
20th April 2017

LEADER'S REPORT

1. INTRODUCTION

- 1.1** This report provides members with an update on my activities as Leader of the Council during the January to April 2017 period. This is my final report as Leader in the life of this council. All activities 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. COSLA LEADERS, 27th January 2017

- 3.1** COSLA Leaders met in Edinburgh on 27th January 2017. All items were taken in private session, which means I am unable to report on them in detail here, but I would encourage colleagues to access the full Leader's Report Pack which contains all available reports and briefings provided by our officers.

As you might expect given the timing of this meeting, the focus was very much on the local government settlement, although given the rapidly changing picture at the time, no written report was provided and this agenda item was verbal only.

Other business items were:

- Leaders Workplan Refresh
- Building Standards – Warrant Fee Consultation
- Affordable Housing Supply
- Food Standards Scotland – Animal Feed Controls
- Local Government Settlement 2017/18 verbal update
- Local Government Pay Proposal 2017/18
- Brexit – general update
- Brexit – migration implications for local authorities
- Guidance on managing unauthorised camping by gypsy travellers in Scotland
- Review of Local Government and Local Democracy Bill
- Minutes of previous meetings in November and December

4. MEMBERS SEMINARS – January/February 2017

- 4.1** On Monday 30th January we held the second budget seminar for all members ahead of the council's budget meeting on 24th February, with the aim of offering opportunities to discuss key budget principles and potential for achieving consensus.

The following week saw members attending a session with a focus on economic development, on Monday 6th February. We had an opportunity to participate in workshops on the Local Area Development Plan plus a presentation on the Single Investment Plan, which looks at the infrastructure required to support and increase economic growth across our area.

I was glad to welcome Supt Grand Manders who gave colleagues an update on the work of Police Scotland across Argyll and Bute and the organisation's vision for policing until 2026.

5. HIGHLANDS AND ISLANDS LEADERS CONFERENCE CALL, HIE BOARD

- 5.1** The Enterprise and Skills Review highlighted the potential for changes to the Highlands and Enterprise Board arrangements led to a conference call between the leaders of the Highlands and islands local authorities and Keith Brown, Cabinet Secretary for the Economy, on 1st February 2017.

Our discussion opened with Mr Brown's reassurance that HIE and its people would stay but that there was more work to do in terms of reaching Scottish targets for growth, exports, internationalisation and attracting overseas investment.

Council leaders were clear that, with the diverse mix of communities served by HIE, a one-size-fits-all approach would not be desirable or effective. They also expressed a wish for local authorities to be more involved at board level.

Following the ministerial conference call, H&I Leaders agreed a set of principles to be sent to Mr Brown. These can be found in full within the Leader's Report Pack and are summarised as follows:

- Retaining an HIE board is critical for the area
- HIE activities and governance are successful
- Strategic, operational and budget decisions should remain the responsibility of the board
- Board chair has key role as Highlands and islands champion
- There are differences in communities across the H&I region and these should be recognised
- HIE should work alongside local authorities to develop regional policy, accounting for specific characteristics
- Strengthen and formalise partnership working between councils and HIE
- Local authorities should be involved in setting HIE strategic priorities
- Regional differences, priorities and opportunities need to be taken into account when HIE is delivering services
- HIE should have a role in supporting both major economic investments and economically significant smaller businesses
- HIE board should be reconstituted to ensure better regional representation and accountability
- There should be local authority representatives on the board

The statement of principles was signed by the leaders of Argyll and Bute, Highland, Orkney Islands, Shetland Islands, Western Isles and Moray councils.

6. AUCHINLEE JOINT MEETING, 16th February 2017

- 6.1** Continuing uncertainty over the future of the Auchinlee Care Home in Campbeltown resulted in the council arranging and facilitating an urgent discussion with all stakeholders in Kilmory on 16th February. Co-chaired by myself and Michael Russell MSP, the meeting involved representatives from operators Crossreach, the Argyll and Bute Health and Social Care Partnership, the Scottish Government and the Save Auchinlee Action Group, as well as local members.

Following a robust discussion a joint statement was issued confirming that agreement had been reached enabling care at Auchinlee to continue until 31st March 2018. In the interim, the Health and Social Care Partnership is working with Crossreach and the community action group to find a longer-term, sustainable solution for care provision in the Kintyre area.

7. CALL WITH TRANSPORT MINISTER, 16th February 2017

- 7.1** Humza Yousaf, Minister for Transport and the Islands, invited me to join a conference call with officers from Transport Scotland to discuss the Arran ferry service. Mr Yousaf indicated that, following what he described as ‘an opportunistic bid’ to relocate the mainland port from Ardrossan to Troon, he expected a STAG appraisal report to come back to him very soon. We took the opportunity to press for our involvement in the process, given that the Arran-Campbeltown service has been well received and that the Campbeltown Ferry Committee has expressed a preference to retain Ardrossan as the mainland port.

Mr Yousaf advised that he would be happy to include our views in the final deliberations. He forwarded us a copy of the report appraising both Troon and Ardrossan ports on 20th March, and accordingly I wrote to him on 21st March confirming the Campbeltown Ferry Committee’s views on retention of Ardrossan and requesting circulation of the report to stakeholders in Kintyre.

8. CONVENTION OF THE HIGHLANDS AND ISLANDS, 22nd February 2017

- 8.1** Its proximity to the council’s budget meeting meant I was unable to attend the spring COHI session in Lerwick, Shetland.

The council was represented by Fergus Murray, Head of Economic Development, and the agenda items were:

- Outcomes update from the Deputy First Minister
- Enterprise and Skills Review
- Draft Scottish Energy Strategy
- Digital Connectivity update
- Housing
- Transport – Technology and Opportunities session with HIAL and Shetland Isles Council
- Scottish Natural Heritage presentation on Natural Health Service

Copies of papers and presentations provided, as well as briefings from our officers, are available in the Leader’s Report Pack.

9. COSLA LEADERS, 24th February 2017

9.1 COSLA Leaders met in Edinburgh on Friday 24th February. Illness meant I was unable to attend, but the papers and associated briefings are available for review in the Leader's Report Pack.

All items were heard in private session which prevents me from providing more detail here, but the agenda topics were:

- Child Poverty Bill for Scotland
- Education Governance
- National Care Home Contract Negotiations
- Charging Guidance – Non Residential Social Care
- Local Government Pay Proposal
- Local Government Settlement
- Consultation on the Long Term Management of the Crown Estate
- Enterprise and Skills Review
- Climate Change Plan
- Welfare Reform and Devolved Social Security
- Devolution of Employability Support
- Unaccompanied Asylum Seeking Children
- Brexit
- Water Billing and Collection
- Distribution Issues
- TSS Update
- Review of Local Government and Local Democracy Bill

10. SIGNING OF THE STRATEGIC DELIVERY AND DEVELOPMENT FRAMEWORK, HELENSBURGH – 27th February 2017

10.1 The UK Government, the Royal Navy and Argyll and Bute Community Planning Partnership have agreed to formalise their partnership working arrangements in order to secure the best possible benefits and opportunities for the wider Argyll and Bute area and the community at HM Naval Base Clyde. I was delighted to sign the Strategic Delivery and Development Framework to formally cement that partnership in Helensburgh on Monday 27th February.

We were joined by council colleagues and senior Navy representatives, and also by David Mundell MP, Secretary of State for Scotland, who signed the agreement on behalf of the UK Government.

Following the ceremonial signing, we had a private meeting with Mr Mundell to discuss the continued development of a rural growth deal for Argyll and Bute. This followed an earlier meeting with Mr Mundell and Lord Dunlop last year.

Our discussions were very productive and provided our officers with opportunities to engage directly with the relevant UK Government civil servants as they progress work on this rural growth deal, for which the council's Single Investment Plan provides a platform. Liaison with civil servants continues and by the time the council meets on 20th April we will have had a similar meeting with the Scottish Government. The success of a rural growth deal for Argyll and Bute depends very much on partnership with both governments as well as with the private and other public sector organisations.

Councillor Aileen Morton, the Chief Executive, Pippa Milne and I are due to meet with Keith Brown and Derek MacKay on Tuesday 18th April and, if possible, I will give colleagues a verbal update at council.

11. VISIT TO KIRN PRIMARY SCHOOL CONSTRUCTION SITE, 28th February

11.1 I accompanied the Chief Executive on a site visit to the new Kirn Primary School on 28th February 2017. It was interesting and encouraging to see the work in progress on what is shaping up to be an excellent facility for young people in the area. This promises to be a first class learning environment and I am looking forward to seeing its completion in due course.



12. COSLA CONVENTION AND LEADERS, 31st March 2017

12.1 I travelled to Edinburgh with the Chief Executive for a dual COSLA session on 31st March.

COSLA Convention Agenda

Early Learning and Childcare: Convention was asked to consider the Scottish Government's response to the Early Learning and Childcare Blueprint consultation and to agree a local government policy position going forward. Convention agreed to note the developments in the Scottish Government's commitment of 1,140 hours of early learning and childcare by 2020; note both policy and funding intentions have been clarified and place local government at the heart of provision and flexibility; and agreed that COSLA and Scottish Government officers should work together to strengthen the policy approach with local implementation and increased flexibility at the core.

Housing: The purpose here was to provide strategic direction for COSLA's housing activity and to agree that councils have a lead role, in close partnership with national government, in tackling housing issues. This position was agreed.

Commission on Parliamentary Reform: The evidence already provided by COSLA was noted and it was agreed to pursue stronger democracy in line with the forthcoming COSLA Strategic Plan. A Members Bill to incorporate the European Charter on the Right to Local Self Government in its early stages.

Promotion of COSLA Local Government Services Campaign: It was agreed that COSLA and member councils will support the ongoing local government election campaign, and that COSLA will develop a supplementary social media campaign, #yourcouncilyourvote, which will be supported by councils locally.

Full details of all the above are available in the Leader's Report Pack.

COSLA Leaders Agenda

All items at this session were taken in private, which means I cannot report on them in full here, but papers and briefings can be viewed in the Leader's Report Pack.

The agenda items were:

- Local Government Pay 2017/18

- National Care Home Contract Negotiations
- National Dementia Strategy 2017/20
- Temporary Accommodation Distribution
- Changes to COSLA's Constitution

13. CUSTOMER SERVICES POLICY LEAD UPDATE

13.1 Local Tax Collections: Collections of Council Tax for 2016/17 were 95.27% at end of March, down 0.05% on last year. Collections are down mainly due to the level of increased double charges applied for long term empty properties and penalties which are hard to collect (up by £197k), and due to the reduced level of council tax reduction being afforded (down by £198k.) This is offset by improved current year sheriff officer collections (up by £453k). Collections for 2015/16 at end of March are 96.76%, up 0.29% 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. All these figures are before processing of year end accruals.

I am pleased to report that although collections are slightly down overall, we have made our target of additional income collections on long term empty premium and penalties. We have collected £635,680 compared to a target of £614,000, from a gross billed of £864,113.

Collections of non-domestic rates for 2016/17 are 97.63% at end of March, up 0.53% on last year mainly because there was no late running roll at this year-end. Collections on 2015/16 year are now at 98.83%, up by 0.03% on the previous year at this time.

The Scottish Government has introduced a number of changes affecting the council tax, including amendments to bands E to H and the ability to remove the discount on second homes. All these changes were reflected in the annual bills which were issued in early March.

There were also considerable changes affecting non-domestic rates on top of the revaluation, including a transitional relief scheme for businesses in the hospitality sector as well as small hydro schemes. We wrote out to all small businesses who appeared to us that they might qualify for relief seeking new applications for Small Business Bonus Scheme relief based on provisional valuations and got the majority of these processed in advance of issuing the annual bills at the end of March. The transitional relief scheme is different to what many were expecting, and has to be applied for. The guidance was only issued for this on 4th April and we are still awaiting updated software to deal with this.

Scottish Welfare Fund: 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 10 October due to the increase in spend and to high most compelling only for February and March. To the end of March we have paid out and committed £428,983 which is £4,907 in excess of funds available (this can be covered from other budgets). A further 14 applications are currently being processed and a further 6 were part paid at the end of 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 no underspend to be carried forward, the net amount available for next year will therefore be slightly less than what was available for this year. The Strategic Management Team has agreed to support high priority cases going forward.

New guidance has been issued by the Scottish Government in April, and a further revision is promised later in April in order to extend the scheme to cover housing costs for people aged 18 to 21 years who are not eligible for housing costs under Universal Credit full service. This is likely to have limited impact in our area for now as we will not be implementing UC full service until May 2018.

Discretionary Housing Payments: 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.

£583,757 has now been either paid out or committed as at the end of March with awards made to 1307 cases. There are a total of 20 applications outstanding or requiring further information at the end of March. Nearly all the awards to date (85% 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 Policy & Resources Committee.

The initial allocation for DHPs for 2017/18 is £551,543. In addition we will receive the hold back from 2016/17 and we expect to have £19,918 from 2016/17 to carry forward into 2017/18 provided Council approves this. It therefore looks as though we will have slightly more funding for 2017/18 than for 2016/17. The Scottish Government has indicated that there should be sufficient for full mitigation of the bedroom tax plus £120,496 for other DHPs (this includes £77,033 for benefit cap) and this is more generous than when the funding was provided from DWP.

The Strategic Management Team has agreed to support the same priority cases in 2017/18 as we have done throughout 2016/17.

Benefits Processing: New claims processing for the year end of March has taken on average 18.70 days which is well below our target of 23 days and a big improvement on last year's 20.85 days. Changes in circumstances in the year to end of March have taken on average 3.97 days which is also well below our target of 8 days and a big improvement on last year's 5.60 days. Our accuracy to end of year is 97.7% which is also better than the target of 95% and previous year's 92.7%.

From 1 April 2017 an additional bedroom is now allowed for a couple who cannot share a bedroom due to a disability or for a disabled child or non-dependent who needs an overnight carer.

Also from 1 April, the temporary accommodation management fee of £60 per week paid as housing benefit has now ended. This funding is being devolved through Scottish Government and will go direct to Housing Services in future. Full details of the proposed distribution arrangements have not yet been published but our housing colleagues do not expect us to be significantly disadvantaged through this change.

From 6 April 2017 the personal allowance (known as the applicable amount) in housing benefit is limited to a maximum of two children – this applies to new claims or where a new dependent becomes part of the family on or after 6 April. There are some exceptions, but these are fairly limited. The same restriction to 2 children also now applies to Universal Credit.

The work related activity component is removed for ESA claimants, but there is no change for those who receive the support component.

There is a new bereavement support payment which replaces all benefits for the bereaved of working age whose spouse or civil partner dies on or after 6 April.

Housing costs element for single 18 to 21 year olds is removed for new claims in Universal Credit full service areas where claimants are subject to full work related requirements – there are quite a range of exemptions including if their earnings exceed 16 hours at the national minimum wage. The UC earnings taper reduces from 65% to 63%.

Pathfinder North Migration to SWAN: As of end March we have 119 out of 132 sites transitioned with a further 3 passed fit and test and expected to transition shortly. That leaves a further 10 sites, 4 of which are scheduled for fit & test this month. Progress has been disappointingly slow. We are seeking to recover damages from Capita for these additional costs being

incurred and an initial offer has been received and rejected. Negotiations are continuing. Highland Council is taking the lead in recovery of damages. The latest forecasts received on 17th March suggest that the additional costs may slightly exceed the funds available, but the excess will be covered by milestone delay deductions.

Customer Service Centre (CSC): I am very pleased to report that the percentage of calls to CSC being abandoned for the last quarter of the year was 3.8% - well below our target rate of 7.5%. The figure for the full financial year is 6.4% a little higher due to the slightly poorer figures when the new systems were bedding down in the first quarter of the year. The average answered call time for the quarter to end of March was 3.56 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 for the last quarter of the year and for the full year is 78.9% which is well above the 75% target.

The new customer service training video starring our own staff has been completed and is now being used to train all front line staff. It has been very well received so far.

The new NEC young person's card online applications facility has been launched.

The SmartAssistant tool is available on designated website pages after 5pm week days and at weekends to provide additional assistance to customers.

Procurement, Commissioning and Creditors: For the full year we have paid 94.10% of creditors invoices within 30 days which is slightly above our target of 94%.

The Oban Maritime quarter transit berthing contract was awarded in January with a procurement saving of £938,026. The Hermitage Park contract for landscaping was also awarded with a procurement saving of £500,811.

The commissioning team continues to work closely with IJB on a number of care homes.

ICT: The annual Public Service Network submission was made on 13 January and a further one year's accreditation obtained commencing from 13 February 2017.

Average time to fix IT faults has dropped to just 2.9 hours for the last quarter and an average for the full year of 3.4 hours, all well below our target of 5.5 hours. This is our quickest ever time, and demonstrates a huge improvement in this area.

We recently received the results of our bi-annual Socitm benchmarking of the ICT service. The purpose of the Benchmarking process is to establish a common set of metrics across the Scottish Benchmarking Group that allows participants to measure their performance and cost-effectiveness against other participants in recognition of the 3 main pillars of benchmarking, Cost, Performance and User Satisfaction. Benchmarking provides ICT managers with key data to support decisions around strategy, planning and operational service provision. The Council has been recognised as the top performing local authority ICT service in Scotland. ICT service has a relatively low cost base with excellent performance and improving customer satisfaction levels. The report also shows Argyll and Bute compares very favourably against the major London Boroughs, metropolitan authorities, and other rural authorities across the UK. The Council sits at number 15 in the UK league table.

The upgraded cash receipting system is scheduled to go live on 10 April. All services have now completed their Information Asset Registers. The soft launch of phase 2 of the online booking system for Leisure went live for Aqualibrium customers on 15 March. Market engagement for replacement of the Discoverer reporting system was published on 16 March. NEC cards are in place for cashless catering in all secondary schools and equipment has been upgraded for the new £1 coins. New handheld devices for parking enforcement were issued in February which allow real time ticket synchronisation.

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 and branded as Money Skills Argyll. We were successful in winning the Argyll and Bute lot and the contract was signed on 20th February. The contract has now been handed over to our colleagues in Strategic Finance who will oversee contract delivery.

Customer Service Excellence (CSE) Assessment: The whole of Customer and Support Services is seeking CSE accreditation and had the full assessment on 6th and 7th April. The full report will be received in 3 weeks' time. However the assessor tells us that he is recommending that we be accredited with full compliance across all criteria and that there are 4 areas where he thinks we should achieve compliance plus as the evidence is particularly strong. There are 4 areas where he has highlighted room for

improvement. Overall he has commented that it is a very strong performance particularly for a first accreditation.

14. END OF THE COUNCIL, 3rd May 2017 - Valedictory

- 14.1** Many of you will be aware that I have chosen not to seek re-election this year but will retire after forty years of local government involvement.

The past five years in particular, the life of this council, have been full of challenges – but also full of opportunities for the area we represent.

Rising to challenges and making the most of opportunities is not something anyone can do alone – you need to have a good team around you. I would therefore like to thank colleagues across the chamber for their willingness to work together, in the best interests of Argyll and Bute, wherever possible. Our team of Policy Lead councillors and my fellow members of the Policy and Resources Committee have also been a considerable support in getting on with the job in the midst of tough times. We have great officers here who have a wealth of knowledge, experience and enthusiasm for making sure this council is the best it can be and who drive forward transformation, innovation and efficiency in equal measure. I would like to thank everyone for their support.

I know that there are other colleagues who intend to stand down after this council term finishes, and I wish them every success in the next chapter of their lives. Those of you who will take the next council forward do so with my very best wishes.

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

11th April 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