

LEADER'S REPORT

1. INTRODUCTION

- 1.1** This report provides members with an update on my activities as Leader of the Council from 16th January to 31st March 2016.
- 1.2** This has been a particularly busy period which included, of course, the council's Budget meeting on 11th February and a significant number of meetings with national politicians. An update on all activity is listed below in chronological order.
- 1.3** I have also provided updates in respect of my role as Policy Lead Councillor for Finance, IT, HR and Governance and Law.

2. RECOMMENDATIONS

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

3. GOUROCK-DUNOON FERRY SERVICES STEERING GROUP

- 3.1** Along with council officers, I attended the meeting of the Gourock-Dunoon Ferry Services Steering Group in Glasgow on 19th January 2016. Also in attendance were colleagues from Inverclyde Council, Transport Scotland, Dunoon Gourock Ferry Action Group and Derek Mackay, Minister for Transport and Islands. Various matters were discussed including:

- Arrangements for the forthcoming tender
- Harbour charges
- Performance
- Various operational and service issues
- The future role of the Steering Group

There is more detail on each topic in the meeting minute, which is contained in the Leader's Report pack.

4. MEETING WITH CROWN ESTATE, 20TH January 2016

- 4.1** Ronnie Quinn, the General Manager for Crown Estate Scotland, visited Kilmory for discussions with myself, the Chief Executive and council officers. As well as discussing the implications of the Scotland Bill, we also discussed the key sectors of aquaculture, renewables and marine tourism, including a look at the marine tourism leisure strategy, 'Awakening the Giant'. This was a productive discussion and we agreed that Ronnie and Crown Estate colleagues would return to the council later in the year to provide a further update.

5. HIGHLANDS AND ISLANDS LEADERS GROUP, 28TH January 2016

- 5.1** Leaders of the Highlands and islands area local authorities met ahead of COSLA Leaders in January to progress discussions on a number of key issues including digital connectivity, fuel poverty, Crown Estate, economic development and growing populations.

The group agreed to write to the First Minister to stress the importance of ensuring adequate protection was in place in relation to Emergency Towing Vessels (ETVs), citing the sea transport of nuclear waste from Dounreay to Sellafield in particular. A separate letter to the Depute First Minister was also agreed, requesting a tailored solution for the Highlands and Islands in relation to progress in digital connectivity.

Members also agreed to work on developing a position in relation to rural proofing, using the Convention of the Highlands and Islands (COHIO) as a means of engaging with the Scottish Government on this.

They also wrote to Professor Clive Mulholland, Principal of the University of the Highlands and Islands (UHI) asking what collaboration he would like to see from local authorities in supporting delivery of the vision for UHI, and there is more detail about this specific matter later in this report.

6. COSLA LEADERS, 29th January 2016

- 6.1** The agenda for the January COSLA Leaders session was originally all to be held in private but, on the morning of the meeting, it was agreed that one item, the discussion on the Local Government Settlement, should be taken in public. The report invited COSLA to consider a collective reaction to the 2016/17 proposals for financial settlement.

Following robust discussion, members voted by 21 to 7 in favour of a motion from Cllr Angus Campbell which indicated that COSLA could not accept or recommend the settlement offer.

All remaining agenda items were taken in private session, which means I cannot report on them in more detail here, but copies of all reports and associated briefings, including full detail on the financial settlement discussion above, are available to members in the Leader's Report Pack.

Private session items were:

- COSLA Leaders Workplan
- National Improvement Framework and Education Bill
- Social Care – charging, NCHC negotiations, reform
- Public Health Review
- Transatlantic Trade and Investment Partnership
- Community Justice
- Local Government Boundary Commission for Scotland

One piece of news shared at the session was good news for COSLA but less so for Argyll and Bute – our Chief Executive, Sally Loudon, has been appointed as Chief Executive of COSLA and was informally congratulated at the start of COSLA Leaders. While we are sad to see Sally leave us after eight years, we are delighted at her success and we will no doubt still continue to be in contact with her through attendance at COSLA. We are due to formally mark her contribution to the life of the council at the close of the council meeting where this report features.

7. CASE FOR ARGYLL AND BUTE, VC WITH JOHN SWINNEY, 10th February

- 7.1** On 26th January I wrote to John Swinney, Depute First Minister, to make the case for additional support for Argyll and Bute. A copy of this correspondence is available in the Leader's Pack but, in summary, this case hinges on a number of key facts:

- Argyll and Bute is the only depopulating local authority which does not get additional support through Our Islands Our Future or City Deal;

- Having the highest number of inhabited islands combined with a diverse mix of rural, island, urban and remote communities poses unique challenges and considerable costs in terms of service delivery;
- The council wants to achieve more transformation but more investment is needed in order to progress change as quickly as we, our communities and the Scottish Government would like.

Ahead of writing to Mr Swinney, we had also been involved in discussions with Michael Russell, Brendan O'Hara and Mike McKenzie, Argyll and Bute parliamentarians, and these were outlined in the Leader's Report of 21st January 2016.

With support from Michael Russell, we were able to secure a video conference with John Swinney on 10th February to discuss our initial high level proposal, despite the pressures of the national and local government budget activities ongoing at the time. This short but productive discussion secured agreement to work together further on developing some form of 'rural deal' with starting points of improving digital and physical connectivity, the importance of local communities in service delivery and decision making, and building on the transformational work already done. Council officers are now engaging with Scottish Government officials to take this forward and we anticipate further discussions with ministers following the May elections.

Copies of our original letter, Mr Swinney's response, and a note from the VC discussion in February are all included in the Leader's Report Pack.

8. VC WITH PROFESSOR CLIVE MULHOLLAND, 15th February 2016

- 8.1** Following the Highlands and Islands Leaders Group meeting decision on 28th February, I participated in a VC meeting with other group members and Professor Clive Mulholland, Principal of UHI. Professor Mulholland was due to provide a report for the March COHI session entitled *Collaborative Support for Delivery of the UHI Vision* and the discussion enabled local authority leaders to contribute any insights they had on this. Again this was a productive discussion and one which was followed up at COHI in March.

9. ARGYLL AND BUTE CPP DEVELOPMENT DAY, 16th February 2016

- 9.1** Arrochar's Three Villages Hall was the venue for a highly interesting and constructive development day with our Community Planning Partners. The purpose of the day was to offer an update on the Single Outcome Agreement delivery plan and get feedback on what further partnership activities are needed in order to bring about change.

The focus for 2016 is on developing joint ways of working together productively, looking at all aspects from finance to buildings or place-based approaches. It was a very interesting and positive day. We have a good track record in partnership working in Argyll and Bute and there are always ways we can improve this – coming together to thoroughly discuss, debate and develop ideas is a useful part of the process and our ongoing work.

10. OBAN NORTH AND LORN BY-ELECTION, 18th February 2016

- 10.1** We held a by-election in the Oban North and Lorn ward on 18th February 2016. Congratulations and welcome to Councillor Julie McKenzie, who was elected and is a member of the SNP Group.

11. ARGYLL AND BUTE ECONOMIC FORUM REPORT, 23rd February 2016

- 11.1** Nicholas Ferguson, Chair of the Argyll and Economic Forum, published his report on 23rd February 2016. The report has been circulated widely to fellow members, national politicians and many others who share strong ambitions for Argyll and Bute's future economic success.

Nick's report is positive and interesting and, most importantly, it points out the importance of working together collectively in partnership to achieve success in a thriving Argyll and Bute in order to tackle the challenges we face in growing the population and the economy.

12. MEETING WITH SECRETARY OF STATE FOR SCOTLAND, 25th February

- 12.1** Councillors Aileen Morton and Gary Mulvaney, along with senior officers, joined me for a meeting with David Mundell, Secretary of State for Scotland, in the Helensburgh and Lomond Civic Centre. The meeting was arranged as part of a series of meetings which Mr Mundell sought with all Scottish councils.

It gave us a helpful opportunity to discuss a range of issues with Mr Mundell and seek the UK Government's support and assistance where possible. In our discussions we covered the Maritime Change Programme at Faslane, MACC's bid to become the first UK Spaceport, the importance of grid and connectivity to Argyll and Bute, and also provided an update on our refugee resettlement work.

This was a very productive meeting which gave us the chance to outline all that the council is doing across Argyll and Bute to grow the population and help to foster relations with the UK Government. Along with the

meetings with John Swinney and Michael Russell referred to elsewhere, this is part of our ongoing commitment to working with national government and seeking every possible opportunity that we can to gain support in collectively tackling Argyll and Bute's unique challenges.

13. COSLA LEADERS, 26th February

13.1 With the Chief Executive, I attended the COSLA Leaders session in Edinburgh on 26th February. All of the items discussed were taken in private session, which restricts me from reporting in full here, but the reports and associated briefings are included for members to view in the Leader's Report Pack.

The agenda items were:

- Presentation on Police Scotland from new Chief Constable Phil Gormley
- Verbal update on the Local Government Settlement
- Reforming Social Care
- Charging Guidance – Non Residential Social Care 2016/17
- Child Protection
- Political Engagement on Education
- Crown Estate
- Welfare Reform
- Regeneration Capital Grant Fund

14. MEETING WITH MARCO BIAGI, 1st March 2016

14.1 Ahead of the official opening of the Helensburgh and Lomond Civic Centre on 1st March, the Depute Leader and I met with Marco Biagi, Minister for Local Government, for a brief discussion following the publication of the Audit Scotland Best Value report in December 2015. This gave us the opportunity to discuss and set in context a number of points contained in the report, and to reinforce the report's message that Argyll and Bute is a significantly different council now. This was a positive meeting and offered us the opportunity to wish Mr Biagi well after his announcement about leaving political life to embark on new ventures.

15. HELENSBURGH AND LOMOND CIVIC CENTRE OPENING, 1st March 2016

15.1 It was a great pleasure to join local members and colleagues from across Argyll and Bute at the official opening of the Helensburgh and Lomond Civic Centre. This flagship project is another significant investment not only for the benefit of our communities but also for our staff and customers. The centre offers local people a one-stop shop for council services locally, as well as providing public spaces inside and out. It has a

very attractive marriage room and café and offers an attractive, dynamic working environment for council staff – both front line service delivery teams and those who provide essential back office support.

We were delighted to have Gordon Reid, the Helensburgh tennis player, with us to perform the official opening ceremony, accompanied by the Provost and Marco Biagi, who also spoke at the opening ceremony.

The new civic centre is a place that everyone can be part of and be proud of, and I would encourage any colleagues who have not yet had the opportunity to visit to do so if they can. It is complemented by the regeneration work in the town's Colquhoun Square and elsewhere which is helping to enhance Helensburgh's reputation as a destination of choice.

16. COSLA CONVENTION, 11th March 2016

16.1 The full COSLA Convention agenda was held in private session, which means I cannot report in full here on the following agenda items:

- Local Government Benchmarking Framework presentation
- COSLA Manifesto
- UK EU Referendum
- COSLA Review
- Barriers to Women's Participation as Elected Members in Local Government

However, by the time of writing, members will be aware that the COSLA Manifesto referred to has been launched under the banner 'Choose Local' and is now publicly available.

More detail on each item is available to read in the Leader's Report Pack.

17. MEMBERS' SURGERY, 21st March 2016.

17.1 I held another members' surgery on Monday 21st March 2016 and was happy to meet with a number of colleagues from across the chamber to discuss a range of issues. I always find it helpful to have the opportunity for these discussions and hope that members find them equally useful. While I am happy to make myself available to any member who would like to discuss something outwith these surgeries, more will be planned over the coming months.

18. CUSTOMER SERVICES POLICY LEAD UPDATE – including year end position, April 2014

- 18.1 Local Tax Collections** - Collections of Council Tax for the 2015/16 were 95.97% at end of March, up 0.46% on last year. These are the final figures after cash in transit and year end accruals. This is very similar to the improvement of 0.44% when last reported as at the end of January.

Collections on the 2014/15 year continue to be slow and are now 96.74% down 1.23% on the previous year at this time, but earlier years are well up. 2014/15 was affected by a change in sheriff officers which meant that more payments went to earlier years than usual.

Collections of non-domestic rates for 2015/16 are 97.14% at end of March, up 1.05% on last year. This is much better than the position last month, having been down 0.74% at end of January. Collections on 2014/15 year are now at 98.80%, down by 0.13% on the previous year at this time, although well up on the year end position of 96.09%.

From 1st April, council tax payments are no longer accepted at council servicepoints. (This was a Service Choices saving associated with a reduction in opening hours.) Posters about this change have been displayed in servicepoints since early January and cards are being issued to the public about the alternatives. We will continue to take any such payments in April but will not take any such payments from 1st May onwards. Rolling displays will be updated in servicepoints with this message, and a banner placed on the website.

The bills for non-domestic rates were issued early in April. There are substantial legislative changes coming in from April, affecting empty relief and renewables relief in particular. A briefing note has been issued to all councillors for their information.

- 18.2 Scottish Welfare Fund** - At the end of March, prior to any year end accruals, we have spent £363,118 compared to the annual budget of £372,760 (97.4%). Since the start of April we have been supporting both medium and high priority cases and we hope to continue with this level of support for the remainder of the year. 9 applications are currently awaiting processing and a further 20 were part paid at the end of March.

The new regulations for the new scheme from 1 April 2016 have been laid and the new guidance published. There is also a new national application form. A briefing has been issued to councillors on the key changes, and the website has been updated. The key changes are in the timescales for processing claims, and second tier reviews are now to be carried out by the Scottish Public Services Ombudsman.

Funding is no longer given as a specific grant, but the guidance from Scottish Government makes it clear that it is to be treated as ring-fenced and any underspend has to be rolled forward to the next financial year. Programme funding for 2016/17 is £399,763 – an increase of £27,003. This is due to the new distribution method as national funding is unchanged.

Work is well under way in putting in place the changes agreed by Policy and Resources Committee to delivery which are due to be brought in from start of April. A contract has now been agreed with Allpay for their payment cards to be used from start of April and training has been delivered and the staffing changes will be in place from 18th April.

- 18.3 Discretionary Housing Payments (DHPs)** - £543,387 has now been either paid out or committed as at the end of March (prior to year end accruals), with awards made to 1,192 cases. There are 13 cases still awaiting processing as they require further information. Of this spend, nearly all (83.9% by value) has been for under-occupancy cases. We are supporting medium and high priority cases for all non-bedroom tax cases. We continue to support all bedroom tax cases irrespective of hardship.

We have spent the full allocation received from DWP and Scottish Government of £437,343 and used most of the carried forward amount of £138,368. The final allocation from Scottish Government is not expected to be announced till next June. Latest estimates are that we may receive a further £95,329 in funding from Scottish Government for 2015/16 after the year end, but would like to keep these funds to provide further support for non bedroom tax cases in 2016/17. Policy and Resources Committee approved the carry forward of the balance of these monies as earmarked funds on 17 March. This decision is still to be ratified by Council.

Initial funding allocations for 2016/17 have been announced. We will receive £407,881 from DWP (an increase of 9.84% - much lower than national average increase of 20%) and £54,020 from Scottish Government. This totals £461,901. This will be added to in June by the final funding for 2015/16 from Scottish Government described above. It has now been announced that the reduced benefit cap will be introduced in the Autumn and that we should plan for between 0 and 199 cases. A single case could easily cost £6k p.a. if we give a full year's support. We will receive an initial scan of the households likely to be affected in April or May and will then work with colleagues in housing services and in the registered social landlords to reduce the numbers affected as much as possible.

- 18.4 Benefits processing** - New claims processing year to date to end of March has taken on average 20.85 days which is well within the Scottish average of 27 days for 2013/14, and better than our target of 23 days. Changes in circumstances in the year to date to end of March have taken

on average 5.60 days which is also below the Scottish average of 9 days for 2013/14 and our target of 8 days, and an improvement from that previously reported at end of January of 7.12 days. Unfortunately we have still not met our accuracy target of 94% year to date, as we have only achieved 92.7%, but this is an improvement on the position reported at end of January of 91.9%. In March we achieved 100% accuracy for the month which should stand us in good stead for meeting our target next year..

The Fraud and Error Reduction Incentive Scheme (FERIS) is being extended. Our baselines have remained the same, but incentive payments will be made for any increase of above 4.5% above baseline (previously you had to reach 10% above to get a payment). There is a new Maintenance Fund and our bid for the maximum available to us of £17,881 has been successful. We achieved an incentive payment of £6,144 for quarter 2. We are hopeful of achieving a similar amount for quarter 4 – these figures are still to be finalised.

The annual rent increase housing benefit letters have been issued. 85% of these increases were automated using an in-house process developed by IT which is incredibly helpful.

The Welfare Reform and Work Act received Royal Assent on 16th March. This includes the reduction in the benefit cap to £20,000 but as yet there is no commencement order for this part of the Act. The Act also contains powers to start to restrict some payments to the first two children from 2017 but again there is no commencement date for this part yet.

- 18.5 Revenues and Benefits counter fraud team** - This team was created in October following the transfer of the previous benefits fraud staff to DWP. We recently reported the frauds and suspected frauds identified by this new team to the Audit Committee. This includes a fictitious tenancy to avoid liability for non-domestic rates to the value of £38,468, fictitious tenancies for council tax (£8k) and benefit fraud (for DWP estimated at £80k) 15 cases of suspect fraud in connection with council tax single person discount (value £11k), 2 cases of deceased exemption on false information (est value £11k) and 2 cases of avoidance of double charge (£5k).
- 18.6 Pathfinder North migration to SWAN** - Capita has advised that they expect to complete transition of all our sites by October despite the delay notice serviced on Pathfinder North advising that the transition window may need to extend for up to a further 6 months. Connections for 26 circuits have been completed to date and the Kilmory data centre circuit has been connected. The transitions of the next two pilot sites have failed and a new two part process agreed which includes more testing before go

live for each circuit. Capita had offered to restrict the delay notice to Highland Council only but the conditions of this offer were not acceptable. This is still being negotiated. Vodafone have indicated that, if necessary, they will provide connections beyond the formal contract end date of 21st September. The terms and conditions for this have still to be negotiated.

- 18.7 Customer Service Centre (CSC)** - The percentage of calls to CSC being abandoned for the quarter to end of March was 5.3% - well below our 7.5% target. This is excellent given that we have put some resource temporarily onto the project for the new customer contact software. The average call length for the quarter was 2.58 minutes – well below the target of 3 minutes.

We have decided to split the go live of the new systems with the telephony being upgraded on 22nd March as planned and the customer management software go live on 30th March. This allowed more testing of the processes and de-risked the go live. An update has been issued to Members on progress. There have been a number of teething problems as expected since go-live, but most have all been resolved and staff are becoming much more used to the new systems. There was an initial spike in call abandon rates, but these are improving rapidly.

We also went live with the new national pilot scheme for blue badge assessments from 1st April which extends eligibility to certain categories of mental disability on a pilot basis.

The third meeting of the new Digital Working Group has been held and the Assisted Digital Strategy has been drafted for consideration by the Customer Services Board.

- 18.8 Procurement** - The new statutory guidance under the Procurement Reform (Scotland) Act 2014 has eventually been published. Position statement and action plans were agreed by the Procurement Board on 9th March.

We recently attended and presented at the Argyll and Bute “Care at Home” forum and at the “Care Home” forum. These were both very well attended events which were well received. Our Purchasing Improvement Officers are now attending Locality Planning meetings in support of the Integrated Joint Board and these are going well.

Work is underway to ensure that home care suppliers are paying the new national living wage from 1st April 2016. Home care suppliers have been issued with a template for completion which will allow us to separate out travel costs and identify if there is any shortfall between their current hourly rate and the new £7.20 hourly rate required by legislation. This will

also allow us to identify if there is any shortfall with the Scottish Living Wage rate of £8.25 per hour which should be paid from October 2016 in line with the Scottish Government's guidance and funding for Fair Work practices.

19. CONCLUSION

- 19.1** This report highlights some of the main activities I have undertaken in my role as Leader of the council during the January to March 2016 period. I hope that this update is helpful for members and will be happy to provide more information wherever possible. The full Leader's report pack can be viewed in the Leader's office at any time.

Councillor Dick Walsh
Leader, Argyll and Bute Council
Policy Lead Councillor for Strategic Finance, IT, HR and Governance and Law
14th April 2016

For further information or to access the Leader's Report Pack please contact Aileen McNicol, Leadership Support and Member Services Manager, telephone 01546 604014 or email aileen.mcnicol@argyll-bute.gov.uk