

29th September 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 21st June 2016 to 15th September 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, Customer Services, 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 CONVENTION, 24th June 2016

- 3.1** All of the agenda items for the June COSLA Convention were taken in private. However, as referred at paragraph 2.2, all papers and associated briefings from our officers are available for members to peruse in the Leader's Report Pack.

The agenda items were:

- EU referendum result – verbal update
- #ChooseLocal Manifesto for a Stronger Scottish Democracy – next steps
- Local Government Boundary Commission (see update later in this report)
- Local Policing
- COSLA Review
- European Local Democracy Week 2016
- European Bodies – COSLA Appointments
- COSLA Final Accounts

4. NEW KIRN PRIMARY SCHOOL TURF CUTTING, 28th June 2016

- 4.1** The new Kirn Primary School is one of three brand new schools being built across Argyll and Bute as part of an ambitious building and investment programme in partnership with HubNorth Scotland and the Scottish Government. Over the summer period, as these projects get underway, there have been a series of turf-cutting ceremonies, marking the first steps towards creating these brand new, modern schools which will bring so many benefits for our pupils.

I was delighted to attend the turf cutting ceremony for Kirn Primary School just before recess on 28th June. It was particularly pleasing that the current school's oldest and youngest pupils were present to take part in the ceremony.



Nathan Preece and Emily Mae McCall, pictured above with head teacher Kirsteen MacDonald, performed their turf cutting duties admirably.

Kirn School holds a very special place in the hearts of local people and so the original 1881 Victorian building is being retained and refurbished. The remaining school buildings will be replaced with a new two storey school containing all the primary classrooms, library, dining hall and sports hall.

The council's Special Projects Team have worked tirelessly in partnership with colleagues from various services across the council as well as project/funding partners HubNorth Scotland the Scottish Government. Ambitious investments work best with partners on board and there are many people involved in the process to make this a reality for hundreds of young people in the years to come.

5. JULY RECESS

5.1 I trust that all colleagues had as restful a recess as possible, although it goes without saying that inevitably business continues as usual to varying degrees. For me, recess was an opportunity to focus on local ward business, but there are also some other events and activities which are worth highlighting to colleagues.

5.2 Duncan MacIntyre

Duncan MacIntyre, who served people in the Oban area as a councillor for many years, sadly passed away on 5th July 2016. Along with the Provost and many other council colleagues, both elected members and officers, I attended his funeral in Oban Cathedral on 16th July and delivered a eulogy at the request of his family. He will be greatly missed by many for his support, his words of wisdom and his willingness to stand for the area and the people he represented. Our thoughts remain with his family as they come to terms with his loss.

5.3 Bid to locate the Scottish Government's Welfare Delivery Agency

The council continues its bid to bring the Scottish Government's planned new Welfare Delivery Agency to Argyll and Bute. I first wrote to John Swinney about this in early March, when the plans were first announced. We have numerous potential and ideal locations for this agency, all fitting the bill in terms of skills and training availability, good quality affordable housing provision, low cost property and business rates, very attractive lifestyle opportunities and much more.

On 6th July I wrote to all MSPs who represent Argyll and Bute seeking their co-operation in supporting Argyll and Bute's bid. Michael Russell, our constituency MSP, was prompt to respond, joining us in pressing the Scottish Government further to seriously consider this approach and pointing out the significant benefits for Argyll and Bute. This kind of partnership support is invaluable and we will continue to make strong

representations on this as well as the wider case for additional support for Argyll and Bute.

5.4 Governance and Law team secure customer service award

Our Governance and Law team have not only built on last year's success but have taken it to the next level in achieving the Customer Service Excellence Award once again.

After their achievement last year, the service noted the feedback from assessors and made sure they met in full and, in five instances, exceeded the required standards.

Securing this award involves a considerable amount of work and preparation, as well as committing every day and in every task to an approach which puts customer service at the forefront. I know that the service take this extremely seriously and are constantly focused on improvement and achieving excellence. I am delighted that their hard work has paid off and means the continuation of excellent service levels to customers both inside and outside the organisation.

6. GOUROCK-DUNOON FERRY SERVICE MINISTERIAL STEERING GROUP, 9th August 2016

6.1 I attended the latest meeting of the Gourock-Dunoon Ferry Service Ministerial Steering Group in Glasgow on 9th August. Agenda items included an update on the 2017 contract procurement, Argyll Ferries performance and the future role of the group. Minutes have not yet been published for this meeting but I will be happy to provide these for review in the next Leader's Report Pack when they are available.

7. SPACEPORT BID – MEETING WITH BRENDAN O'HARA, 10th August 2016

7.1 In our drive to grow Argyll and Bute's population and economy, the council is taking every opportunity it can to be ambitious for our area. Along with partners we are reaching for the stars in pressing for Machrihanish to be the site of the UK Spaceport. There has been considerable activity on this and colleagues will have heard updates through committee and member reports before, but we had an opportunity to further press the Argyll and Bute case to Brendan O'Hara MP.

Along with Policy Lead for Economic Development Aileen Morton, who will report on this in more depth, I met with Mr O'Hara, representatives from Machrihanish Airbase Community Company and HIE. MACC advised that they had recently met with the UK Space Agency, which offered a real

opportunity for them to highlight their case, including the two-runway facility at Machrihanish which is a significant asset.

They are continuing to engage with major players in the space industry with further high level meetings and visits to the site planned for October.

It was encouraging for everyone to hear that Mr O'Hara will continue to make the case for MACC at every opportunity in Westminster and is prepared to take specific questions or points direct to the relevant Minister.

He is also planning a reception for MACC at Westminster, based on a recent Parliamentary Space Committee session, which will give them even more opportunities to engage with industry representatives and politicians who can help further the case.

8. VISIT TO KINTYRE HOUSE, CAMPBELTOWN, 17th August 2016

8.1 On 17th August, in my capacity as Policy Lead for Customer Services, I had the opportunity to visit Kintyre House in Campbeltown.



The council's Customer and Support Services staff currently based in Witchburn Road will be relocating to this more modern and open plan facility. It was interesting to speak with Fraser Harper, one of the council's architects, and see the plans to ensure the building is ideally suited for delivery of effective customer services.



9. VISIT TO HELENSBURGH WITH DAVID MUNDELL AND LORD DUNLOP – 22nd August 2016

- 9.1 David Mundell, Secretary of State for Scotland, got in touch with the council to express an interest in seeing some of the regeneration work carried out in Helensburgh through our CHORD investment programme. Along with Lord Dunlop of Helensburgh, he visited the town on Monday 22nd August.

Accompanied by officers involved in delivering the regeneration works in the town, the group visited the pier area, the Esplanade and Colquhoun Square, and also spoke with local businesses who outlined the impact that the improvements to the town centre have had.



The group then visited the Tower Centre and submarine museum site before Mr Mundell formally opened the Tower Digital Arts Centre.

As well as an opportunity to showcase just some of the council's investment and regeneration work, this also provided a chance to further discuss with Mr Mundell and Lord Dunlop the council's case for additional support for Argyll and Bute. Further, more formal, discussions are planned as a follow-up to previous meetings and activity earlier in the year. Councillor Aileen Morton also met with Mr Mundell and Lord Dunlop in her capacity as Policy Lead for Economic Development and will comment further in her own report.

10. GAELIC GATHERING, OBAN – 20th August 2016

- 10.1** I was very happy to have the task of welcoming delegates to the council's Gaelic Gathering in Oban on Saturday 20th August – and happy to report that I managed to deliver portions of my own speech in Gaelic.

Councillor Robin Currie, the Policy Lead for Community and Culture, will no doubt report on the Gathering in more depth in due course, but I would like to highlight that it was a very positive and interesting session. Attendees had the opportunity to hear from a range of speakers including the Scottish Government giving the national perspective on Gaelic, some of our own officers who spoke about our activities and HIE on the language as an economic asset.

11. COSLA LEADERS, 26th August 2016

- 11.1** COSLA Leaders indicated that all agenda items were to be taken in private at the meeting on 26th August. This does mean I am restricted in what I can report on here, but all papers and associated briefings are available for colleagues in the Leader's Report Pack.

The agenda topics were:

- Leader's Workplan Refresh, including COSLA response to leaving the European Union and Named Persons legislation
- Education Delivery Plan
- Apprenticeship Levy
- Reform of Adult Social Care and NCHC reform
- Unaccompanied asylum-seeking children
- The Enterprise and Skills Review
- Cross party Parliamentary Working
- Spending Review – oral update
- Consultation Interim Arrangements for Crown Estate in Scotland
- Distribution
- Minute of previous meeting 27th May

12. AWARD FOR WELFARE REFORM WORKING GROUP, September 2016

- 12.1** Argyll and Bute's Welfare Reform Working Group won the best Scottish entry at the Institute of Revenues, Rating and Valuation (IRRV) Association Performance Awards for Excellence in Partnership Working.

The group was recognised for successfully delivering the Universal Support Delivered Locally (USDL) trial – providing vulnerable customers in Argyll and

Bute with the necessary support to improve their digital skills and manage their finances in preparation for the implementation of the Universal Credit benefit.

It is very encouraging to see our services winning awards and being recognised nationally for excellent service and practice. Well done to all involved.

13. HIGHLANDS AND ISLANDS EUROPEAN PARTNERSHIP, 7th September

- 13.1** At the HIEP board meeting on 7th September, member councils received an update from Scotland Europa on their thinking in light of the current European situation and the Brexit decision. In light of the current level of uncertainty, the board agreed to meet more frequently with Scotland Europa being invited to participate.

Argyll and Bute Council also provided comments for incorporation into the European and External Relations Committee call for evidence on the implications for Scotland of the EU referendum result, and these can be seen in full in the Leader's Report Pack.

14. ARGYLL TRAINING – Activity in August and September 2016

- 14.1** Many members will be aware of the current crisis faced by Argyll Training, which supports young people (including many who are vulnerable) into employment across Argyll and Bute.

The organisation is facing a serious funding crisis as a result of central reductions in funded places and staff have been issued with redundancy notices.

However, with some financial assistance, Argyll Training could sustain operations and support to young people for another year, by which time the detail and payment schedule for new national employability programmes will be available.

With the agreement of all the council's political group leaders, I have written to the Scottish Government indicating the council's willingness to work in partnership, including a proportion of financial assistance, so that young people are not left without this invaluable support when they most need it. That cross-party support is undoubtedly very helpful when it comes to making a case.

Copies of all the correspondence sent in this regard are available to view in the Leader's Report Pack and I thank all group leaders for their co-operation and support so that we were able to take swift action in this increasingly critical situation. Our most recent approach, at time of writing, was made on 14th

September and if there is any update to provide for members I will do so at the council meeting.

15. SCOTTISH SALMON PRODUCERS ORGANISATION – LAUNCH OF COMMUNITY ENGAGEMENT CHARTER, 15th September 2016

- 15.1** I joined the Chief Executive in Furnace for the launch of the Scottish Salmon Producers Organisation Community Engagement Charter on 15th September. The SSPO is keen to build relationships in local areas which will help both the industry and the community to prosper. It sets out the principles by which member companies should engage with communities where they want to operate.



We also had a chance to tour the Quarry Point fish farm site which was an interesting opportunity to see how aquaculture works on the ground – or in the water.

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

Updates in relation to Council Tax, Scottish Welfare Fund, Discretionary Housing Payments, Benefits processing, Pathfinder North, Customer Service Centre and Procurement

16.1 Local Tax Collections

Collections of Council Tax for the 2016/17 were 48.08% at end of August, up 0.20% on last year. Collections for 2015/16 at end of August are 96.27%, up 0.40% 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.

16.2 Collections of non-domestic rates for 2016/17 are 48.05% at end of August, down 14.13% on last year. The main reason for the decrease is the timing of a large payment on schedule accounts where £4.6m was paid on 1 September and was paid in August the previous year. Excluding this, the decrease is only 0.74%. Reliefs granted are around £0.8m less

than last year, mainly because of changes in renewables relief, and this along with a large newly billed windfarm subject are the main reasons for this small decline in collections. Collections on 2015/16 year are now at 98.50%, up by 0.14% on the previous year at this time.

The Scottish Government issued a clarification to their guide to non-domestic rates in July. This highlighted that the empty property relief changes which came in from April 2016 do not apply to rateable subjects which do not have any buildings on them. This means that subjects such as car parks and piers when unoccupied are still exempt from paying rates.

16.3 Scottish Welfare Fund (SWF)

Programme funding for 2016/17 including carried forward underspend of £24,313 is £424,076 - £35,340 per month. Since the start of April we have been supporting both medium and high priority cases. To the end of August we have paid out and committed £187,530 – 106.1% of the profiled amount including brought forward underspend. 71 applications are currently being processed and a further 10 were part paid at the end of August. We have seen a very significant increase in numbers of applications for community care grants in August. We suspect this increase may be due to people realising that payments are now made in cash and that is more attractive than when we just provided goods.

16.4 Discretionary Housing Payments (DHPs)

The funding allocations for 2016/17 now total £603,675 following receipt of the final 20% of funding for 2015/16 from Scottish Government in June, and including the carry forward from last year of £35,730 approved by Council. £463,835 has now been either paid out or committed as at the end of August with awards made to 826 cases. There are a total of 137 applications outstanding or requiring further information at the end of August including 52 bedroom tax cases which are still to be reviewed before granting continuation. Nearly all the awards to date (94% by value) have been for bedroom tax 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 estimated that we should be able to support families affected by the benefit cap for at least an initial 13 week period.

16.5 Benefits processing

New claims processing year to date to end of August has taken on average 18.83 days which is well below our target of 23 days. Changes in circumstances in the year to date to end of August have taken on average

4.91 days which is also well below our target of 8 days. Our accuracy to end of August is 96.5% which is also better than the target of 95%.

The team has been short listed nationally across the UK as a finalist for the Institute of Rating, Revenues and Valuation (IRRV) award for Excellence in Partnership working. This is for the work on the Universal Support Delivered Locally Trial site from September 2014 to November 2015. They were successful in winning the IRRV Top Scottish entrant award on 7 September and an engraved cut glass trophy was presented at the Scottish Conference in Crieff in recognition of this.

16.6 Benefit Cap

The reduced benefit cap will start to be introduced from 7 November 2016. We have received a revised scan from DWP of potential cases to affected on 7 September. There are a total of 68 cases of which 22 are newly advised to us. Once we have checked these we will arrange for contact to be made with these new families by the relevant social sector landlords or our own housing staff for private sector cases. 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.

DWP has issued new guidance on Discretionary Housing Payments for those affected by the benefit cap. It is the intention to bring forward a proposal to amend our policy in line with this guidance for consideration by Policy and Resources Committee at its October meeting.

16.7 Pathfinder North migration to SWAN

An update was given to Policy & Resources Committee on 18 August. A more recent forecast has been received from Capita dated 9 September. As of 9 September we have 68 out of 132 sites transitioned, and a further 16 sites installed and going through fit and test. 46 sites are now forecast to be delivered after the end of the existing contract. 5 circuits are not expected to be delivered until 2017. We have, in order to ensure continuity of service at all sites, agreed a contract extension with Vodafone.

Whilst the overall pricing is broadly comparable to the previous prices, the new pricing method means that the costs of individual circuits become quite high when there are relatively few circuits still running. There is a 6 week notice period per circuit. We are looking at alternative interim circuits for the sites expected to be most delayed. Initial bandwidth assessment shows that these are likely to be acceptable for a short period for 4 out of the 5 sites. We will be seeking to recover damages from Capita for these additional costs being incurred.

16.8 Customer Service Centre (CSC)

I am very pleased to report that the percentage of calls to CSC being abandoned for the month of August was 4.9% - well below our target rate of 7.5%. In the early part of this year, the rate had been much higher due to the introduction of the new CRM system and staff members taking a little time to get used to it. The average answered call time for August was 3.6 minutes – a considerable increase from the previous average of 2.6 minutes. More is being done within the call than previously so there is a reduction in average wrap time.

The percentage of voice automation calls successfully transferred has increased to 79.0% in August which is well above the 75% target.

We are now progressing the next phase of the project for the new customer contact systems which is focussed on taking more advantage of the new functionality in the new systems.

16.9 Procurement, commissioning and creditors

Procurement and commissioning staff are working alongside colleagues from the Integration Joint Board and Strategic Finance to ensure that care suppliers are paying the living wage.

The revised delivery of locality based care at home services is currently being rolled out in the Cowal area. Consultation is taking place with service users and suppliers affected by these changes.

We have received notice of closure from the operator of the Rockville care home for adults with learning disabilities and are working with alternative providers to obtain new places for our 8 residents who will be affected.

Year to date to end of August, we have paid 93.65% of creditors invoices within 30 days which is slightly below our target of 94%. The performance in August is always poor because of holidays. It is hoped to recover to meet target later in the year.

16.10 ICT

Digital Scotland have launched a tool to work out the total cost of ownership of data centres and compare this to the cost of operating in the Cloud or moving to a large commercial data centre. At a national seminar for best practice, Argyll and Bute Council's two data centres, in Kilmory and Helensburgh, were showcased as top class.

The Helensburgh data centre has recently been refurbished and has one of the lowest possible power utilisation efficiency (PUE) ratings of 1.24. This is achieved through good layout with in row cooling which allows it to operate at a higher temperature of 22 degrees. Both data centres cost much less to run than alternatives in the cloud – mainly because all

servers have been virtualised. It is very pleasing that the excellent value for money from our IT data centres has validated independently.

16.11 Big Lottery Fund (BLF)

We submitted a bid (ESPD) for the first stage of the BLF's procurement of financial inclusion services funded by European Social Fund monies. The bid was put forward on a collaborative basis along with a number of our third sector partners and is being overseen by the Welfare Reform Working Group. The ITT was due to be issued first week of August however BLF has decided to re-commence the procurement in a single stage and will now issue the revised requirements week commencing 19 September. The main difference is in relation to post codes covered. The intention is still to submit a bid. The contract could be worth up to £3.5m over a 3 year period. No match funding is required. Even if the council led bid is not successful, this contract should provide valuable services to our more vulnerable citizens.

16.12 Consultations recently launched

The Scottish Government has recently issued a number of consultations. The consultation on a child poverty bill for Scotland was launched on 8 August and runs till 30 September. The Barclay consultation on rates runs from 13 July to 7 October. The one on social security in Scotland was launched on 29 July and runs till 28 October. There is also a call for evidence by the Local Government and Communities Committee on proposed council tax reforms issued on 9 September and closing on 28 September. We will now work on producing draft responses for consideration by the relevant committee.

In addition, officers have submitted technical responses on the use of rateable values for water charging, and on transitional arrangements for the 2017 non-domestic rating revaluation. These consultations close on 23 September and 12 October respectively.

17. ROTHESAY HARBOUR PETITIONS ABANDONED

- 17.1** Two Petitions raised in the Court of Session against the council concerning matters in respect of Rothesay Harbour covering a seven-year period have been abandoned by the Petitioner and the claims within the Petitions dismissed by an interlocutor of the court. This outcome is the result of robust and extensive action on the part of the council's Legal Services team, working with external specialists, to defend a claim against the council for a six-figure sum. Their considerable efforts mean that this risk to the council has now been negated. A report on this will come to members of the Policy and Resources Committee in October, but it may

be helpful for colleagues to know about this positive result in advance of the formal report from officers.

18. CONCLUSION

- 18.1** This report highlights some of the main activities I have undertaken in my role as Leader of the council during the June to September 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
15th September 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