
30th June 2016

LEADER'S REPORT

1. INTRODUCTION

- 1.1** This report provides members with an update on the activities I have undertaken as Leader of the Council from 1st April to 20th June 2016. These are outlined below in chronological order for members' information and interest.
- 1.2** 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. COSLA LEADERS, 1st April 2016

- 3.1** All of the items for the April COSLA Leaders session were taken in private session. The agenda topics were:
- UNISON Campaign for Policy of No Compulsory Redundancies in Scottish Councils
 - National Care Home Contract Negotiations
 - WithScotland (national child protection hub, formerly known as the Multi Agency Resource Centre)
 - Spending Review 2017/18 – 19/20

- Review of Planning
- Digital and Broadband Update
- Devolution of Employability Programmes
- Women's Prison Estate
- Distribution (recommendations on three items from the Settlement and Distribution Group)

While COSLA's decision to hold all discussions in private session means I am unable to report on them in detail here, I understand that some topics may well be of interest to colleagues. Members can access all papers provided by COSLA, along with briefings from officers, in the full Leader's Report Pack.

4. ARGYLL AND BUTE ECONOMIC FORUM, Helensburgh, 14th April 2016

- 4.1** I was delighted to be able to attend a meeting of the Argyll and Bute Economic Forum in the Helensburgh and Lomond Civic Centre on 14th April 2016. This gave forum members the opportunity to consider the reaction to the report prepared by the Chair, Nicholas Ferguson, earlier in the spring. The private-sector focused forum includes in its membership business representatives from several of Argyll and Bute's key economic sectors, including food and drink and tourism. Their focus today was to form smaller, targeted groups each looking at the key areas of tourism, food, youth engagement, overcoming barriers and small businesses. The forum wants to ensure that activities are appropriately prioritised and monitored following the findings of the chair's report. They are due to meet again in the autumn to look at progress.

5. APPOINTMENT OF CHIEF EXECUTIVE, 20th April 2016

- 5.1** I joined colleagues in participating in the Appointments Panel set up to recruit and appoint a new Chief Executive in April 2016. The vacancy attracted a lot of interest from high calibre candidates not only from the UK but from around the world. After an intense few days of interviews, we were delighted to appoint Cleland Sneddon to the role. Cleland is of course well known to everyone from his stint as Executive Director of Community Services. He has now officially been in post for some four weeks and I am confident that with his experience and understanding of the opportunities and challenges we face, he will lead a team delivering progress not only for the council but for everyone in Argyll and Bute.

6. COSO, Victoria Halls, Helensburgh, 22nd April 2016

- 6.1** Something that is always helpful and valuable to me as Leader of the council is to take every possible opportunity to meet and speak with our staff. The Chief Officers and Senior Officers (COSO) quarterly meeting is one such opportunity. It brings colleagues together from all parts of the area we serve to hear important strategic updates and, of course, to share questions and answers, good practice and ideas together.

Like all Scottish councils we must change what we do in response to challenging times and different aspirations and needs. Transformation was therefore high on the agenda for this COSO session, with a particularly informative session on the challenges and possibilities arising from leisure trusts as well as a more general update on our Change to Gain activity.

We also heard from Anthony Standing of Skills Development Scotland, who provided lots of information about the employment and other post-education destination profile in Argyll and Bute and the Highlands region generally.

The day closed with a session on the Argyll and Bute Economic Forum report and an update on the Rural Regeneration Initiative agreed by the council at the February budget meeting.

7. MEETING WITH SCOTTISH FIRE AND RESCUE, 27th April 2016

- 7.1** In one of Sally Loudon's final meetings as our Chief Executive, it was a great pleasure to welcome Pat Watters, Chair of the Scottish Fire and Rescue Service Board, and Alasdair Hay, SFRS Chief Officer, to Kilmory in April.

SFRS have just concluded a three month consultation (21st March to 15th June) on the Fire and Rescue Framework for Scotland 2016. This outlines Scottish ministers' expectations of the service over the next few years. As part of this, Pat and Alasdair undertook a programme of engagement with partners ahead of the service's development of its own strategic plan. After our meeting, they travelled to Oban for a community engagement event in Oban Fire Station.

SFRS has to address reduced levels of funding and, like all other public sector agencies, is on a journey of reform and change. The organisation is looking at a range of ways of meeting its funding gap including joint resourcing with other agencies, more effective asset management, a focus on prevention and more.

This was a positive and constructive meeting and we look forward to hearing more about the draft strategic plan, the objectives and outcomes of which will be closely linked to the Single Outcome Agreement/Local Outcome Improvement Plan. A further public consultation is anticipated with the final version of the plan emerging around October this year.

8. BUSINESS LOANS SCOTLAND, Board meeting 6th May 2016

- 8.1** In my capacity as Policy Lead for Strategic Finance, I am the council's representative on Business Loans Scotland, formerly the West of Scotland Loan Fund. This is a new body which held its first board meeting in May. The presentation given to the board outlines how the organisation will work and this may be of interest to members.

9. HIGHLANDS AND ISLANDS TERRITORIAL COMMITTEE and HIGHLANDS AND ISLANDS EUROPEAN PARTNERSHIP, Inverness, 16th May 2016

- 9.1** Along with members of the council's European team I attended (by VC link) the meetings of the Highlands and Islands Territorial Committee (HITC) and Highlands and Islands European Partnership (HIEP).

HITC agenda items were:

- Update on broadband action
- Risks and issues
- Programme performance/progress
- European Agricultural Fund for Rural Development scheme update
- Update on Areas facing Natural Constraints (ANC)

The HIEP agenda comprised:

- Scotland Europa membership
- Management arrangements
- European Structural Investment Funds
- Culture and heritage update
- Partner activity

All reports and associated briefings provided by our officers are available in the Leader's Report pack.

10. QUEEN'S SPEECH – KINTYRE SPACEPORT, 18th May 2016

- 10.1** At the State Opening of Parliament, Her Majesty the Queen declared support for the UK Government's bid to establish a commercial spaceport by 2030 in her traditional speech. Machrihanish Airbase Community

Company (MACC) welcomed the indication that matters will move forward soon and reiterated the company's determination to ensure that Kintyre is the first and best possible choice for a UK spaceport.

Along with MACC and HIE, we continue to work closely with Discover Space to put forward our strong case for the site, given that this would be a major contribution to our drive to create jobs, grow the economy and attract more people to Argyll and Bute.

We look forward to seeing more detail on the spaceport framework as the Modern Transport Bill progresses and also hope to have further meetings to augment support for the Kintyre bid as soon as possible after recess.

11. TIREE, A'BHAIN – HOMECOMING FESTIVAL, May 2016

- 11.1** It was a real privilege to be able to attend Tiree's Homecoming Festival, A'Bhuain, during May. This was a fantastic celebration of local culture following many months of hard work by a committee of volunteers.

A'Bhuain is, of course, just one example of many, many such events across Argyll and Bute which are testament to the hard work and commitment of local people, and it is encouraging and heartening to see them well-attended and supported – they make a significant contribution to the vibrancy of life in our communities.

12. HIGHLANDS AND ISLANDS LEADERS GROUP, 27th May 2016

- 12.1** I was unable to attend the May session of the Highlands and Islands Leaders Group, but copies of all papers and associated briefings are available in the Leader's Report pack.

The agenda items were:

- Follow-up from Convention of the Highlands and Islands, March 2016
- Areas of common interest – Our Islands, Our Future; connectivity and transport; public sector reform; Crown Estate; marine strategy; economic development, employability, skills and population retention
- Emergency Towing Vessels
- Session with new Chief Executive of COSLA to discuss democratic renewal; protecting and enhancing the status of local government; engagement and relationship with the new Scottish Government; local government finance, budgets and distribution; COSLA work plan

13. COSLA LEADERS, 27th May 2016

13.1 I was not able to attend the May COSLA Leaders meeting but the council was represented by Cleland Sneddon in his first trip to COSLA as our Chief Executive.

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

These were listed by COSLA as private session items but all reports and the briefings supplied by our officers can be accessed in the Leader's Report pack.

14. OBAN NORTH AND LORN BY-ELECTION, 2nd June 2016

14.1 Congratulations to Kieron Green, who was elected to represent the Oban North and Lorn ward at the by-election on 2nd June 2016.

15. VISIT TO BUTE – REFUGEE RESETTLEMENT, 3rd June 2016

15.1 It is six months since Syrian refugees first arrived on the shores of Bute as part of Argyll and Bute's contribution to the UK Refugee Resettlement Programme.

I was privileged to have an opportunity to travel to Bute and meet with some of the Syrian families, the council staff who work so hard to support them in joining our community and the volunteers who make an invaluable contribution to that process.

Assisted by Adult Learning staff, the families are learning English – no mean feat, but one which is supported by a committed group of local volunteers who provide English conversation sessions in Rothesay every week. I was very impressed by the commitment and determination of both the Syrian learners and the volunteers who are helping them to learn what can be an incredibly difficult language.

Staff at Rothesay Joint Campus are also putting in considerable effort to support Syrian pupils – who are already bright, talented and lively participants in school life. They are making real progress in learning English and it was a joy to be able to meet with some of the children at the school and find out how they feel about living on Bute. Some have joined the local football and shinty teams and, by all accounts, are making a real contribution to their success!

Speaking with the families was fascinating but humbling. Their stories of the past may be difficult to hear, but overriding that are their hopes and aspirations for their future. They have a real desire to make a significant contribution to community life and are determined to learn, to study, to work, to do business and to forge new lives which enrich the community as well as their families.

Argyll and Bute can rightly be proud of its progress in refugee resettlement and this is testament to the hard work and determination of our team of officers who are leading on this, who leave no stone unturned in their endeavours to make this work for everyone's benefit. I look forward to hearing more about our Syrian families' progress on Bute in the future.

16. ELECTED MEMBERS' SEMINAR, 6th June 2016

- 16.1** It was a pleasure to welcome the Standards Commission for Scotland to our Elected Members' Seminar on 6th June. They gave us a very interesting and useful presentation on the updated guidance relating to the Councillors' Code of Conduct.

In addition, we had an encouraging presentation from Cameron McNair of MACC on the Kintyre spaceport bid, followed by sessions on roads in Argyll and Bute from our own Head of Roads and Amenity Services and Transport Scotland.

17. CAPITAL PROGRAMME - general

- 17.1** With support from senior officers, work continues on updating the council's Capital Programme, with the focus including phasing, financing and CHORD surplus funding. This is ongoing, but there will be a more detailed report for members in August.

18. DIGITAL MATTERS - general

- 18.1** In the annual Better Connected awards at the end of May, Argyll and Bute Council won the award for the best UK website for the council tax tasks. This is the latest in a series of awards for the council's website and

reflects the efforts made by our Web Team over the past year to make the council tax online task much easier to follow and use. They are constantly striving for improvement and it is good to see their efforts recognised once again.

In terms of external resources, it may be useful for members to check out the Improvement Service's new website, www.localcouncillor.scot. This website provides easy to understand information for anyone considering standing for election as a local councillor in the May 2017 elections as well as support available for elected members.

19. POLICY LEAD CUSTOMER SERVICES UPDATE, to 31st May 2016

18.1 Local Tax Collections - Collections of council tax for the 2016/17 were 11.06% at end of April, up 0.51% on last year. This is the highest ever achieved at end of April. At end of May collections are 20.36%, up 0.28% on last year. The marked increase in April is because we issued the first reminders faster, having checked practice in other local authorities, and this brings this into line with the follow up for later months.

Collections for 2016/17 at end of April are 95.64%, and at end of May they are 95.85%, up 0.30% on previous year at this time. Collections on the 2014/15 year continue to be slow as previously reported because of the change in sheriff officers that year.

Collections of non-domestic rates for 2016/17 are 29.67% at end of May, up 0.18% on last year. Collections on 2015/16 year are now at 98.15%, up by 0.49% on the previous year at this time.

There have been no issues in non-domestic rates following the substantial legislative changes which came in from April. We ended all renewables relief previously granted at 31st March and have received just five applications for the new relief which is restricted to new properties or those with some element of community ownership. A lot of businesses have lost their small business bonus scheme relief as they did not return their review forms. The new bills are now prompting many of these to seek this relief again. The Scottish Government issued a new finance circular on 31st May with comprehensive updated information on rates reliefs and it is helpful to have this should customers require further information in addition to the summaries on the council website.

In the annual Better Connected awards at end of May, the council won the award for the best UK website for the council tax task. This is very pleasing and reflects the efforts last year to make this much easier to follow.

18.2 Scottish Welfare Fund - Programme funding for 2016/17 is £399,763 – an increase of £27,003. We also have a carried forward underspend of £24,313 so the total funding available is £424,076 - £35,340 per month. 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. During April and May we have paid out and committed £62,684 – 89% of the profiled amount including brought forward underspend. Fourteen applications are currently being processed and a further 11 were part paid at the end of May.

The new scheme from 1st April 2016 has been implemented smoothly along with the operational changes agreed by the Policy and Resources Committee. We are meeting the new processing deadline requirements. Payments were made by BACS until the new Allpay payment cards were fully available. As yet we have not had any second tier reviews referred to the Scottish Public Services Ombudsman.

18.3 Discretionary Housing Payments (DHPs) - Initial funding allocations for 2016/17 total £461,901 and we have a carry forward from last year of £35,730 giving total funds available of £497,631. This carry forward was approved by the Policy and Resources Committee on 17th March but this decision is still to be ratified by council. These funds will be supplemented by the final top up funding from the 20% hold back which is due imminently. In 2015/16 our final spend was £539,981. Spend in 2016/17 will be affected by the new benefit cap as many of the people affected are likely to apply for DHP in order to mitigate the impact.

£257,257 has now been either paid out or committed as at the end of May with awards made to 414 cases. There are 48 cases still awaiting processing as they require further information and a further 390 under occupation cases still to be reviewed and continuation awarded. This year we have not required those affected by under occupation in the social rented sector to submit a new award. However, internally, we still need to review these cases to ensure they still meet the requirements for DHP to be awarded and we are about half way through this process. Of the spend to date, nearly all (95% 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.

- 18.4 Benefits processing** - New claims processing year to date to end of April has taken on average 16.04 days which is best ever and well our target of 23 days. Changes in circumstances in the year to date to end of April have taken on average 4.04 days which again is our best ever, well below our target of eight days. In April we achieved 100% accuracy for the month which should stand us in good stead for meeting our target this year. Statistics for May are not yet available.

As previously reported 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). We had been hopeful of achieving an incentive payment for quarter 4, but did not in fact achieve this. We were using a new DWP spreadsheet incorrectly which overstated our estimates for February and March. This has now been corrected.

- 18.5 Benefit Cap** - We have received a copy of the initial scan from DWP in respect of the reduced benefit cap which will be introduced in the autumn. There are 71 cases but a number of these should be exempted as they are specified accommodation. We have notified the relevant social sector landlords of their potential cases and our own housing staff will deal with private sector cases. DWP have asked that no contact be made with any of the people likely to be affected until after 10th June so they can do the initial contact first. The intention is to work with the tenants and remove as many as possible from the benefit cap before it comes in. The Welfare Reform Working Group is keeping oversight of the benefit cap cases and will keep this under close review.

- 18.6 Pathfinder North migration to SWAN** - Capita continues to advise that they expect to complete transition of all our sites by October. We now have 12 circuits live out of 133 total number of sites. We are still awaiting connection for the data centre which will enable education/library sites to go live. Across the partnership 52 sites were completed in May and 80 are forecast for June.

Capita have agreed in principle to restrict the delay notice served on Pathfinder North to Highland Council fibre sites only and the milestone payments are being re-assessed to give effect to this. This is still being negotiated. Vodafone have been asked to price sites deemed to be at risk of not going live by 20 September and 18 of our sites are included in this. Prices for this are expected to be provided mid July and could be significantly higher than current circuit costs due to the need to keep backhaul going for just a few circuits. Across the partnership delay

payments are capped at £225,000 (excluding any potential settlement for damages), so councils need to plan for additional costs. We have included some contingency, but it may be prudent to consider earmarking up to £100,000 from end of year underspend to ensure that sufficient budget is available. As the implementation timeframe is being squeezed, we need additional desktop and comms resource during the summer to assist with our consequent requirement to change IP addressing, and summer students are being requested for this project. These costs have already been provided for in the cost pressure approved.

- 18.7 Customer Service Centre (CSC)** - The percentage of calls to CSC being abandoned for the month of April was 13.6% - well above our target rate of 7.5%. This was affected by the introduction of the new Customer Relationship Management (CRM) system and staff members taking a little time to get used to it. The average answered call time for April was 3.72 minutes – a considerable increase from the previous quarter’s average of 2.58 minutes. More is being done within the call than previously so there is a reduction in average time, but we are looking for this to decrease with greater experience with the new system.

The percentage of voice automation calls successfully transferred has increased to 79.4% - well above the 75% target, and the new upgraded Netcall system is proving highly satisfactory.

As previously reported, we had to split the go live times of the new systems with the telephony being upgraded on 22 March and the customer management software go live on 30 March. This proved a good approach. We have now completed an end of project assessment for this first phase of the new systems and are now planning the next phase which is focussed on taking more advantage of the new functionality in the new systems.

The Assisted Digital Strategy has been approved by SMT. The Digital Action Plan has been completed and passed to the Customer Service Board for consideration.

- 18.8 Procurement** - Our new Chief Executive has recently become a member of the Chief Executive Officers Management Group for Scotland Excel. This will allow us to have more influence on what commodities they concentrate on and make sure that their valuable work meets our requirements. He is also involved in the procurement related shared services discussion for the Northern Hub with the other northern chief executives, and we will continue to monitor this closely and ensure that appropriate collaborative opportunities are pursued.

19. ARGYLL AND BUTE COMMUNITY PLANNING PARTNERSHIP MANAGEMENT COMMITTEE, 9th June 2016

19.1 The Argyll and Bute CPP Management Committee met in Kilmory on Thursday 9th June. We had an extensive agenda, so I will not include all detail here, but again all reports and briefings are provided within the Leader's Report pack.

Agenda items were:

- Health and social care – the way ahead and links to community planning
- Argyll and Bute's Children
- National and local community planning matters
- Police Scotland proposal for youth engagement officers in designated secondary schools
- SOA Delivery Plan review
- Loneliness awareness campaign 'Reach Out'

20. CONCLUSION

20.1 This report highlights some of the main activities I have undertaken in my role as Leader of the council during the April to June 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
20th June 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