

28<sup>th</sup> November 2019

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## LEADER'S REPORT

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### 1. INTRODUCTION

- 1.1 This report gives colleagues an update on my activities as Leader of Argyll and Bute Council and also as Policy Lead for Commercial Services and Strategic Priorities from the period 6<sup>th</sup> September to 09<sup>th</sup> November 2019.

### 2. RECOMMENDATIONS

- 2.1 Members are asked to consider 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 and other papers and briefings as referenced in the report. Any items discussed in public can be provided to members electronically; the papers for items taken in private session can be reviewed in the Leader's office.

### 3. KINTYRE ECONOMIC SITUATION, Autumn 2019

- 3.1 Members will be aware from recent press reports of two issues affecting the overall Kintyre economy over recent months.

First Milk confirmed the closure of the Campbeltown creamery, with the additional loss of 14 direct jobs, on 31<sup>st</sup> October after several months of trying to find a buyer for the facility.

Despite considerable efforts from a wide range of stakeholders including the milk producers and their consultants, all efforts to date to find a solution to keep Campbeltown Creamery open have not been successful. A key issue was the inability to secure a future customer base for Kintyre cheese at a sustainable price that returns a profit. The effects of the global economy and ongoing pressure to reduce costs have also been significant

factors in the production of a bulk cheese product and this is also reflected across the entire UK dairy industry.

First Milk's decision followed its announcement of the sale of both the Campbeltown and Arran creameries over 18 months ago, with the Arran creamery closing within the last few months.

While First Milk has provided reassurances in the short term, at least that milk being produced by Kintyre's 29 dairy farms will continue to be bought and transported from Kintyre without an additional haulage charge. However, the longer term sustainability of the Kintyre milk field is now under threat which is a significant issue for the Kintyre economy given that this milk field directly supports the livelihoods of 145 people in Kintyre.

A Partnership Action for Continuing Employment (PACE) initiative has been led by Skills Development Scotland with support from Business Gateway. Council staff will do everything that is possible to support affected workers but there is now a compelling need for national intervention at this time given the current and potential impact on the Kintyre economy.

The situation is further exacerbated by the decision by CS Wind to announce a consultation on around 70 redundancies (80% of the current workforce). The company cites a significant gap in its order book following the successful delivery of hundreds of offshore tower sections for two large offshore UK wind farms in recent months.

All efforts are being made to assist the company in securing new orders but this is a highly competitive, global market place with, again, constant pressure to lower production costs. It is particularly disappointing to see this happen given recent investment in both the factory and port facilities and most importantly the fact that CS Wind is the only UK-based factory producing towers for onshore and offshore wind farms.

Given the seriousness of the situation I have been in regular correspondence with Scottish ministers about this, seeking urgent national intervention on a Team Scotland basis, to support the already fragile Kintyre economy.

This includes:

- Meeting with the business consultant working with the Kintyre Farmers Group on 10<sup>th</sup> September
- Letter to Alister Jack, Secretary of State for Scotland, asking him to explore any possibilities for UK Government support

- Writing to Paul Wheelhouse, Michael Matheson and other Scottish ministers in relation to the CS Wind situation and to ask them to identify any particular means of supporting the company in its endeavours to keep production costs as low as possible
- Significant correspondence with Fergus Ewing as Cabinet Secretary for Rural Economy highlighting that a national response is imperative
- Discussions with Fergus Ewing at Convention of the Highlands and Islands, plus ongoing dialogue with his officials, at time of writing, about a national summit in Kintyre

There may be further developments in this regard by the time of the council meeting on 28<sup>th</sup> November at which point I will provide any update that is available.

#### **4. CHArts (Culture, Heritage and Arts Assembly for Argyll and the Isles) Showcase Launch Event, St John's Cathedral, Oban – 14<sup>th</sup> September 2019**

- 4.1** CHArts – a culture, heritage and arts assembly – brings together the wealth of creative talent across all genres and stretching right across the entire Argyll and islands area. It officially launched with a colourful – and tuneful – celebration of all of that talent in a showcase event set in the historic St John's Cathedral in Oban on 14<sup>th</sup> September.

As you would expect from a network which encompasses all types of cultural activity, the launch was packed with exhibitions, talks, activities and performances from some of the CHArts talent. Over 200 people packed the cathedral – joined by hundreds more around the world who watched the live stream.

This really was a very enjoyable and inspiring day – there is so much creative talent in Argyll and it has a very significant role to play in ensuring our communities are vibrant, thriving and attractive places to live, work and visit. There is an online CHArts resource at [www.chartsargyllandisles.org](http://www.chartsargyllandisles.org) which is well worth a browse.

#### **5. ARGYLL AND BUTE'S RURAL GROWTH DEAL**

- 5.1** On 2<sup>nd</sup> October 2019 we received the announcement we had been waiting for: confirmation of the quantum of Argyll and Bute's Rural Growth Deal at a total of £50m - £25m from each national government. Since then, there has been a flurry of activity; officers are already in negotiation with officials on the contents of the Heads and Terms and updated governance proposals for the delivery phase will be presented to Policy and

Resources Committee in December to ensure that effective management arrangements are in place for the progression of a multi-million pound Growth Deal. Ahead of those more formal arrangements, there was a meeting of our Rural Growth Deal Steering Board on 17<sup>th</sup> September with another scheduled to take place in December.

Shortly after the announcement I wrote to both Alister Jack and Michael Matheson, as the UK and Scottish government ministers leading on Growth Deals, in the context of the quantum which has now been confirmed. It will be helpful to explore other opportunities and resources as a way of securing the maximum possible benefits for our communities as part of the Deal – for example, delivering some transport/infrastructure projects through the national Strategic Transport Review.

Mr Matheson in particular had shared our drive to secure agreed Heads of Terms for our Deal by the end of 2019. However, the announcement of a UK General Election on 12<sup>th</sup> December in the interim means that progressing Argyll and Bute's Deal, along with others, will be subject to some delay. It will be important to maintain momentum once the pre-election period is over and polls are closed.

- 5.2 The role of the Strategic Development and Delivery Framework (SDDF) and MoD in the Deal:** Growth Deals are about supporting delivery on national priorities as well as benefits for local communities. Both the Scottish and UK Governments have different priorities which must be reflected in the final shape of a Deal; for Argyll and Bute, the relationship with the Ministry of Defence through the SDDF can play a key part.

With that in mind I have written to Baroness Goldie, Minister of State at the Ministry of Defence in Westminster, seeking to meet with her in relation to this strategic partnership and how we can all make the most of it to secure maximum return.

I am also due to meet with Commodore Donald Doull at HM Naval Base Clyde for further discussions on how, through our SDDF partnership, we can ensure that the MoD's very significant investment in the base is a catalyst for growth and regeneration for people and business in the wider community.

## **6. ARGYLL AND BUTE COMMUNITY PLANNING PARTNERSHIP MANAGEMENT COMMITTEE, 18<sup>th</sup> September 2019**

- 6.1** The CPP Management Committee met in the Helensburgh and Lomond Civic Centre on 18<sup>th</sup> September. The following matters were considered:

- Area Community Planning Group updates
- National Community Planning Improvement Board update
- Progress on Place Standard engagement
- Outcome 3, Maximising skills, education and learning for all: a refresh of the priorities (Third Sector Interface)

## **7. EMPLOYEE JOINT CONSULTATIVE COMMITTEE, 20<sup>th</sup> September 2019**

- 7.1** Building and maintaining relationships with our employee representatives and trades unions is vital if we are to cope effectively as an organisation with ongoing and considerable financial challenges. The Employee Joint Consultative Committee (EJCC) is a key part of making that happen.

The September meeting offered us an opportunity to consider, as normal, the financial outlook but also to hear an update on the Best Value 3 Audit, which work is ongoing and stepping up apace during November.

## **8. PROPOSED EXIT FROM THE EUROPEAN UNION**

- 8.1 Teleconference, 23<sup>rd</sup> September 2019:** The UK Government has put in place a series of teleconferences with relevant ministries in relation to exiting the European Union, with the second session with the Ministry of Housing, Communities and Local Government taking place on 23<sup>rd</sup> September.

While the run-up to the original exit date of 31<sup>st</sup> October saw considerable shifts and uncertainty, ultimately culminating in a further delay and an election in the interim, the engagement from national government is welcome as we at local government level prepare and make contingency plans for the inevitable impact. While clarity and certainty on the next stages are still required it is to be hoped that this proactive communication continues.

- 8.2 EU Exit Leadership Group:** Again in the context of an exit on 31<sup>st</sup> October, council agreed in September to establish an EU Exit Leadership Group. This cross-party group would convene as required in the run-up to leaving the European Union in relation to arrangements and impact on Argyll and Bute, supporting existing arrangements in place like updates and reports to members.

Given the changing circumstances the group has had one substantive meeting (on 23<sup>rd</sup> October, with a further session planned for 30<sup>th</sup> October before matters moved on) prior to the confirmation that exit would no

longer happen on 31<sup>st</sup> October, but remains ready to reconvene when required and when there is more clarity about the expected timescale and events.

## **9. INTEGRATION JOINT BOARD ACTIVITY**

**9.1 IJB Meeting, 25<sup>th</sup> September:** The scheduled IJB meeting took place on 25<sup>th</sup> September to consider the following agenda items:

- Culture Fit for Purpose Action Plan update from NHS Highland Board Chair, Boyd Robertson
- Transforming Together – workstreams update
- Joint Inspection of Services for Children and Young People in Need of Care and Protection in Argyll and Bute
- Finance
- Performance
- Governance Review
- Engagement Framework Update
- Annual Communications Plan
- Primary Care Improvement Plan
- Living Well Strategy

**9.2 Informal IJB Session – 15<sup>th</sup> October:** Board members had agreed to hold an informal session in October to provide an opportunity to meet with officers and discuss less formally a number of key matters:

- Winter planning
- EU exit
- Management structure update
- Finance

This was a helpful and informative session and the winter planning and EU exit items in particular were very useful in terms of joint planning and co-ordination.

**9.3 Review of Scheme of Integration:** Every five years, legislation requires review of the Scheme of Integration which informs how parent bodies and their Health and Social Care Partnership work together to deliver services. Work on this has been ongoing in Argyll and Bute over the past few months, with an officer working group established and which brings together representatives from both parent bodies to examine aspects of the scheme and to consider which, if any, elements require to be updated or amended now that the first five-year period of integrated service delivery has been completed.

On 2<sup>nd</sup> October the voting members of the Integration Joint Board (those who represent the two parent bodies, NHS Highland and the council) came together for an informal discussion about the Scheme and its review, feeding back subsequently to officers finalising the report on the updated Scheme. This will be considered by both the council and the NHS Highland Board prior to submission to Scottish ministers in the spring.

## **10. HIGHLANDS AND ISLANDS LEADERS GROUP, 26<sup>th</sup> September 2019**

**10.1** Officers from Argyll and Bute Council made a significant contribution to the agenda for the September meeting of the Highlands and Islands Leaders group. Topics for discussion for this session were:

- Forthcoming Convention of the Highlands and Islands (COHI) agenda
- Waste management/BMW ban (Argyll and Bute Council paper)
- Export certification in the EU Exit context (Argyll and Bute Council paper)
- Update on Highlands and Islands Regional Policy Position in relation to the UK Shared Prosperity Fund (Argyll and Bute Council paper)
- Islands Act – National Islands Plan
- Transfer of responsibilities discussion

## **11. WEST COAST DEPOPULATION – Meeting with Cabinet Secretary for Culture, Tourism and External Affairs, 27<sup>th</sup> September 2019**

**11.1** Members will recall from previous Leaders Reports updates on our work with seven other west coast authorities who are affected by population decline. We were able to secure a short meeting with Fiona Hyslop on Friday 27<sup>th</sup> September to discuss the issue. Ms Hyslop, as Cabinet Secretary for Culture, Tourism and External Affairs, is also heading up the Scottish Government Ministerial Task Force on Population established in June this year. The group of leaders was therefore keen to meet with her, given our work on this trend since spring 2018, and to ensure that the west coast perspective is taken into consideration in any national activity related to population growth.

It will be important to maintain the momentum on this and to continue discussions on tackling and reversing the apparent east-west imbalance in population growth. I was encouraged by the Cabinet Secretary's willingness to listen and engage with the local authorities impacted most by this issue. Along with the other seven leaders I look forward to hearing more about the Scottish Government's progress on this and on ensuring

there is an effective migration policy in place to address the risks associated with continued population decline. Officers are also engaged with relevant officers from the Scottish Government.

## **12. COSLA LEADERS, 27<sup>th</sup> September 2019**

**12.1** The following issues were considered by COSLA Leaders at their meeting on 27<sup>th</sup> September. All papers and associated officer briefings can be obtained through Leadership Support:

- Spending Review update
- Distribution – treatment of indicators
- EU Settlement Scheme applications
- Equally Safe – 16 Days of Activism Campaign
- Engagement with Scottish Parliament Committees
- UK Exit from the EU
- Programme for Government
- Governance arrangements for Public Health Scotland
- Gypsy Traveller Action Plan
- Family leave for councillors
- Digital transformation update

## **13. COSLA ANNUAL CONFERENCE, CONVENTION AND EXCELLENCE AWARDS, 10<sup>th</sup> and 11<sup>th</sup> October 2019**

**13.1** Along with the Chief Executive and Cllr Lorna Douglas, representing the Leader of the SNP Group, I attended the annual COSLA Conference in St Andrews on 10<sup>th</sup> and 11<sup>th</sup> October.

The theme for this year's conference was 'We Have a Choice' with speaker and workshop sessions focusing on the following areas of choice for local government in Scotland today:

- Embracing digital technology
- Building and maintaining relationships with communities and with national government
- Service delivery in the 21<sup>st</sup> century
- Ensuring the fiscal framework works in the local government context

Thursday night, 10<sup>th</sup> October, saw the annual Excellence Awards celebrating the very best of local government service delivery. I was absolutely delighted that a team from Argyll and Bute Council were among the winners – our Refugee Resettlement Programme won a COSLA



Special Award, 'Excellent People and Excellent Outcomes' for their work on supporting refugee families into business and employment. The team have worked incredibly hard in partnership with the families and the wider community on Bute and I'm glad that their hard work has been recognised nationally – well done to everyone involved.

On Friday 11<sup>th</sup> October, alongside conference activities, there was a meeting of the COSLA Convention at which the following matters were discussed:

- Motion from Aberdeen City Council seeking full review of the local government funding distribution formula
- Spending Review
- UK Exit from EU update
- Local Governance Review
- COSLA Audited Financial Statement for year ending 31<sup>st</sup> March 2019
- COSLA Priorities Update April to September 2019

#### **14. ARGYLL AND BUTE COUNCIL LEARNING AWARDS, 24<sup>th</sup> October 2019**

**14.1** The council's annual Learning Awards ceremony took place in Kilmory on 24<sup>th</sup> October. This provides an opportunity each year to recognise staff who have been studying for professional qualifications related to their roles. It takes tremendous discipline and commitment to put in hours of study as well as going to work and balancing all of that with family life.

Many of our staff who are committed to this kind of ongoing professional development are also involved in delivering some of our most challenging front line services. Their dedication to excellence really is remarkable and my thanks and congratulations go to all of this year's Learning Awards participants.

#### **15. COSLA LEADERS, 25<sup>th</sup> October 2019**

**15.1** COSLA Leaders met in Edinburgh on 25<sup>th</sup> October to consider the following matters:

- Spending Review – verbal update
- Parental Employability Support Fund
- 16 Days of Activism against Gender Based Violence Campaign – White Ribbon Scotland
- Review of Distribution

- UK Exit from the EU
- Local Governance Review
- Additional Support for Learning – additional funding
- National Care Home Contract
- Distribution
- Review of the Improvement Service and COSLA

Copies of reports and associated officer briefings can be arranged through Leadership Support.

**16. CONVENTION OF THE HIGHLANDS AND ISLANDS (COHI), Inverness – 28<sup>th</sup> October 2019**

**16.1** The Autumn/Winter Convention of the Highlands and Islands (COHI), hosted by Highland Council, was held in the beautifully restored Inverness Town House on 28<sup>th</sup> October 2018.

With a number of Scottish Government ministers and representatives from other Highlands and Islands regional partner agencies in attendance, the agenda items discussed were:

- Review of previous COHI outcomes
- Update on COHI 2020 Projects – Spotlight on Skills
- Population and Productivity
- Global Climate Emergency
- Regional Transformation Opportunities
- Refresh of Outcomes
- Next Steps

The outcomes from this session were circulated by the Scottish Government on 5<sup>th</sup> November and are:

**OUTCOMES – INVERNESS – 28 OCTOBER 2019**

<p><b>Outcome 1 – Update on COHI 2020 Projects (spotlight on skills)</b></p> <p>COHI members welcomed the progress emerging from the ongoing work of the Senior Officers Group. They endorsed the importance of the existing range of projects but with a greater focus on maximising the connections between areas in order to retain and attract young people and drive up working age population. The opportunities driven by digital as an underpinning for providing greater educational opportunity were particularly highlighted.</p> <p>COHI members asked for projects to be reframed to deliver integrated action in the context of a post-2020 timeframe factoring in themes including</p>
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climate change and repopulation.

### **Outcome 2 – Population and productivity**

COHI members endorsed the aim of the Government's population programme and made the following recommendations:

- Management of depopulation, repopulation and population profile will be a focus for COHI's future work programme;
- To deliver analytical work on the impact of public sector job dispersal; and,
- To engage with Scottish Government as it gathers intelligence and develops interventions to address Scotland's population challenges particularly impacting on rural and island communities, working together to co-produce solutions. This includes a shared willingness to explore transformational options across key issues such as public and private sector jobs and housing provision.

### **Outcome 3 – Global Climate Emergency**

COHI members agreed the Global Climate Emergency (GCE) would be an overarching priority for future work, pulling together the different parts of the COHI work programme. While recognising both challenges and opportunities, members highlighted the unique assets of the Highlands and Islands region, alongside the willingness to collaborate, which will enable action at scale and pace to tackle GCE. In the run up to COP26 COHI members will work together to maximise this opportunity to showcase the region and what it can do on a global stage, and secure investment.

COHI members agreed to develop their own plans for decarbonisation. COHI members commissioned the Senior Officer's Group to work with the Scottish Government to map and add value to individual organisations' climate change actions, when identified, and report back with an integrated and collaborative strategic plan for the Highlands and Islands. This includes identifying key areas such as land use, energy, nature-based solutions and opportunities from low carbon tourism. SNH agreed to also act as a critical friend to ensure scale and pace are optimised.

### **Outcome 4 – Regional Transformational Opportunities**

The purpose of the work is to develop a list of proactive, clear, strategic projects as agreed by CoHI members to be taken forward by organisations around the table which are compatible with CoHI's ambitions including repopulation, climate change, economic development and supporting the skills base.

COHI supported the broad themes of the regional transformational projects paper (with an additional theme on culture and heritage), and commissioned further work led by HIE, with the Senior Officer's Group as informed by discussions with CoHI members, to develop a focused and inclusive list of

transformational projects. This would be discussed at the next COHI in March 2020

## **17. JOINT LEADERSHIP MEETING, 31<sup>st</sup> October 2019**

**17.1** The Joint Leadership Group, bringing together senior political and officer representatives from the council, NHS Highland and the IJB/HSCP, held its final quarterly meeting for 2019 on 31<sup>st</sup> October 2019.

The sessions have proved to be helpful and the group has worked together to identify effective ways of contributing to work such as the ongoing review of the scheme of health and social care integration as well as discussing matters which impact on all partners such as workforce and budget.

The group agreed to continue to meet together on a quarterly basis in 2020 and to include a number of items as standing agenda items, including:

- Workforce
- Performance
- Finance

## **18. BOUNDARY COMMISSION, 31<sup>st</sup> October 2019**

**18.1** The Local Government Boundary Commission for Scotland are now undertaking a review of the six Council areas which contain inhabited islands in terms of the Islands (Scotland) Act 2018. I met with representatives of the Boundary Commission along with officers for a preliminary discussion. The LGBC for Scotland hope to progress the review broadly as detailed below, although uncertainty around the progress of the Scottish Elections (Reform) Bill means they cannot set firm timescales.

- November 2019 – February 2020 – preparation of Initial Proposals
- March–June 2020 – formal 2-month consultation with the Council
- August–November 2020 – 3-month public consultation

It is intended that their recommendations are submitted to Scottish Ministers no later than May 2021 so that they can come into force for the local government elections expected in May 2022.

## **19. CHIEF EXECUTIVE RECRUITMENT, November 2019**

**19.1** We were very pleased to have a high number of strong applications for the post of Chief Executive. Using our established, online approach to advertising jobs via social media channels, we promoted this opportunity using #abplace2b. This allowed us to highlight the benefits of living and working in our beautiful area. As part of the information for prospective candidates, we included a film of our current Chief Executive talking about his experience of the job and we gathered comments to let candidates know what our staff members would look for in a Chief Executive. At the time of writing this report the recruitment panel had completed the shortlisting process early in November, with interviews due to take place in the week before the Council meeting. I look forward to welcoming our new Chief Executive to the organisation.

## **20. CLIMATE CHANGE**

**20.1** At the September meeting of Argyll and Bute Council and, in line with agreed council priorities, members agreed to establish the Climate Change Action Group. This group held its first meeting on 7<sup>th</sup> November as part of a series of ongoing activities in relation to climate challenges. I am looking forward to more productive discussions over the next few months as the group focuses on key activities before reporting back to members in the summer.

Another element of the council's agreed priorities is enhancing engagement with young people across Argyll and Bute. A key part of this is the involvement of our local Members of the Scottish Youth Parliament (MSYPs) in the Community Planning Partnership. In December, we are bringing these two priorities together – I have written to our three MSYPs to invite them to lead on a climate change session at the December CPP Management Committee meeting. They have already shown a real commitment to the issue and I am convinced that they can bring a fresh perspective to this crucial issue – one which cannot be solved by any one agency alone but in which we must all work together to find ways of maintaining and building on Argyll and Bute's good track record in low carbon emissions.

## **21. LOCAL GOVERNMENT FINANCE - CORRESPONDENCE**

**21.1** We are fast approaching another budget process and the current national political situation, with an extension to the EU exit and a General Election on 12<sup>th</sup> December, will inevitably impact on the local government budget process at a national level.

We understand that the Scottish Government will not be in a position to confirm its draft budget in December as normal as this will be informed by the UK Government's own budget process. At the time of writing we await further clarity.

As in previous years the indications are to expect a challenging budget settlement. I wrote to Cabinet Secretary for Finance and the Constitution, Derek Mackay, seeking a discussion about Argyll and Bute's unique situation and the challenges we face. He has responded to me and has asked Kate Forbes, Minister for Public Finance and the Digital Economy, to meet with us in Argyll and Bute for further discussions. This meeting has been arranged for mid-January and I will provide a further update once this has taken place.

## **22. CONCLUSION**

- 22.1** This report highlights my recent activities as Leader of Argyll and Bute Council. I hope that this update is helpful for members and will be happy to provide more information wherever possible.

**Councillor Aileen Morton**  
**Leader, Argyll and Bute Council**  
**Policy Lead for Commercial Services and Strategic Priorities**

**18<sup>th</sup> November 2019**

**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)**