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**26<sup>th</sup> January 2017**

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**LEADER'S REPORT**

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**1. INTRODUCTION**

- 1.1** This report provides members with an update on my activities as Leader of the Council during the period 7<sup>th</sup> November 2016 to 13<sup>th</sup> January 2017 . These are outlined below in chronological order for members' information and interest. This report includes an update in respect of my role as Policy Lead Councillor for Customer Services.

**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. BUDGET**

- 3.1** The Scottish Government announced the local authority settlement for 2017/18 on 16<sup>th</sup> December 2016, with further clarification and information about the allocation coming forward in the following weeks and over the holiday period.

Members had the opportunity to consider this together at a budget seminar on Monday 16<sup>th</sup> January. This seminar gave members the latest in a series of budget outlook updates and offered an opportunity to discuss together any scope for agreement on various principles. Following a useful morning session, it was agreed that a further seminar would be helpful, and this is due to take place on Monday 30<sup>th</sup> January.

#### **4. MEETING WITH CABINET SECRETARY FOR RURAL ECONOMY AND CONNECTIVITY, 16<sup>th</sup> November 2016**

- 4.1** Fergus Ewing, the Cabinet Secretary for Rural Economy and Connectivity, invited me to meet with him in Edinburgh as part of a series of discussions he was holding with Scottish local authority leaders, focussing on the key issues of aquaculture and digital connectivity.

This offered an opportunity to highlight to Mr Ewing a number of the initiatives and activities that the council is involved in, including:

- An update on the Rural Regeneration Initiative
- The work of the Argyll and Bute Economic Forum
- Digital connectivity progress and issues in Argyll and Bute
- The aquaculture industry in our area

He mentioned that he had recently been in Oban and was particularly impressed with the regeneration work carried out there by the council and the benefits it is bringing to the town.

Marine Scotland officers were also present and the focus of our discussion was very much on aquaculture which is highlighted as an area of key potential for Argyll and Bute in the Economic Forum Chair's report of February last year.

Mr Ewing was particularly interested to hear about the efforts the council is making to engage with key players in the industry, as this is a particular interest for him. We have extended an invitation to him to come to Argyll and Bute and find out more about this on the front line, perhaps with a visit to a key site in the area.

He is keen to see sustainable growth in Scottish aquaculture and considers Argyll and Bute to have significant major player potential in that national picture. He affirmed that the Scottish Government is keen to work with councils in developing the industry.

During a general, but somewhat time-limited, discussion about digital connectivity, Mr Ewing commented that he felt the Scottish Government is doing what it can to fulfil its commitments in relation to connectivity.

While our time was limited, it was an opportunity for further dialogue with the Cabinet Secretary and to make representations on a rural growth deal for Argyll and Bute. Discussions on that continue with the Scottish

Government, assisted by our MSP Michael Russell, and we are hopeful of further meetings being confirmed soon.

## **5. COSLA RESOURCES AND CAPACITY GROUP, 17<sup>th</sup> November 2016**

- 5.1** The latest meeting of the COSLA Resources and Capacity Group took place in Edinburgh on 17<sup>th</sup> November 2016. All agenda items were taken in private session, which means I am unable to report on them in detail here. However, the papers and associated briefings can be accessed by members in the Leader's Report Pack.

The agenda topics were:

- Presentation from Fraser of Allander Institute on Scotland's Budget
- Audit Scotland – discussion on financial overview report
- Spending Review (verbal update)
- Council tax messaging
- EU Funds post referendum
- Expansion of early learning and childcare
- Participatory budgeting
- Water billing and collection
- Affordable housing
- Welfare reform update

## **6. ACCOUNTS COMMISSION ENGAGEMENT EVENT, 23<sup>rd</sup> November 2016**

- 6.1** Planned attendance at an Accounts Commission engagement event on 'Auditing best value in a changing landscape' unfortunately had to be cancelled due to a change in circumstances. However, I have obtained a copy of the presentations and these are available in the Leader's Report Pack for colleagues.

## **7. COSLA LEADERS, 25<sup>th</sup> November 2016**

- 7.1** The September COSLA Leaders meeting took place in Edinburgh on Friday 25<sup>th</sup> November, at the close of a busy week which included our own council meeting.

All agenda items on this occasion were taken in private session, so I cannot report on them in full here, but all papers and associated briefings are available to view in the Leader's Report pack.

The agenda items were:

- Mental health strategy
- Spending review – verbal update
- Council tax messages
- Distribution issues – funding steams/core settlement
- Living Wage for care workers in adult social care
- Reform of the National Care Home Contract
- Response to SG consultation on early learning/childcare
- COSLA agreement on regional collaboration on educational improvement
- Developing COSLA's response to leaving the EU
- Devolution of employability support
- Fairer Scotland action plan
- Calais crisis update and unaccompanied asylum seeking children

## **8. MEETING WITH SCOTTISH SALMON COMPANY, 29<sup>th</sup> November 2016**

- 8.1** Along with the Chief Executive and Economic Development officers, I met with representatives from the Scottish Salmon Company on 29<sup>th</sup> November – part of an ongoing drive for engagement with aquaculture companies, as noted above in the comment on the meeting with Fergus Ewing.

Aquaculture makes a significant contribution to the Argyll and Bute economy, and in particular to more remote and fragile areas. It provides year round jobs which are important for coastal communities and supports employment in other areas such as transport, processing and support services.

Scottish Salmon Company is progressing work at a new harvest station at Ardyne and is one of three major players operating in Argyll and Bute.

Following this meeting, officers are progressing a number of outcomes, including the exploration of improved partnership working. It is hoped that there will be an opportunity to invite the company to a future elected member seminar so that all members have an opportunity to find out more.

## **9. COSLA STRATEGIC HR, 2<sup>nd</sup> December 2016**

- 9.1** This meeting took place in Edinburgh on 2<sup>nd</sup> December. All agenda items were taken in private session, save for a presentation on the Customer Service Professional Qualification, which a number of our own council

staff have completed or are currently undertaking in line with our Customer Service Charter and aspirations.

Private session agenda papers and briefings are available in the Leader's Report Pack, although not reported on fully here due to their restricted nature. Topics were:

- SJC Pay Claim (verbal update)
- SNCT industrial action relating to workload, SQA qualifications and assessments
- Head teacher recruitment
- Pensions
- Developing Scotland's Young Workforce programme

## **10. MEMBERS SEMINAR, 5<sup>th</sup> December 2016**

- 10.1** The latest session in the members seminar programme focused on digital and broadband activity, with a series of presentations from council officers and key partners including Digital Scotland, Highlands and Islands Enterprise, BT and Community Broadband Scotland. This was a helpful session about a key area of interest for all colleagues

We also had presentations from the Improvement Service who demonstrated tools and resources for use in community planning – the Place Standard Tool and Outcomes Improvement Toolkit.

## **11. FREEDOM OF ARGYLL AND BUTE AWARD TO GORDON REID, 7<sup>th</sup> December 2016**

- 11.1** It was a real pleasure to join with colleagues, friends and family to honour the world's number one wheelchair tennis player, Gordon Reid, in Helensburgh on 7<sup>th</sup> December at a special meeting of the council.

At that meeting, Gordon was the very worthy recipient of admission as an Honorary Freeman of Argyll and Bute in recognition of his outstanding sporting achievements and success.

The whole country is immensely proud of Gordon's achievements and particularly so in Argyll and Bute. It was an honour to be able to recognise his considerable triumph over adversity in his home town. He truly is an inspiration.

## **12. VISIT TO SYRIAN REFUGEE FAMILIES ON BUTE, 9<sup>th</sup> December 2016**

- 12.1** One year ago, a group of Syrian refugee families landed on Bute to start a new life in Rothesay. It was again a privilege to meet with them, almost on the very anniversary of their arrival in Argyll and Bute, and to hear first-hand how they are settling in to their new life.

Credit must be given to the local community who have done so much to make the families feel welcome, to support them, to volunteer to help and, quite simply, to be their friends.

The council team who have led on this challenging but rewarding initiative are also to be commended again for their dedication and commitment in making this work for everyone involved.

The progress that the families have made since joining us here in Argyll and Bute is quite remarkable. Their English language skills have come on in leaps and bounds and they are starting to put down roots in their new community, with ambitions for employment and entrepreneurship. I am looking forward to hearing more over the coming months about how they are bringing their plans to life.

## **13. COSLA SPECIAL LEADERS, 13<sup>th</sup> December 2016**

- 13.1** A special meeting of the COSLA Leaders Group was convened at the request of the President on 13<sup>th</sup> December 2016, in Edinburgh, ahead of the local government settlement announcement due on the 16<sup>th</sup> of that month.

This meeting was held in private session and focused on the following subjects:

- Education Governance Consultation response
- Local Government Settlement 2017/18 – verbal update

A paper on the education item is available in the Leader's Report Pack.

No report was produced for the local government settlement discussion but, since that was announced on 16<sup>th</sup> December, further information and clarification is still coming forward at time of writing, so the situation has moved on. This was due to be covered at the members budget seminar on 16<sup>th</sup> January.

## **14. ISLANDS STRATEGIC GROUP, 19<sup>th</sup> December 2016**

- 14.1** Argyll and Bute Council is included as a member of the Islands Strategic Group, established in the autumn last year by Humza Yousaf, the Minister for Transport and Islands. This is a very positive step forward for us as a council with islands and an opportunity to represent on behalf of our significant number of island communities.

Being asked to host the second meeting of this important strategic group was therefore a tangible sign of growing recognition of the unique and challenging needs of councils with islands such as Argyll and Bute.

This meeting took place in Rothesay Joint Campus on Monday 19<sup>th</sup> December, organised and hosted by Argyll and Bute Council, and attended by the leaders and chief executives of Orkney, Shetland, Highland and Western Isles Councils, as well as the Minister himself and other Scottish Government colleagues.

The Policy Lead for Island Affairs, Councillor Len Scoullar, represented the council at this meeting, accompanied by the Chief Executive, and will provide further detail about the discussion in his own report, also due at council on 26<sup>th</sup> January 2017.

## **15. ACTIVITY IN JANUARY 2017**

- 15.1** Since the return to normal business early in the New Year, the focus of my activity has been on the following areas:

- Budget
- Continuing to engage with the Scottish Government on securing further discussions on a rural growth deal for Argyll and Bute

## **16. CUSTOMER SERVICES POLICY LEAD UPDATE**

**Local Tax Collections:** Collections of council tax for the 2016/17 were 84.95% at end of December, down 0.04% on last year. This is a slight improvement from end of October when they were down by 0.07%. Collections are down mainly due to the level of increased double charges applied for long term empty properties which are hard to collect (up by £119k), and due to the reduced level of council tax reduction being afforded (down by £207k.) This is offset by improved current year sheriff officer collections (up by £316k). Collections for 2015/16 at end of December are 96.58%, up 0.36% 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 84.62% at end of December, down 0.77% on last year. The main reason for the decrease is that reliefs granted are around £0.8m less than last year, mainly because of changes in renewables relief. Collections on 2015/16 year are now at 98.75%, up by 0.16% on the previous year at this time.

The Scottish Government has now approved the legislation to amend council tax on second homes. Following the council's decision to remove the 10% second home discount, we have written out in early January to advise all households who are likely to be affected by this in advance of the new bills going out in early March.

**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 but reduced this to high priority only from 10th October due to the increase in spend. To the end of December we have paid out and committed £361,693 – 113.7% of the profiled amount including brought forward underspend. 14 applications are currently being processed and a further 7 were part paid at the end of December. In view of the continuing overspend, the Strategic Management Team is considering reduction of priorities supported to high most compelling only for February and March.

The programme funding for 2017/18 has been announced and is £420,189. This is an increase of £20,426 due to a change in distribution method across local authorities. As there is unlikely to be any underspend at the end of this year, the net amount available for next year will therefore be slightly less than what was available for this year.

**Discretionary Housing Payments (DHPs) and Benefits Cap:** The funding allocations for 2016/17 now total £603,675 following receipt of the final 20% of funding for 2015/16 from the Scottish Government in June, and including the carry forward from last year of £35,730 approved by council.

£550,864 has now been either paid out or committed as at the end of December with awards made to 1122 cases. There are a total of 36 applications outstanding or requiring further information at the end of December. Nearly all the awards to date (88% 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 now processed DHP for most families affected by the benefit cap for the initial 13 week period. Further support will be available for another 13 weeks if they meet the conditions agreed by the Policy and Resources Committee.



**Benefits processing:** New claims processing year to date to end of December has taken on average 18.63 days which is well below our target of 23 days. Changes in circumstances in the year to date to end of December have taken on average 5.16 days which is also well below our target of 8 days. Our accuracy to end of December is 97.0% which is also better than the target of 95%.

**Pathfinder North migration to SWAN:** As of end December we have 93 out of 132 sites transitioned. Progress is disappointingly slow. Forecasts for installs in November and December halved across the partnership. We have ordered alternative interim circuits for the sites expected to be most delayed. We will be seeking to recover damages from Capita for these additional costs being incurred. Highland Council is taking the lead in recovery of damages. The latest forecasts received on 23<sup>rd</sup> December suggest that the additional costs can still be contained within the funds available.

**Customer Service Centre (CSC):** I am very pleased to report that the percentage of calls to CSC being abandoned for the month of December was 5.8% - well below our target rate of 7.5%. We have been well below target consistently since the start of July. The average answered call time for December was 3.68 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 in December to 80.1% which is our highest ever level for this and well above the 75% target.

Consultation for registration service is now on the web site and being undertaken regularly with customers, and will be reported quarterly. Testimonials are now uploaded to the new marriage site.

We are live with webchat for council tax and benefits.

**Procurement, commissioning and creditors:** Year to date to end of December, we have paid 94.03% of creditors invoices within 30 days which is slightly above our target of 94%. December's performance was good, bringing us back on track after a poor performance in November.

The Helensburgh and Lomond school transport contract was awarded on 16 December and produced a welcome saving of £238,044.

The commissioning team are working closely with the IJB on a number of care homes – the closure of Craigard on Bute, on the improvements proposed at Palm Court in Rothesay to meet Care Inspectorate requirements, and the review of the future for Auchinlee in Campbeltown. They have also been supporting the Dunoon Link Club and will continue to do so until they recruit a new manager. HART in

Helensburgh has been put in liquidation and the team are supporting discussions on options for these services for the future.

**ICT:** The annual Public Service Network submission was made on 13th January as our accreditation expires on 13th February 2017. School websites have been moved from Kilmory servers to GWITC servers in order to balance loads better and improve internet response times. Average time to fix IT faults has dropped to just 2.6 hours in December. This is our quickest ever time, and demonstrates a huge improvement in this area.

We now have 5 offices running with centralised use of multi-function devices and the new Uniflow print management software (Civic Centre and Jeanie Deans in Helensburgh; Kintyre House and Old Quay Head in Campbeltown; Argyll House Dunoon) and this is driving down the local cost of printing. We can now issue reports on mix and type of printing to services which provides greater visibility by cost centre.

**Big Lottery Fund (BLF):** We submitted a bid for 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. We have been advised that we are the preferred bidder for the Argyll and Bute lot. The standstill period expires on 23<sup>rd</sup> January and contract award should then follow shortly.

**Office moves:** The move from Witchburn Road to Kintyre House in Campbeltown was successfully completed in November over three weekends. Everyone is settling into the new building which is open plan and very different from the old one, and a much nicer working environment. Moves into the Burnet Building have also been completed.

**Customer Service Excellence pre-assessment:** The whole of Customer and Support Services is seeking CSE accreditation and had the pre-assessment in late November with a view to having the full assessment in March. The assessor told us that we were the best prepared service that he has ever assessed at the pre-assessment stage. We still have work to do before the main assessment, but this is a great start.

## **17. CONCLUSION**

**17.1** This report highlights some of the main activities I have undertaken in my role as Leader of the council during the past three months. 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.

## **18. IMPLICATIONS**

**18.1 Policy - None**

**18.2 Financial – None**

**18.3 Legal – None**

**18.4 HR – None**

**18.5 Equalities – None**

**18.6 Risk – None**

**18.7 Customer Service – None**

**Councillor Dick Walsh**

**Leader, Argyll and Bute Council**

**Policy Lead Councillor for Strategic Finance, IT, HR and Governance and Law**

**16<sup>th</sup> January 2017**

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