
29th June 2017

LEADER'S REPORT

1. INTRODUCTION

- 1.1** This is my first report to Council since being elected as Leader on 18th May 2017. I aim to provide all members with a full update on the activities I undertake as Leader and the issues which are represented to me in respect of that role. This regular report is just one of the ways for all members to engage and communicate with the council's political leadership.

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. FIRST MEETING OF THE COUNCIL, 18th May 2017

- 3.1** The first meeting of Argyll and Bute Council, following the Scottish local government elections, took place on Thursday 18th May 2017. At that meeting, it was confirmed that The Argyll, Lomond and the Islands Group would form the council's Administration and a number of political appointments were agreed, including my election as Leader.

It is a privilege to be part of the team which leads Argyll and Bute Council. It is my clear position that leadership is very much a collective approach, a team effort. Local government is in a period of significant change and I have every confidence that Argyll and Bute Council will transform, adapt and innovate to meet this challenge. Every single one of us has a part to play in making that happen.

The Administration have already made clear their initial priorities and over the coming months we will be seeking to engage with all members as we set out clear priorities for the life of this council – priorities which play a significant part in achieving success for Argyll and Bute.

As Leader of the Council I am happy to hear from any councillor who has ideas or suggestions. In my next report, after recess, I hope to outline plans for further opportunities to engage with all members.

The Depute Leader and I, since election, have been proactive about seeking to engage also with Argyll and Bute's national elected representatives. As a result, provisional arrangements are in hand to meet with both Michael Russell and Jackie Baillie. We have also written to Brendan O'Hara following his return as Member of Parliament and have indicated a willingness to meet as soon as possible.

4. FINNISH DELEGATION VISIT, HELENSBURGH, 23rd May 2017

- 4.1 Along with the Chief Executive and officers from our Economic Development service, I was pleased to welcome visitors from Finland to Helensburgh in May. Members and officials of the Pohjois-Savo Regional Board were in Scotland for a three-day fact-finding, information-sharing visit, based mainly in Edinburgh. As their local area in Finland has a similar mix of rural and remote communities, they were keen to pay a visit to Argyll and Bute during their Scottish stay.

They too face the challenge of growing their population and making the best use of technology and new industries in a rural/remote environment. The presentations and discussion focused on the areas of technology and industry, integrated health and social care and e-services in rural areas.

As well as spending some time exploring the challenges and opportunities our respective areas have in common we were also able to show them the results and benefits of our significant regeneration work in Helensburgh. It was a useful and enjoyable session and I understand that our Finnish visitors found it equally constructive. There is no doubt that positive contacts have been made and we will make sure to build on this for the future.

5. COSLA LEADERS, 26th May 2017

- 5.1 COSLA Leaders convened for the first time after the council elections on Friday 26th May.

Following a presentation from Chief Executive Sally Loudon about COSLA, its work and how it supports local government in Scotland, the following matters were discussed:

- Building Warrant Fees
- COSLA Response to the Budget Process Review Group Interim Report
- National Health and Social Care Standards
- Education Governance and Regional Collaboration
- Devolved Social Security
- Local Government Pay 2017/18 (oral update)
- Changes to COSLA Constitution

The full reports for each, with briefings from our officers, are available for all members to view in the Leader's Report Pack, or members can access public items through the COSLA website.

6. POLICY LEADS

- 6.1** Since appointment, Policy Lead councillors have been quickly and proactively engaging with services falling within their remits. We have met together on a number of occasions since the council meeting on 18th May and this has included discussion on the arrangements for Policy Leads to provide updates to the full council on a regular basis. The next council meeting after recess will see the first in a new way of reporting Policy Lead updates to all members in a concise, relevant and up to date way, which will be helpful for us all as we move forward together as a new council.

7. ARGYLL AND BUTE ARMED FORCES AND COMMUNITY PARTNERSHIP, 12th June 2017

- 7.1** Over the past months it is becoming increasingly clear that we are building stronger links and working relationships with the military services who live and work in our communities. The Argyll and Bute Armed Forces and Community Partnership is a key element of that work. The latest meeting of the partnership covered a range of issues including updates on health & social care, housing, employment, veterans and youth/cadets.

Education was a key issue discussed throughout the course of the meeting – from early years and primary through to access to university. One piece of good news is that progress is being made in expediting the recognition of professional teaching qualifications from England to Scotland.

During this meeting we were advised that following our sign-off of our Strategic Delivery and Development Framework (SDDF) with the MOD and Royal Navy, Moray Council and the RAF are now considering our SDDF as a model for their use. More detail on the SDDF was provided by the previous Council Leader within his report and it is also picked up briefly under paragraph 12.1 of this report.

7. EDUCATION GOVERNANCE REVIEW, 15th June 2017

- 7.1** The Policy Lead for Education is working closely with myself, the Depute Leader and our Education Service in light of the Depute First Minister's statement on Thursday 15th June about changes to education in Scotland.

These changes are significant and, at the time of writing, have only just been announced. It is therefore too early to comment in detail but colleagues should be assured that we are moving swiftly on this crucial subject. There is an initial briefing paper for all members on the council meeting agenda for 29th June which particularly addresses the impact this announcement has on our short-term plans for Education Management. However, further substantial detail will require to come to future Council and Committee meetings for consideration.

8. MEETING WITH DR DAVID ALSTON, NHS HIGHLAND, 16th June 2017

- 8.1** I met with Dr David Alston, Chair of the NHS Highland Board, at his request to discuss our common interests. The topics we discussed included:

- Argyll and Bute Health and Social Care Partnership
- Community planning and how NHS Highland can best discharge its duties
- Convention of the Highlands and Islands (COHI), and our respective roles there

There are undoubtedly opportunities for the council and NHS Highland to enhance their engagement and participation through the Community Planning Partnership. We both left the meeting taking back a number of points to pick up with officers in our respective organisations and I am optimistic that we can build on an already strong working relationship to further improve our partnership working.

9. KIRKING OF THE COUNCIL, 18th June 2017

- 9.1** It was a real pleasure to join fellow councillors and officers at the Kirking of the Council in Inveraray on Sunday 18th June. The setting for this traditional inauguration of a new council was the lovely Glenaray and Inveraray Parish Church, an unmistakeable landmark at the very heart of the Royal Burgh.

We were sad to learn that Reverend Dr Roderick Campbell, who had provided so much support for the organisation of this historic service, was unable to attend on the day. However, Reverend Dugald Cameron proved to be a very able substitute and one who performed his duties not only with

an admirable understanding of the intricacies of 'kirking a council' but with considerable humour too.

10. WEST OF SCOTLAND EUROPEAN FORUM, 19th June 2017

10.1 WOSEF met in Glasgow in June for the first time since the elections.

Understandably the post-Brexit landscape featured significantly in discussions. The agenda included an update on the activities of the Industrial Communities Alliance which has a dedicated Scottish arm working to a specific national agenda, given the devolved nature of many of its areas of interest. ICA Scotland has direct contacts with the Scottish Government and Ministers as well as links to Westminster.

The forum also received an update on the Scottish European Structural Funds programme to 2020.

It was highlighted during the meeting that delays to the development of IT systems, and very difficult to use IT systems, were causing substantial delays in processing financial claims. It was agreed that the acting Chair would write to the Cabinet Secretary regarding the potential risks if systems were not fully operational very shortly.

11. EDUCATION SCOTLAND VISIT, 20th June 2017

11.1 As previously advised to Council, Education Scotland visited Argyll for a single day follow-up to the inspection carried out in September last year.

During their visit, they had a discussion with the Policy Lead for Education and myself. They also met with the Chief Executive, the Acting Executive Director of Community Services, the Acting Head of Education, a group of education officers and a group of head teachers.

The discussion with Cllr McNeilly and I focused on our priorities for the Education service, the role of elected members in providing scrutiny and overall progress on the Improvement Plan. An update following this visit will be issued by Education Scotland. This, however, is likely to be very brief and not available until July.

12. ECONOMIC DEVELOPMENT POLICY LEAD UPDATE

12.1 The council appointed me as Policy Lead for Economic Development in May 2017. The remit of this role is broadly similar, but not identical, to my previous Policy Lead position. The update I have provided below includes some key issues from the last council which are ongoing and remain relevant, as well as more up to date detail.

ABRA and Renewable Energy

Good progress has been made on the Renewable Energy Action Plan (REAP) following successful Argyll and Bute Renewable Alliance (ABRA) meetings last year and earlier in 2017. The updated REAP was approved in January 2017.

The Scottish Government is putting forward ambitious targets for renewable generation alongside supporting more pumped storage hydro and local energy economies, which can help to use locally generated power in homes and businesses. The council has responded to the national consultation on treatment of non-mainland onshore wind projects, seeking to protect the position of our islands in relation to renewables support, the Scottish Government's Draft Energy Strategy and its supporting documents focusing on energy efficiency and onshore wind.

ABRA continues to raise its profile at a national level with representation at a number of Scottish and UK renewable events over the past six months.

Regeneration Capital Grant Fund

We heard in March this year that all three stage 2 grant requests submitted to the 2017/18 funding round had been successful. These are:

- £580,000 for the Ardrishaig Waterfront Maritime Hub Phase 1 – redevelopment of the Gleaner depot in Ardrishaig led by Scottish Canals and supported by the council.
- £700,000 for Oban Maritime Quarter, transit berthing facility – a council led project for new pontoons in Oban.
- £1.6m for development of a new light industrial/storage site at Glengorm, Tobermory, led by Mull and Iona Community Trust and again supported by the council.

The award of £650,000 from 2016/17 for the NVA St Peter's Seminary project has also now been fully drawn down within the 12-month timescale.

Rural Growth Deal

Discussions have continued with both the UK and Scottish governments in relation to a Rural Growth Deal for Argyll and Bute. A key part of this is engagement with, and support from, stakeholders and a consultation based on the Single Investment Plan has been largely positive to date. The next stage is to produce a stakeholder engagement report which summarises the feedback so far from public and private sector partners.

Officers are also investigating, on the advice of the Scottish Government, potential policy/fiscal freedoms which could be introduced as part of a future Rural Growth Deal and which would encourage increased inward

investment in our area. Discussions and work on this continue apace. Furthermore, following discussion with the UK Government, officers have submitted a response to the consultation on the “Building Our Industrial Strategy” green paper.

Strategic Delivery and Development Framework with MOD and Royal Navy

The council has formally signed a Strategic Delivery and Development Framework (SDDF) with the MOD and Royal Navy following significant investment in HM Naval Base Clyde. This sees the council and other partners working together to deliver infrastructure and opportunities for the expected increase in forces personnel who will come to live and work in Argyll and Bute. The SDDF focuses on key themes – education, economy, community facilities, housing and more. A successful economic forum event was held in January this year, bringing together local businesses and operational staff to explore the opportunities arising from base expansion. A set of actions have been agreed and work is in hand to take these forward.

Hermitage Park

Landscape and conservation works started here in February 2017 and are well underway. These include repairs to the A-listed east and northern walls, as well as removal of dead trees, demolition of the disused toilet block, upgrading of the path network and new lighting.

Work with local people and groups has continued – including a focus on material for interpretation boards and workshops with local schools.

The tender process for the pavilion upgrade closed earlier this month – it is hoped that works are able to begin soon in line with the planned reopening in summer 2018.

Spaceport – Discover Space UK

In January Brendan O’Hara MP hosted an event at Westminster to allow the Discover Space UK (DSUK) Consortium to brief MPs and industry experts on the benefits of Campbeltown/Machrihanish as a UK spaceport site. This was a great opportunity to meet with industry leaders and demonstrate that Argyll’s potential spaceport location has the right infrastructure, meets the safety needs and, of course, has the enthusiastic backing of the local community and the council.

At the event Memoranda of Understanding were announced with two major aerospace industry players – QinetiQ and Telespazio Vega. The MOUs are not exclusive but are the first that either company has signed with a potential spaceport site – further underlining Argyll’s credibility.

In April this year DSUK submitted a £9.5m bid with the UK Space Agency which, if successful, will signal the start of site development work to meet the requirements of potential spaceport operators. DSUK also has agreements with five potential flight operators and is represented in their own bids. The outcome of this is due to be announced in August.

Tourism and Marketing:

Wild About Argyll Marketing Campaign

This year-long campaign led by Argyll and the Isles Tourism Co-operative is certainly raising the profile of Argyll and Bute as one of Scotland's best destinations for outdoor/adventure activities. Supported by significant investment from the council, the campaign launched in January and has been supported by adventurer Mark Beaumont and popular Scottish band Skipinnish. It has been very positively received and work will continue throughout 2017, including representation at key trade and visitor events to showcase Argyll and Bute's offer.

I attended the official launch in Glasgow with over 250 key players from the national tourist industry and it was really encouraging to see their enthusiastic response to the potential and possibilities that Argyll offers not just for our tourist economy but to the national picture.

AITC is also focusing efforts on becoming a World Host Accredited destination by 2018 with a series of training workshops and one to one sessions for over 200 participants across the area.

This year's annual tourism conference took place in St Conan's Kirk, Loch Awe and focused on the Year of History, Heritage and Archaeology. Food From Argyll were represented at the event and launched on the same day their associate membership scheme for non-food producers who use at least five Argyll-based producers.

Business Gateway

Following last year's inaugural, successful and very well supported, Argyll Enterprise Week, the team, with colleagues in Economic Development and other council services, are working on this year's event in November. They are liaising with HIE and private sector representatives to identify and confirm Lead Partners for each of the key themes of Enterprise Week 2017.

The team continue to support new and existing businesses across Argyll and Bute:

- 104 start-ups – creating 109 jobs and a combined turnover of £3.7m
- 86% 1-year survival rate – 70% 3-year survival rate for start-ups
- Over 970 existing businesses
- Over 60 workshops delivered to support local companies

- Almost 50 businesses registered for the Local Growth Accelerator Programme

Rural Resettlement Fund

Over £61,000 has been awarded through the Rural Resettlement Fund to date. The fund has a dedicated website and is being actively promoted by HIE account managers to clients who are recruiting staff. Economic Growth staff are working with local businesses who are recruiting and liaising with estate agents across Argyll to make people aware of the fund, alongside a developing promotional campaign with S1 Homes and S1 Jobs to highlight Argyll as a great place to live, work and visit.

Digital Rollout

Next Generation Broadband in the HIE project area has deployed 112 cabinet structures and delivered fibre to various premises across the area by the end of February this year. At the moment, around 83% of premises across the Highlands and Islands are connected to the fibre network. Argyll and Bute is covered by both the H&I and Rest of Scotland project areas and the rate is 74.7% compared with 64.5% (RoS being a year behind HIE).

Take-up of fibre broadband is generally good but there is work to be done in some areas - partially due to existing contract tie-ins but there is scope for further promotion/awareness.

The council has met with EE about the Emergency Service Network (ESN). 61 sites are due to be commissioned across Argyll and Bute, with early indications that they will be live by September. The ESN contract means that EE has a commitment to provide 96% geographic coverage.

Lorn Arc/TIF

An update paper was submitted to the March Policy and Resources Committee. A briefing session has been arranged for August with all Oban, Lorn and the Isles colleagues, and the update position will then be covered in more detail in my next Policy Lead update due at the end of September.

Place-based visits – Cowal

I visited the Cowal area at the end of last year and was encouraged by the activity taking place there both in terms of employment and tourism.

Below are just some examples of what's happening in the area, alongside the council's ongoing regeneration work at Dunoon pier and the Queen's Hall. Both the Executive Director of Development and Infrastructure and I benefited from meeting with representatives from the organisations and businesses leading on these developments:

- Dunoon Burgh Hall officially opened on Monday 19th June – a significant cultural venue and attraction for the area and a £1.9m investment yielding five jobs and visitor numbers in the thousands.
- Benmore Botanic Garden’s plans for upgrading of the walled garden and visitor centre, with projected visitor numbers of 80,000 plus.
- Webhelp – new customer service jobs announced for Dunoon and Rothesay
- Argyll Holidays – expansion of workforce by up to 30 people.

In addition, Dunoon’s Conservation Area Regeneration Scheme (CARS) is due to commence shortly after securing over £1m of funding from Historic Environment Scotland. The Think Dunoon charrette process delivered jointly by the council and SURF Scotland is also ongoing with a series of successful community engagement events taking place.

Engagement with Highlands and Islands Enterprise

I’ve had productive meetings with Jennifer Nicoll, HIE’s Argyll and the Islands Area Manager, and am also due to meet soon with Professor Lorne Crerar, the Chair of HIE. This meeting should have taken place by the time of my next Policy Lead update.

13. CONCLUSION

- 13.1** This report highlights the activities in my first few weeks as Leader of Argyll and Bute Council. It has been a busy time – with much work being done to lay solid foundations on which we can all move forward together as a council as effectively and positively as possible. We are still in the early stages of the life of this council but I fully expect it to be a busy five years and I will be seeking to work with all members in the best interests of Argyll and Bute.

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.

14. IMPLICATIONS

- 14.1 Policy - None**
- 14.2 Financial – None**
- 14.3 Legal – None**
- 14.4 HR – None**
- 14.5 Equalities – None**
- 14.6 Risk – None**
- 14.7 Customer Service – None**

**Councillor Aileen Morton
Leader, Argyll and Bute Council
Policy Lead for Economic Development
23rd June 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