL AND BUTE – FACILITATING THE USE OF COUNCIL ASSETS

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to highlight the opportunity to better use the Council's assets for the purpose of filming by production companies and individuals looking to film in Argyll and Bute. To enable this change, a charging model and schedule has been developed to help ensure that we can continue to offer the film industry a flexible range of location options which are fit for purpose. Additionally, to improve the service we are providing to our customers, it is important that we adopt a structured transparent process when dealing with filming on our assets to ensure we are providing a fair approach to charging to avoid uncertainty and delay with enquiries.
- 1.2 A Screen Industries Report, which was previously submitted to EDI committee on 9th December 2015, outlined the work the Council were doing to promote the area for film linked to the SOA priorities, this report builds on this.
- 1.3 It is recommended that:-
- Policy and Resources approve the proposed Film Location Charging Schedule, to be reviewed annually as part of the budget process;
 - Policy and Resources note the proposed Location Release Form (Appendix 2)
- 1.4 The purpose of the Council providing a service to the screen industry is to ensure that we continue to attract inward investment into Argyll and Bute and take advantage of any economic opportunities that may arise as a result of a production filming in the area.
- 1.5 Due to the recent demand for Council owned property/land for filming purposes, it has been recognised that Argyll and Bute Council are not currently in a position to maximise the potential benefits from facilitating the use of our council assets for film.
- 1.6 A location manager whom Economic Development have been in dialog with, has worked within the film industry for over 25 years has stated production companies will always have a set budget against hiring locations (both private and public sector). The location manager stated that production companies prefer to pay a fee as this enforces a more formalised agreement which both parties commit to. This information has been verified through practical experience dealing with enquires coming into the Council and being asked to provide a figure for the use of Council assets for film.
- 1.7 The proposed schedule aligns with the Council's new commercialised approach to delivering services and ensures that we are facilitating the Council's assets wherever possible ('One Council' property approach). However, it is important that the council remains film friendly and flexible when charging as not to deter filming within the area.

ARGYLL AND BUTE COUNCIL

Policy and Resources Committee

Development and Infrastructure

16th August 2018

FILM IN ARGYLL AND BUTE – FACILITATING THE USE OF COUNCIL ASSETS

2.0 INTRODUCTION

2.1 The purpose of this report is to highlight the opportunity to better use the Council's assets for the purpose of filming by production companies and individuals looking to film in Argyll and Bute. To enable this change, a charging model and schedule has been developed to help ensure that we can continue to offer the film industry a flexible range of location options which are fit for purpose. Additionally, to improve the service we are providing to our customers, it is important that we adopt a structured transparent process when dealing with filming on our assets to ensure we are providing a fair approach to charging to avoid uncertainty and delay with enquiries.

2.2 A Screen Industries Report, which was previously submitted to SMT on 9th December 2015, outlined the work the Council were doing to promote the area for film linked to the SOA priorities, this report builds on this.

3.0 RECOMMENDATIONS

- Policy and Resources approve the proposed Film Location Charging Schedule, to be reviewed annually as part of the budget process;
- Policy and Resources note the proposed Location Release Form (Appendix 2)

4.0 DETAIL

4.1 PURPOSE OF PROVIDING A SERVICE TO THE SCREEN INDUSTRIES

4.1.1 The purpose of the Council providing a service to the screen industry is to continue to attract inward investment into Argyll and Bute and to take advantage of any economic opportunities that may arise as a result of a production filming in the area. This includes opportunities to promote and market the area as well as the increased opportunity that film productions may provide to raise the profile of the area from an inward investment and tourism perspective.

4.1.2 In 2017 the value of filming in Argyll to date is estimated to be **£1,354,434** as a consequence of the 48 productions known to have been filmed in the area.

4.1.3 This service directly supports the delivery of the Council's priorities contained within the SOA (Outcome 1) and the Economic Development Action Plan (Outcome 1).

4.2 PURPOSE OF FACILITATING THE USE OF COUNCIL ASSETS FOR FILMING

4.2.1 The council has many assets which could potentially be used for filming. To highlight some of the types of property and land the council currently own, please see the below list:

- Office buildings and depots;
- Airports and airfields;
- Schools, community centres and libraries;
- Swimming pools and outdoor centres
- Cemeteries/crematoriums, parks and gardens;
- Landfill sites;
- Piers, jetties and harbours;
- Car parks and bus shelters;
- Monuments and historic sites;
- Trails, footpaths and bridges;
- Toilets and playparks;
- Pitches

4.2.2 We frequently receive requests for filming on Council land, usually small scale productions undertaking filming on footways. However, there has been a recent increase in demand for Council owned property/land for filming purposes or to facilitate filming. It is recognised that Argyll and Bute Council are not currently in a position to maximise the potential benefits to help sustain assets and facilitate for film. In addition, the Council is currently providing to the screen industry requires clarity around charging for its assets and the governance arrangements to be able to facilitate this.

4.2.3 A location manager whom Economic Development have been in dialog with, has worked within the film industry for over 25 years has stated production companies will always have a set budget against hiring locations (both private and public sector). The location manager stated that production companies prefer to pay a fee as this enforces a more formalised agreement which both parties commit to. This information has been verified through practical experience dealing with enquires coming into the Council and being asked to provide a figure for the use of Council assets for film.

4.2.4 A benchmarking exercise has been completed to establish industry standard fee levels to ensure the Council is competitive with other leading industry bodies in the public and private sector. This arrangement would not require further resource within the Transformation, Projects and Regeneration team or other departments as this would be incorporated into the service that the Transformation, Projects and Regeneration team currently provide.

4.2.5 Additionally, we have conducted an exercise to identify an estimated figure of income if the Film Location Charging Schedule had been implemented last financial year. The Council would have generated a sum of **£2,000**, we are aware this is not a substantial sum of money, however the income will be dictated by the industry and most of the filming on Council assets have been small scale.

4.2.6 To give an indication of the income that could be generated from a large scale enquiry, we have identified an example enquiry that we received in 2017 which looked at leasing our Council owned asset for a period of 19 weeks. We compared the value we quoted previously of **£15,000** with the value which could potentially be generated with the implementation of the proposed charging schedule which totaled the negotiable sum of approximately **£39,900**.

4.2.7 The proposed schedule aligns with the Council's new commercialised approach to delivering services and ensures that we are making best use of our assets wherever possible. ('One Council' property approach). However, it is important that the council remains film friendly and flexible when charging so as not to deter filming within the area. The new approach will be promoted directly to those affected and supported by it (i.e. the film industry), primarily through the www.filminargyll.co.uk website and in direct dealings with individual film productions.

4.3 THE PROPOSED MODEL

4.3.1 When identifying an appropriate charging schedule, it was important to develop a charging model which can be negotiated, is film friendly, flexible and reflects the industry standard within Argyll and Bute. After engaging with many key industry bodies through a benchmarking exercise, it was clear that a fixed charge for the use all council owned land and property for film would put Argyll at a clear disadvantage and discourage smaller scale projects from coming into the area.

4.3.2 It was identified that the recommended course of action would be to charge production companies a

percentage of what the estimated daily local spend would be within the Argyll area, in line with their production budget. Implementing this charging schedule would provide a fair, transparent and flexible approach to charging production companies which will allow the Council to sustain its assets and cover key costs. Charges will always be negotiable as the Council is aware of the importance of continuing to attract inward investment into the area and would continue to strive to facilitate all productions within the area to the best of its ability.

- 4.3.3 The estimated daily local spend figures are developed and agreed at a National UK wide level by Creative Scotland and Creative England and approved by The Production Guild and The British Film Commission. The figures are then cascaded down to the local authorities as a tool to calculate local spend within the area. For example, it is estimated that a major US feature film such as James Bond with a budget of over £100M would spend an average of £42,000 a day if they were to film in the Argyll and Bute area.
- 4.3.4 In order to align the industry standard as identified from a benchmarking exercise, it is recommended that the council pilot a charge of 3% plus VAT of the estimated daily local spend as a starting cost.
- 4.3.5 The benchmarking exercise illustrated that the Council will charge 99% of the time in line with the industry standard in Argyll and Bute, however there will be a substantial difference in fee regarding music video productions. Creative Scotland and the industry do not recognise music videos as being a high budget production with a high local spend, usually because the crews are very small and the talent is already procured through an agent so the only costs occurred are the immediate local spend on travel, food and accommodation. The industry bodies' portrayed in the exercise are able to charge substantially more than an asset owned by Argyll and Bute Council due to the type of location they can offer such as stately homes, castles, mansions etc.

4.4 **ADDITIONAL CHARGES**

4.4.1 The following may incur additional charges:

- Removal of street furniture;
- Traffic and abnormal road advice;
- Closure of footpaths and carparks;
- Use of council owned ferries and berthing charges;
- Officer time;
- Waste contract agreements;
- Amendments to insurances or contracts;
- Legal and estates services charges;
- Any damage or unkempt areas caused by a production company to the Councils asset;
- Facility fees relating to water, electricity, broadband etc.;
- Compensation to Live Argyll leisure membership if applicable.

4.4.2 Any additional charges will be considered on a case by case basis when and it will be the decision of the appropriate service to advise on what the cost may be and prepare invoices accordingly.

4.4.3 Statutory fees such as temporary traffic orders, legal orders and standard car parking charges will always be charged when appropriate.

4.4.4 In the event that an asset is managed or part managed by a trust or community group, the community group/trust will be advised of planned filming/stills. The income generated will primarily remain with the legal owner, however if filming/stills directly affects an asset that the community group/trust have a legal requirement to maintain or provide extra management the community group/trust are entitled to negotiate a donation and the Council will recommend this to the production upon the enquiry stage.

4.4.5 All charges will be paid and an agreement signed in advance of filming.

4.5 **EXCLUSIONS**

4.5.1 Charges will not apply for the following individuals and organisations and no charge will therefore be made by Argyll and Bute Council:

- Students creating films as part of their academic studies
- Registered charities or community groups
- Broadcasters generating news reports and news related features

4.5.2 **Students** – for the purpose of the schedule, a student is defined as someone who is in full or part-time education with an approved college or university and is undertaking filming as part of their course. In order to be able to film, the student(s) must be covered by insurance provided by their college or university.

4.5.3 **Charities** – no charge will apply to local organisations that are small scale registered charities with the Charity Commission. Large scale charities will be subject to the fees displayed in the attached charging schedule.

4.5.4 **Community groups** – no charge will apply to local voluntary and community groups. In order to qualify, an organisation must be based in Argyll and Bute, must be a formally constituted body, non-political and should be a non-profit making body.

4.5.5 **News reports** – no charge will apply to broadcasters or organisations filming a brief account or report of an event or news item that is occurring in the region.

4.6 CANCELLATIONS AND REFUNDS

4.6.1 In the event of the Production Company cancelling the hire the of the location less than seven days, but more than 48 hours before commencement of the Initial Use Period or Further Use Period (as applicable), a cancellation fee equivalent to 20% of the fees shall be payable. In the event of the Company cancelling the hire of the Location less than 48 hours before commencement of the Initial Use Period or Further Use Period (as applicable), a cancellation fee equivalent to 50% of the fees shall be payable.

4.6.2 Should the filming need to be cancelled due to weather we will look to re-accommodate the activity on another date. If not rescheduled, the cancellation policy point outlined in 4.6.1 will be implemented.

5.0 GOVERNANCE ARRANGEMENTS

5.1 DECISION MAKING PROCESS

5.1.1 As the main point of contact, the Transformation, Projects and Regeneration team within the Economic Development service is responsible for agreeing the charge for properties and film with the customer once agreed with the appropriate contact managing the asset. Additionally the Transformation, Projects and Regeneration team will check availability of the site and secure the relevant permissions from the landowner, check appropriate levels of Public Liability Insurance and finally for granting a filming permit by way of permission.

5.1.2 The Film Officer/Technical Support Officer in consultation with the Executive Director of Development and Infrastructure will have the discretion to vary charges as appropriate in line with the principles of the agreed charging regime.

5.1.3 In determining whether or not the Council will grant permission to film on council land or property, the following checks will need to be made:

- **Ownership** – The public have legal rights of access to most areas of land, the foreshore and inland water whether publically or privately owned. The Council's Access Manager may need to

provide advice for productions that need to restrict the public's rights of access to land or water including Core Paths and Public Rights of Way. Where a legal order is required to suspend the public's rights of access a charge will be made for this service.

- **Trust/Community Involvement** – Appropriate checks will be made to ensure trusts and community groups legally involved with council owned assets are aware of filming and do not have any planned activities or events which may be disrupted.
- **Service Delivery** – In the event that there has been a request to film in Council owned assets where Live Argyll or Education deliver services, the decision will be made on the basis that filming does not affect the services delivered within these assets. The Transformation, Projects and Regeneration team in conjunction with Live Argyll/Education will strive to accommodate filming wherever possible (eg school holidays, closure days) but are aware of the importance of providing facilities to service users which should not be interrupted.
- **Legal Restrictions** – In some instances there are restrictions on what activity can be carried out on a particular piece of land or property, which may restrict or prevent filming from taking place. In conducting their searches, Legal Services will determine whether or not any restrictions apply.
- **Insurance** – The council's Insurance Officer will be provided with a copy of the applicant's Public Liability Insurance and will ensure sufficient cover is in place when filming is taking place on council land or property. The agreement with the applicant will contain appropriate indemnities ensuring that the council will incur no liabilities in relation to any incidents which may occur when filming is taking place.
- **Dangerous Buildings** – Building Standards will check properties to ensure that they meet Health and Safety standards for filming to take place.
- **Reputation Management** – The Council's Communication Team will be asked to confirm that filming presents no reputational risk to either the council or the area.

5.1.4 Due to the nature of the film industry it is important when seeking permission that the process is turned around confidentially and a decision is made as quickly as possible to accommodate the request. It has been identified with past larger scale enquiries that decisions that have taken longer than 4 weeks have resulted in a missed opportunity for the Council.

5.1.5 The process of seeking the relevant approvals from different council services will be co-ordinated by the Council's Transformation, Projects and Regeneration Team. The decision to grant permission to film on council land or property for a **value of up to £100,000** will be taken by the Council's service third tier manager and the Property Development Manager where applicable. Any decision to film on council land for a **value of over £100,000** will be taken by the Director of Development and Infrastructure and the Director of Customer Services. Upon the decision to grant a filming request instructions will be passed to Estates and Property Development and Legal Services to draft up a license to occupy our premises along with headline terms of the agreement.

5.2 OTHER DECISIONS

5.2.1 Further to the decisions which are needed in order to grant permission to film on council land, the Transformation, Projects and Regeneration team will internally co-ordinate other permissions needed from other council services relating to filming on council owned property or land.

5.2.2 **Parking Services** – Detailed parking plans need to be agreed with the council's Parking Manager; in particular for on-street parking for technical vehicles, equipment and bays to be reserved for continuity. Prior agreement must be secured from the Roads and Amenity service to block a footway for filming.

5.2.3 **Environmental Health** – Any filming which is likely to create a lot of noise or require filming at night

should be referred to the council's Environmental Health Team so that they can determine whether such filming is appropriate and what restrictions may be required.

5.2.4 **Planning Services** – Planning permission may be required for some temporary structures. Queries should be directed to the council's Planning Department.

5.2.5 **Outdoor Access**– Permission may be required from the council's outdoor access team for large scale productions looking to restrict public access on core paths and in some cases privately owned land.

6.0 CONCLUSION

6.1 Filming in Argyll and Bute brings benefits in terms of local spend and promotion of the area. Formalising future arrangements and implementing a charging schedule will allow the Council to sustain and protect our assets as well as providing a clear, transparent, structured process for future film enquiries.

6.2 Charges will always be negotiable as the Council is aware of the importance of continuing to attract inward investment into the area and would continue to strive to facilitate all productions within the area to the best of its ability.

7.0 IMPLICATIONS

7.1 Policy	Supports the delivery of the SOA and EDAP.
7.2 Financial	Income cannot be projected on an annual basis as it will be dictated by the industry.
7.3 Legal	Formalising the arrangement between the Council and companies will protect the assets and interests of the Council.
7.4 HR	Staff currently involved supporting filming in Argyll are EDST, Property Services, Roads and Amenity Services, Planning and Education.
7.5 Equalities	None.
7.6 Risk	The council misses an opportunity to receive additional income to sustain its assets.
7.7 Customer Service	If the schedule and governance arrangements are not adopted, the Council will not be able to provide an efficient, transparent service to the film industry which could result in missed opportunities.

Executive Director of Development & Infrastructure

Policy Lead Councillor Aileen Morton

5th March 2018

For further information contact:

Audrey Martin, Transformation, Projects and Regeneration Manager (01546 604180)

APPENDICES

Appendix 1 – Film Location Charging Schedule

Appendix 2 – Film Location Release Form

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FILM LOCATION CHARGING SCHEDULE

1.0 PURPOSE OF THE FILM LOCATION CHARGING SCHEDULE

- 1.1 The purpose of this schedule is to set out the charges and application process that applies for filming on land and in property owned by Argyll and Bute Council.

2.0 BACKGROUND

- 2.1 Argyll and Bute Council recognises the positive contribution that film production and photography can make to the local area with particular regard to the direct economic benefits they can bring and the enhanced tourism interest in the region.

3.0 SCHEDULE OBJECTIVES

- 3.1 Argyll and Bute Council's Film Location Charging Schedule is intended to further the following key objectives:
- Maximise inward investment in the Argyll and Bute economy from film and television production;
 - Provide a clear and transparent fair process to assist the customer when providing a service to the film industry;
 - Promote the region in the best possible manner to encourage visitors and boost tourism;
 - Ensure all filming is conducted in a safe manner and the public's health and safety is protected at all times; and
 - Minimise any disruptive impact filming may have on others.

4.0 DECISION MAKING PROCESS

- 4.1 In determining whether or not the Council will grant permission to film on council land or property, the following checks will need to be made:
- **Ownership** – The public have legal rights of access to most areas of land, the foreshore and inland water whether publically or privately owned. The Council's Access Manager may need to provide advice for productions that need to restrict the public's rights of access to land or water including Core Paths and Public Rights of Way. Where a legal order is required to suspend the public's rights of access a charge will be made for this service.
 - **Trust/Community Involvement** – Appropriate checks will be made to ensure trusts and community groups legally involved with council owned assets are aware of filming and do not have any planned activities or events which may be disrupted.
 - **Service Delivery** – In the event that there has been a request to film in Council owned property where Live Argyll or Education deliver services, the decision will be made on the basis that filming does not affect the services delivered within these properties. The Transformation, Projects and Regeneration team in conjunction with Live Argyll/Education will strive to accommodate filming wherever possible (eg school holidays, closure days) but are aware of the importance of providing facilities to service users which cannot be interrupted.

- **Legal Restrictions** – In some instances there are restrictions on what activity can be carried out on a particular piece of land or property, which may restrict or prevent filming from taking place. In conducting their searches, Legal Services will determine whether or not any restrictions apply.
- **Insurance** – The council's Insurance Officer will be provided with a copy of the applicant's Public Liability Insurance and will ensure sufficient cover is in place when filming is taking place on council land or property. The agreement with the applicant will contain appropriate indemnities ensuring that the council will incur no liabilities in relation to any incidents which may occur when filming is taking place.
- **Dangerous Buildings** – Building Standards will check properties to ensure that they meet Health and Safety standards for filming to take place.
- **Reputation Management** – The Council's Communication Team will be asked to confirm that filming presents no reputational risk to either the council or the area.

5.2 OTHER DECISIONS

- 5.2.1 Further to the decisions which are needed in order to grant permission to film on council land, the Transformation, Projects and Regeneration team will internally co-ordinate other permissions needed from other council services relating to filming on council owned property or land.
- 5.2.2 **Parking Services** – Detailed parking plans need to be agreed with the council's Parking Manager; in particular for on-street parking for technical vehicles, equipment and bays to be reserved for continuity. Prior agreement must be secured from the Roads and Amenity service to block a footway for filming.
- 5.2.3 **Environmental Health** – Any filming which is likely to create a lot of noise or require filming at night should be referred to the council's Environmental Health Team so that they can determine whether such filming is appropriate and what restrictions may be required.
- 5.2.4 **Planning Services** – Planning permission may be required for some temporary structures. Queries should be directed to the council's Planning Department.
- 5.2.5 **Outdoor Access** – The public have legal rights of access to most areas of land, the foreshore and inland water whether publically or privately owned. The Council's Access Manager may need to provide advice for productions that need to restrict the public's rights of access to land or water including Core Paths and Public Rights of Way. Where a legal order is required to suspend the public's rights of access a charge will be made for this service.

6.0 CHARGES AND PAYMENTS

- 6.1 All charges will be paid and a location release agreement signed in advance of filming.
- 6.2 Payments for filming permits will be invoiced by Argyll and Bute Council.

7.0 EXCLUSIONS

7.1 Charges do not apply for the following individuals and organisations and no charge will therefore be taken by Argyll and Bute Council:

- Students creating films as part of their academic studies
- Registered charities or community groups (outlined in 7.1.2 & 7.1.3)
- Broadcasters generating news reports and news related features

7.1.1 **Students** – for the purpose of this schedule, a student is defined as someone who is in full or part-time education with an approved college or university and is undertaking filming as part of their course. In order to be able to film, the student(s) must be covered by insurance provided by their college or university.

7.1.2 **Charities** – no charge will apply to local organisations that are small scale registered charities with the Charity Commission. Large scale charities will be subject to the fees displayed in the attached charging schedule.

7.1.3 **Community groups** – no charge will apply to local voluntary and community groups. In order to qualify, an organisation must be based in Argyll and Bute, must be a formally constituted body, non-political and should be a non-profit making body.

7.1.4 **News reports** – no charge will apply to broadcasters or organisations filming a brief account or report of an event or news item that is occurring in the area.

8.0 ADDITIONAL CHARGES

8.1 The following may incur additional charges at cost:

- Removal of street furniture;
- Traffic and Abnormal road advice;
- Closure of footpaths and carparks;
- Use of council owned ferries and berthing charges;
- Officer time;
- Waste contract agreements;
- Amendments to insurances or contracts;
- Legal and estates services charges;
- Any damage or unkempt areas caused by a production company to the Councils asset;
- Facility fees relating to water, electricity, broadband etc.;
- Compensation to Live Argyll leisure membership if applicable.

8.2 Any additional charges will be considered on a case by case basis when and it will be the decision of the appropriate service to advise on what the cost may be and prepare invoices accordingly.

8.3 Please note site images will be taken before and after filming or event.

8.4 Statutory fees such as temporary traffic orders, legal orders and standard car parking charges will always be charged where appropriate.

9.0 CANCELLATIONS AND REFUNDS

- 9.1 In the event of the Production Company cancelling the hire the of the location less than seven days, but more than 48 hours before commencement of the Initial Use Period or Further Use Period (as applicable), a cancellation fee equivalent to 20% of the fees shall be payable. In the event of the Company cancelling the hire of the Location less than 48 hours before commencement of the Initial Use Period or Further Use Period (as applicable), a cancellation fee equivalent to 50% of the fees shall be payable.
- 9.2 Should the filming need to be cancelled due to weather we will look to re-accommodate the activity on another date. If not rescheduled, the cancellation policy point outlined in 9.1 will be implemented.

10.0 TABLE OF STANDARD FILM LOCATION HIRE CHARGES

10.1 The following table lays out the initial standard charges (Non inclusive of additional charges and VAT) for filming on council land/property:

Production Genre	Type of Request	Classification (Budget)	Charge (Per Day)
Feature Film	Major US: <i>eg Bond, Jurassic World</i>	High End (£100m+)	£1260.00
	Large US: <i>eg Les Miserable</i>	Medium High (£60m+)	£960.00
	Major UK/US Indie: <i>eg Rush, Theory of Everything</i>	Medium (£20m+)	£660.00
	Medium: <i>eg The Worlds End</i>	Medium/Low (£10m+)	£480.00
	Low: <i>eg 71, Alan Partridge, Alpha Papa</i>	Low (£1.5m+)	£240.00
	Micro: <i>eg IFeatures</i>	Micro (<1.5M)	£50.00
Television	Domestic/International receiving Tax Relief: <i>eg Penny Dreadful, The Game</i>	High End Tax Relief	£660.00
	Period Drama: <i>eg Call the Midwife, The Village</i>	High End Domestic	£540.00
	Soap/Drama Series: <i>eg Sherlock, Corrie, EastEnders</i>	Medium	£480.00
	Sitcom/Comedy/Drama: <i>eg Family Tree, My Mad Fat Diary</i>	Medium	£300.00
	Pilot/Light Entertainment/High End Documentaries/Factual: <i>eg Springwatch, Great British Bake Off</i>	Low	£105.00
	Low-end Doc/Factual: <i>eg Great Railway Journeys</i>	Low	£50.00
Commercials	High Profile: <i>eg :McDonalds, Lagavullin Whisky (International)</i>	High (> £1M)	£600.00
	Medium Profile: <i>eg: Ford, Skoda, Peugeot (National)</i>	Medium (< £1M)	£360.00
	Low Profile: <i>eg: Short promos (Regional)</i>	Low (< £250k)	£105.00
Music Videos	High Profile: <i>eg Florence and the Machine</i>	High	£90.00
	Low Profile: <i>eg Corporate etc.</i>	Low	£50.00

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**“Production Name”
FILM LOCATION RELEASE FORM**

1. Argyll and Bute Council, Kilmory Castle, Lochgilphead, Argyll, PA31 2QY ("The Council")
2. [] of [] ("the Company")
3. [] ("the Production ") (Including provisional titles)
4. [] ("the Property" or Location)
5. Date:

This Location Release confirms the agreement between the Council and the Company pursuant to which the Council has agreed to make available to the Company the Property or Location.

1. The Property/Location shall be made available to the Company for the purpose of filming [exterior and/or interior] scenes in connection with the Production on [dates] ("the Release Period").
2. The Council agrees to the provision of access for all personnel, props, equipment, vehicles and artists required by the Company for use in connection with the making of the Production.
2. The Company shall be entitled to make such use of the Property/Location they may require during the Release Period and shall represent the Property/Location under its proper name *use as applicable*. During the Release Period the Company shall have use of the Property/Land (being neither sole nor exclusive use). It being understood that if filming is not completed during this period the Company shall be permitted to return at a later date, to be mutually agreed, on terms no less favourable than those contained herein in consideration of a daily pro-rated fee.
3. To make changes, additions and alterations in and to the Property/Location including removing furnishings, fixtures and contents provided such changes shall be of a temporary nature only, and the Company agrees after its final use hereunder to restore the Property to its original condition (as immediately prior to our period of hire) unless otherwise agreed by you.
4. The Company shall be entitled to incorporate all or any part of films photographs and recordings whether audio or audio-visual made in or about the Property/Location in the Production either as a sequence or on their own or preceded or interlaced or followed by such other scenes as the Company may require in their sole discretion.
5. The Company shall own the entire copyright and all other rights of every kind in and to all film and audio and audio-visual recordings and photographs made in or about the Property/Location including without prejudice to the generality of the above the irrevocable right to use or not to use any and all such film and audio and audio-visual recordings and photographs of the Property/Location [together with the real name of the Property/Location *use as applicable*] in or in connection with the Production and to exploit the Production by any manner or means now known or in the future invented in any and all media throughout the world for the full period of copyright.

6. The Company shall agree to The Council using any finished material with credits for the promotion of Argyll and Bute on social media and the Film in Argyll website after the release of the production.
7. The Company shall have the right to assign licence and sub-licence the whole or any part of their rights pursuant to this agreement to any company or individual.
8. The Company shall be liable for and shall indemnify the Council against any and all liabilities, actions, claims, proceedings, costs, losses or expenses (including any claims of any adjoining owners or third parties) resulting from the act, omission or default of the Company, its servants, agents or contractors arising under any statute or at common law in respect of (i) damage to the Property/Location or its contents, (ii) damage to any property/location, real or personal, or (iii) any injury to persons, (including injury resulting in death) in each case arising directly or indirectly out of or in the course of or in connection with the use of the Property/Location by the Company or any failure by the Company or its servants, agents or contractors to comply with the obligations of the Company contained or referred to in this agreement.
7. The Company agree not to act or permit any act or to omit to act in any way that may cause nuisance to any persons lawfully using the Property or any of the owners or occupiers of land adjoining the Property/Location.
8. The Company shall comply with all statutes, rules and regulations (including all relevant health and safety requirements) applicable to its use of the Property/Location.
9. The Company shall have public liability insurance for not less than ten million pounds (£10,000,000) covering the Release Period evidence of which has been provided in advance of entering in to this Agreement. The Council will notify the Company in writing within five working days of any claim coming to the Council's attention.
10. In consideration of the rights granted to the Company under this Agreement the Company undertake to pay to the Council the sum £[FEE] on receipt of the invoice raised by Argyll and Bute Council and any other costs to third parties involved.
11. This Agreement shall be governed by and construed in accordance with the law of Scotland the courts of which shall be courts of competent jurisdiction.

Signed:

Signed By:

Position:

On behalf of the Company

Signed:

Signed By:

Position:

On behalf of the Council

ARGYLL AND BUTE COUNCIL**Policy and Resources Committee****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****16th August 2018**

West of Scotland Loan Fund – Transfer of Surplus Funds to Argyll and Bute Council

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this paper is to provide the members of the Policy and Resources Committee with an update on the proposed transfer of surplus funds from the West of Scotland Loan Fund (WSLF), which is no longer active following the launch of Business Loans Scotland (BLS), to Argyll and Bute Council. It is anticipated that just over £154,700 will be transferred. Loan funding is now facilitated pan Scotland through the BLS fund part financed by European Regional Development Funds (ERDF) under the 2014-2020 programme. Argyll and Bute Council's contribution to BLS was funded from the WSLF surplus.
- 1.2 The recommendations noted below align with the decision made at the Policy and Resources Committee on 17th March 2016 where members "Endorsed the proposal to seek to transfer any WSLF surplus to the Council's Economic Development Service, or other appropriate body able to provide loans, for the purposes of promoting commerce by giving financial assistance by way of loans, donations or subscriptions, noting that this may require the unanimous approval of all WSLF Member Authorities". The paper covered the establishment of the then new BLS scheme, where the transfer of WSLF surplus funds was also considered.
- 1.3 Historically it was understood that no WSLF allocation for Argyll and Bute could be transferred to the council. Whilst the WSLF Articles of Association are clear that on the winding-up or dissolution of WSLF, any "property" cannot be paid or distributed amongst the Member Authorities, subsequent advice from WSLF was that the Articles of Association of WSLF could be amended, with unanimous agreement of all members, to permit funds to be transferred to 'like-minded' organisations for the purpose of 'SME development', such as Business Gateway within the Economic Growth section of the Council's Economic Development service. All WSLF members have agreed to this change and the Articles of Association have now been amended. Argyll and Bute Council can now apply for WSLF Board member approval to transfer the surplus for the purpose of 'SME development'.
- 1.4 To date there has been no take-up of the current loan finance offered under BLS. It should be noted that BLS offers loans of £50k or more to limited companies, or partnerships with four or more members. Smaller loans, including to sole traders, are offered through an alternative ERDF funded microfinance scheme from Developing Strathclyde Ltd (DLS) Business Finance, launched last year, open to Argyll and Bute businesses.

- 1.5 Thus it is now proposed to use up half of the WSLF surplus as match funding for Phase 2 of the Argyll and Bute Business Gateway Local Growth Accelerator Programme. This could provide a three year programme of support offering grants and specialist advice at no additional cost to the council. If the WSLF surplus is used to provide £25k per year as match funding (£75k total), the council could lever in ERDF funding of more than £110k over three years (currently circa 60% intervention rate but can be up to 70%). The remaining surplus, circa £75k, could then be used to provide additional SME support specifically linked to Rural Growth Deal initiatives if opportunities are identified (this would not leverage European funding but would allow greater flexibility in terms of who and what could be supported).
- 1.6 The intention is to submit a bid for Phase 2 Business Gateway Local Growth Accelerator Programme by the end of the calendar year. The bid is dependent on Members approval to use some of the WSLF surplus as match funding for Phase 2.
- 1.7 The recommendation for the Policy and Resources Committee is therefore as follows:

Members approve that the transferred funds from the WSLF surplus be used to finance:

- a) £75k of match funding, circa £25k per annum for 3 years, for a Phase 2 Argyll and Bute Business Gateway Local Growth Accelerator programme, subject to a successful application.
- b) Additional SME support circa £75k, specifically linked to the Rural Growth Deal initiatives if opportunities are identified.

West of Scotland Loan Fund – Transfer of Surplus Funds to Argyll and Bute Council

2.0 INTRODUCTION

- 2.1 The purpose of this paper is to provide the members of the Policy and Resources Committee with an update on the proposed transfer of surplus funds from the West of Scotland Loan Fund (WSLF), which is no longer active following the launch of Business Loans Scotland (BLS), to Argyll and Bute Council. It is anticipated that just over £154,700 could be transferred.
- 2.2 Loan funding is now facilitated pan Scotland through the BLS fund part financed by European Regional Development Funds under the 2014-2020 programme.

3.0 RECOMMENDATIONS

- 3.1 The recommendation for the Policy and Resources Committee is as follows:

Members approve that the transferred funds from the WSLF surplus be used to finance:

- a) £75k of match funding, circa £25k per annum for 3 years, for a Phase 2 Argyll and Bute Business Gateway Local Growth Accelerator programme, subject to a successful application.
- b) Additional SME support circa £75k, specifically linked to the Rural Growth Deal initiatives if opportunities are identified.

4.0 BACKGROUND

- 4.1 The WSLF is no longer active and has been replaced by BLS. With no further investments/loans pending, £154,757.99 currently allocated to Argyll and Bute within WSLF is now surplus. It should be noted that Argyll and Bute Council made no additional financial contributions to the WSLF and that Argyll and Bute Council's contribution to BLS was funded from the WSLF surplus.
- 4.2 Previously it was understood that no WSLF allocation for Argyll and Bute could be transferred to the council. Whilst the WSLF Articles of Association are clear that on the winding-up or dissolution of WSLF, any "property" cannot be paid or distributed amongst the Member Authorities, subsequent advice from WSLF was that the Articles of Association of WSLF could be amended, with unanimous agreement of all members, to permit funds to be transferred to 'like-minded' organisations for the purpose of 'SME development', such as Business Gateway within the Economic Growth section of the Council's Economic Development service.

- 4.3 WSLF’s solicitors, Wright, Johnston & Mackenzie have been consulted regarding what type of organisations would constitute being “like minded”. Their advice is that such organisations would require to meet the test of being “*trusts, companies, organisations, associations or institutions having objects similar to the objects of the Company (WSLF) and subject to the same or similar restrictions to and which are at least as strict as those contained in Article 4.2 and Article 20*”.

The further provisions in Article 20 describe entities with “objects” similar to WSLF and “subject to the same or similar restrictions to and which are at least as strict as those contained in Article 4.2”. The provisions of Article 4.2 say that the “income and property of the Company are to be used in furtherance of the Company’s objects as set out in Article 4.1”.

The primary objects of the Company at Article 4.1 relate to holding and managing a “fund”, for the purposes of promoting “commerce by giving financial assistance by way of loans, donations or subscriptions” (4.1.1) and also relate to “raising funding for such purposes from the Company’s Members and other entities and sources (including ERDF)”.

- 4.4 A Special Resolution was proposed to amend the Articles of Association, specifically Article 4.2 and Article 20. This proposed that:

- (1) Article 4.2 of the existing Articles of Association of the Company be deleted and the following be substituted therefor:

["4.2 The income and property of the Company, howsoever derived, shall be applied solely towards the promotion of the objects of the company as set forth in Article 4.1, save that the Company may distribute funds it holds to the Members in the proportions agreed among them"] and;

- (2) Article 20 of the existing Articles of Association of the Company be deleted and the following be substituted therefor:

["20 If, upon a winding up or dissolution of the Company there remains, after the satisfaction of all of its debts and liabilities, any property whatsoever, the same may be paid to or distributed among the Members in the proportions agreed among them"]

- 4.5 Officers requested advice from the Council’s Legal Manager on this matter. The improvements to the wording to the Special Resolution was authorised by the legal department, it did not require separate Argyll and Bute Council approval, and the Fund Manager was notified on 25th January 2018.

- 4.6 All other WSLF members agreed to the Special Resolution and the Articles of Association have now been amended, meaning Argyll and Bute Council can apply for WSLF Board member approval to transfer the surplus to the council for the purpose of ‘SME development’.

- 4.7 Rather than keep the surplus within the inactive WSLF funds, it could be used by the council to help the growth of the area’s SME base, at no additional cost to the council.

- 4.8 There is a clear opportunity to use the surplus effectively within Phase 2 of the ERDF funded Business Local Growth Accelerator Programme, from 2019. It is proposed to use up half of the WSLF surplus as match funding for Phase 2. This could provide a three year programme of support offering grants and specialist advice at no additional cost to the council. If the WSLF surplus is used to provide £25k per year as match funding (£75k total), the council could lever in ERDF funding of more than £110k over three years (at circa 60% intervention rate).
- 4.9 The intention is to submit a bid for Phase 2 Business Gateway Local Growth Accelerator Programme by the end of the calendar year. The bid is dependent on Members approval to use some of the WSLF surplus as match funding for Phase 2.
- 4.10 The remaining WSLF surplus, circa £75k, could then be used to provide additional SME support specifically linked to Rural Growth Deal initiatives if opportunities are identified. This would not leverage European funding but would allow flexibility in terms of which businesses and activities could be supported.

5.0 CONCLUSION

- 5.1 This paper is to provide the members of the Policy and Resources Committee with an update on the situation of transferring surplus WSLF monies to the Council's Business Gateway service.
- 5.2 The paper has proposed to use the surplus funds to match fund Phase 2 of the Argyll and Bute Business Gateway Local Growth Accelerator Programme over a three year period and use the remaining funds to support SMEs through activities aligned to the proposed Rural Growth Deal.

6.0 IMPLICATIONS

- | | | |
|-----|-----------|--|
| 6.1 | Policy | Additional funding for business activity across Argyll and Bute will contribute to the Local Outcome Improvement Plan Delivery Plans particularly for Outcomes one and three; aligns with the Argyll and Bute Council's Administration priority of 'championing economic development, working in partnership with businesses and supporting targeted economic development within local areas as part of a strategic approach'; and contributes to the Council's overarching Strategic Economic Development Action Plan, 2016-2021. |
| 6.2 | Financial | An element of the surplus WSLF monies will be used as match funding in order to lever ERDF monies with an anticipated European funding intervention rate of up to 70% (currently circa 60%). |
| 6.3 | Legal | Articles of Association for the WSLF (reviewed by the Council's Legal Manager) have been amended to allow for surplus monies to be transferred to the Council's Economic Development Service, in particular Business Gateway. |
| 6.4 | HR | This activity will be met by the current complement of |

Business Gateway staff to add to the wealth of discretionary activity already delivered over and above the required national core service of business support and advice.

- 6.5 Equalities/Fairer Scotland Duty All activities will comply with all Equal Opportunities/Fairer Scotland Duty policies and obligations.
- 6.6 Risk As this funding will help to extend the provision of additional business activity across Argyll and Bute the risk to the council is limited. The risk of claiming money back from a Phase 2 ERDF funded Argyll and Bute Business Gateway Local Growth Accelerator Programme is also reduced as the same compliance processes and procedures will be as that under Phase 1.
- 6.7 Customer Services None.

Pippa Milne, Executive Director of Development and Infrastructure

CLlr Aileen Morton, Policy Lead for Economic Development

3rd July 2018

For further information contact:

Ishabel Bremner, Economic Growth Manager, tel: 01546 604375

Kate Fraser, Senior Development Officer, Business Gateway, tel: 01546 604550

ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES
COMMITTEE****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****16TH AUGUST 2018**

**CREATING A NEW AQUACULTURE HUB - REQUEST FOR INWARD
INVESTMENT FUND SUPPORT FOR A FEASIBILITY STUDY TOWARDS THE
PROVISION OF A SEAWATER PIPE SYSTEM.**

1.0 EXECUTIVE SUMMARY

- 1.1 This report concerns a request from the council's Inward Investment Fund for £25k of funding to be given to the Council's Economic Development Service to procure a technical feasibility study for a new sea water pipeline at the Machrihanish Airbase Community Company (MACC) in Kintyre. This funding will match an equal amount from HIE.
- 1.2 Developing a state of the art land-based aquaculture innovation hub at (MACC) will lead to a variety of small business and/or research units growing up around the site with the potential to significantly improve the employment and further investment opportunities for the local economy. Stirling University has recently opened discussions between (MACC), HIE and Argyll and Bute Council (ABC) on the development of a seawater intake pipe pumping system that is a critical first step in taking forward any future investment through a future business case.
- 1.3 This request represents 50% of the total funding with the remaining 50% coming from HIE. This seawater intake system is a critical first step to inform a future business case to create a new aquaculture hub at MACC.
- 1.4 It should also be noted that this project is being considered for inclusion in the developing Rural Growth Deal to part fund potential capital costs for the creation of the pipeline and associated aquaculture innovation hub in partnership with HIE, MACC and Stirling University.

2.0 RECOMMENDATIONS

- 2.1 That £25,000 worth of funding is made available to the Council's Economic Development Service from the Inward Investment Fund (IIF) to progress the procurement of consultants to undertake the technical feasibility study.

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES COMMITTEE

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

16TH AUGUST 2018

CREATING A NEW AQUACULTURE HUB - REQUEST FOR INWARD INVESTMENT FUND SUPPORT FOR A FEASIBILITY STUDY TOWARDS THE PROVISION OF A SEAWATER PIPE SYSTEM.

3.0 INTRODUCTION

- 3.1 This report concerns a request from the council's Inward Investment Fund for £25k of funding to be given to the Council's Economic Development Service to procure a technical feasibility study for a new sea water pipeline to access the sea from the MACC former airbase in Kintyre. This represents 50% of the total funding with the remaining 50% coming from HIE.
- 3.2 This study is a critical first step in developing a business case for the development of an aquaculture innovation hub at Machrihanish Airbase Community Company (MACC) that has potential to form part of the emerging Rural Growth Deal. Innovation in business is of keen interest to both the Scottish and UK Governments and aquaculture has been identified as a key business sector in the deal given its growth potential and importance to Argyll and Bute's economy.

4.0 RECOMMENDATIONS

- 4.1 That £25,000 worth of funding is made available to the Council's Economic Development Service from the Inward Investment Fund (IIF) to progress the procurement of consultants to undertake the technical feasibility study.

5.0 DETAIL

- 5.1 The council is working with a range of partners to bring forward elements of a future Rural Growth Deal. A key theme of interest to both Governments is innovation linked to business excellence and future research capability. The MACC former airbase, lying in close proximity to the existing research facility at the Marine Environment Research Laboratory (MERL) has been identified by both HIE and Stirling University as a site of interest in relation to the aquaculture sector. This sector is one of our key business sectors that will become increasingly important for our region as the industry expands to meet Government targets and global demand for high quality farmed fish. The development of the MACC site as a key site for aquaculture is dependent on having access to sea water and this report asks members to release funding

from the Inward Investment Fund for the council to procure a feasibility study/options appraisal for the provision of a Seawater intake and outfall pipe(s) and pumping system.

- 5.2 The estimated funding for the work is £50k and HIE have committed to provide 50% of the funding which leaves a balance of £25k to be raised from the Inward Investment Fund.
- 5.3 The findings of this technical feasibility study will inform the University of Stirling's options for future development of their aquaculture research campus at MACC. Developing a state of the art land-based aquaculture hub in this location will also complement a number of other aquaculture developments in the Kintyre area and lead to a variety of small business and/or research units growing up around the site. Ultimately, the findings of the study will also inform a future business case to be prepared in relation to the emerging Argyll Rural Growth Deal that has the potential to provide capital funding together with identified European funding.
- 5.4 The feasibility study is being procured via the council's procurement process with financial support from HIE. The owners of MACC have negotiated all ways leaves in terms of access to the sea in the event the pipeline will be constructed and are fully supportive of the proposal.

6.0 CONCLUSION

- 6.1 The feasibility study will define the technical requirements and likely costs of establishing a high grade seawater pipeline at MACC to facilitate the development of an innovative aquaculture hub with involvement from Stirling University. The provision of a seawater pipeline is a critical first step in this process. HIE are providing 50% of the funding and the community owners of MACC have negotiated all wayleaves in the event of the pipeline being constructed. The feasibility study into the pipeline is a prerequisite for the future involvement of Stirling University at MACC and the creation of an innovative aquaculture Hub. The pipeline is therefore a critical element to inform a future business case for any future capital investment through the Argyll and Bute Rural Growth Deal to build the pipeline and additional facilities at MACC.

7.0 IMPLICATIONS

- 7.1 Policy

The proposed pipeline offers the opportunity to support the objectives and long term outcomes of the Local Outcomes Improvement Plan together with the revised Corporate Plan, Local Development Plan and current strategic Economic Development Action Plan.
- 7.2 Financial

There is a request for £25,000 to be released from the Inward Investment Fund to the council's

Economic Development service to match fund HIE. MACC have absorbed all legal costs associated with negotiated wayleaves.

- | | |
|-------------------------------------|---|
| 7.3 Legal | No legal implications arising from this report. |
| 7.4 HR | None. |
| 7.5 Equalities | None. |
| 7.6 Equality / Fairer Scotland Duty | EqSEIA not required at this time. |
| 7.7 Risk | There is a risk that the pipeline is not feasible or practicable as a result of the findings of the feasibility study and/or business cases to be considered by Members at a future date. |
| 7.8 Customer Service | None. |

Pippa Milne, Executive Director of Development and Infrastructure
Cllr Aileen Morton, Policy Lead for Economic Development
July 2018

For further information contact:

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ARGYLL AND BUTE COUNCIL**POLICY AND RESOURCES
COMMITTEE****CUSTOMER SERVICES****16 August 2018**

Scottish Government: National Performance Framework (2018)

1.0 EXECUTIVE SUMMARY

The purpose of this report is to show how the outcomes and activities of the Council contribute to the delivery of Scottish Government's new National Outcomes. The new National Outcomes are set out in the updated National Performance Framework.

Key points to note are:

- There are no areas of activity undertaken by the council that do not contribute to the National Outcomes.
- Between them, the Council's cross-cutting themes and outcomes can be seen to contribute to the delivery of all eleven National Outcomes

The information in this report is for noting.

ARGYLL AND BUTE COUNCIL

POLICY AND RESOURCES
COMMITTEE

CUSTOMER SERVICES

16 August 2018

Scottish Government: National Performance Framework (2018)

2.0 INTRODUCTION

- 2.1 Scottish Government published its revised National Performance Framework on 11 June 2018.
- 2.2 This report shows how the outcomes and activities of the Council contribute to the delivery of the new National Outcomes, as set out in the National Performance Framework.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Policy and Resources Committee notes the information contained within this report.

4.0 DETAIL

- 4.1 In 2007, the Scottish Government launched its first National Performance Framework (NPF). This was a ten year vision. The 2007 National Performance Framework was comprised of 16 National Outcomes.
- 4.2 On 11 June 2018, and following consultation, Scottish Government published a new set of National Outcomes (<http://nationalperformance.gov.scot/>). These form part of Scottish Government's revised National Performance Framework. The number of National Outcomes has been reduced from sixteen to eleven. (Scottish Government's National Performance Framework 'Cog' is shown in figure 1.)

Figure 1:



- 4.3 The National Performance Framework requires that public sector agencies and organisations work together to achieve common goals. Therefore, the activities of the Community Planning Partnership and the Council should contribute to the delivery of the National Outcomes.
- 4.4 This paper sets out how the Local Outcome Improvement Plan (LOIP) and Corporate Outcomes, as well as the cross-cutting themes that run through the Council's Corporate Plan and the Council's Business Outcomes, align with the National Outcomes.
- 4.5 Key points to note are:
- There are no areas of activity undertaken by the council that do not contribute to the National Outcomes.

- Between them, the Council's cross-cutting themes and outcomes can be seen to contribute to the delivery of all eleven National Outcomes (See table 1).

Table 1:

The Council contributes to the delivery of the National Outcomes through...			
National Outcome	Cross-cutting Theme (Gaelic, Equalities, Fairer Scotland Duty)	LOIP / Corporate Outcome	Business Outcome
We grow up loved, safe and respected so that we realise our full potential		Children and young people have the best possible start	Our looked after young people are supported by effective corporate parenting
			The support and lifestyle needs of our children, young people and their families are met
		Education, skills and training maximise opportunities for all	All our adults are supported to realise their potential
			All our children and young people are supported to realise their potential
We live in communities that are inclusive, empowered, resilient and safe		People will live in safer and stronger communities	Our communities are protected and supported
		People will live in safer and stronger communities	Our natural and built environment is protected and respected
We are creative and our vibrant and diverse cultures are expressed and enjoyed widely	Gaelic Equalities	Our economy is diverse and thriving	Argyll and Bute is promoted to everyone
We have a globally competitive, entrepreneurial, inclusive and sustainable economy		We have an infrastructure that supports sustainable growth	Our communities are cleaner and greener
			Our infrastructure is safe and fit for the future
		Our economy is diverse and thriving	We support businesses, employment and development opportunities
We are well educated, skilled and able to contribute to society		Education, skills and training maximise opportunities for all	All our adults are supported to realise their potential

The Council contributes to the delivery of the National Outcomes through...			
National Outcome	Cross-cutting Theme (Gaelic, Equalities, Fairer Scotland Duty)	LOIP / Corporate Outcome	Business Outcome
			All our children and young people are supported to realise their potential
		Getting it Right	We encourage creativity and innovation to ensure our workforce is fit for the future
We value, enjoy, protect and enhance our environment		People will live in safer and stronger communities	Our natural and built environment is protected and respected
		We have an infrastructure that supports sustainable growth	Our communities are cleaner and greener
We have thriving and innovative businesses, with quality jobs and fair work for everyone		We have infrastructure that supports sustainable growth	Argyll and Bute is promoted to everyone
			We support businesses, employment and development opportunities
		Our economy is diverse and thriving	We influence and engage with businesses and policy makers
We are healthy and active		People will live active, healthier and independent lives	We ensure information and support is available for everyone
			We provide support, prevention and opportunities to help people make better lifestyle choices
			We enable a choice of suitable housing options
We respect, protect and fulfil human rights and live free from discrimination	Equalities	Getting it right	We are efficient and cost effective
We are open, connected and make a positive contribution internationally		Getting it right	We engage and work with our customers, staff and partners
We tackle poverty by sharing opportunities, wealth and power more equally	Fairer Scotland Duty		

(Notes: (1) Shaded cells indicate where Corporate and Business Outcomes contribute to the National Outcomes but where the links are weaker than those identified elsewhere. (2) Some Corporate Outcomes and Business Outcomes contribute to more than one National Outcome, and therefore appear more than once in the table. (3) Although the cross-cutting themes should be relevant to all our activities, they link particularly strongly to the National Outcomes in the areas identified.

5.0 CONCLUSION

- 5.1 Scottish Government published its revised National Performance Framework on 11 June 2018.
- 5.2 This report shows how the outcomes and activities of the Council contribute to the delivery of the new National Outcomes, as set out in the National Performance Framework.
- 5.3 There is a good alignment between the activities of the Council and the National Outcomes to which the Council should contribute.

6.0 IMPLICATIONS

- 6.1 Policy: None arising directly from this report.
- 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 for Corporate Services
Councillor Rory Colville

Report prepared 12 July 2018.

For further information contact:

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Performance and Improvement Officer

Policy and Resources Committee Work Plan 2018-19

August 2018 - This is an outline plan to facilitate forward planning of reports to the P&R Committee.					
16 August 2018	Report Title	Dept/Section	How Often?	Date Due	Comments
	Financial Monitoring Pack Summary – will include links to: <ul style="list-style-type: none"> • Financial Monitoring Pack Summary • Revenue Budget Monitoring • Monitoring of Service Choices Savings • Monitoring of Financial Risks • Capital Plan Monitoring • Treasury Monitoring • Reserves and Balances 	Strategic Finance	Every Meeting	17 July 2018	
	Budget Outlook 2019-20 to 2021-22	Strategic Finance			
	Service Annual Performance Reviews – 2017-18	Customer Services	Annual		
	Performance Report FQ1	Customer Services and Strategic Finance		17 July 2018	
	Proposed By Election – Colonsay Community Council	Customer Services			
	Review of Advice Services	Development and Infrastructure		17 July 2018	P&R Committee May 2018 decision states detailed report to be brought to August Committee.
	Film in Argyll and Bute – Film Location Charging Schedule	Development and Infrastructure		17 July 2018	
	West of Scotland Loan Fund – Transfer of Surplus Funds to Argyll and Bute Council	Development and Infrastructure		17 July 2018	
	Request for Inward Investment Fund	Development and			

Policy and Resources Committee Work Plan 2018-19

	Support for a Feasibility Study/Options Appraisal Towards the Provision of a Seawater Pipe System at Machrihanish Airbase Community Company (MACC)	Infrastructure			
October 2018	Report Title	Dept/Section	How Often?	Date Due	Comments
	Financial Monitoring Pack Summary – will include links to: <ul style="list-style-type: none"> • Financial Monitoring Pack Summary • Revenue Budget Monitoring • Monitoring of Service Choices Savings • Monitoring of Financial Risks • Capital Plan Monitoring • Treasury Monitoring • Reserves and Balances 	Strategic Finance	Every Meeting		
	Rural Growth Deal	Development and Infrastructure			P&R May 2018 Committee decision states report to be brought back in October 2018.
Future Items – date to be determined					
	SOA Delivery Plan Review	Community Services			
	IHR Policies: <ul style="list-style-type: none"> • Attendance Management Policy • Secondment Policy 	Improvement and HR	As required		<ul style="list-style-type: none"> • To come in 2017/18 • To come in 2017/18
	Argyll, Lomond and the Isles Regeneration Initiative	Development and Infrastructure			
	Review of Strategic Events and Festivals Grant Process	Development and Infrastructure			Report to be brought back following assessment of funding

Policy and Resources Committee Work Plan 2018-19

					bids received (P&R May 2018)
	CHORD – Dunoon – Queens Hall – Progress and Commercial Update	Development and Infrastructure			Report to be brought back to Committee once final account agreed for each of the contracts seeking substantial decision in respect of actual overspend (P&R May 2018)

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