
LEADER'S REPORT: 28th November 2011 to 20th January 2012

ARGYLL AND BUTE COUNCIL EXECUTIVE MEETING: 2nd February 2012

1.0 Programme Monitoring Committee, 7th December

I attended the above meeting by Video Conference. The agenda items were as follow:-

- N+2
- Strategic Overview
- Advisory Group Convener's Report
- Strategic Delivery Bodies: Annual Update (including; UHI Millennium Institute and Highlands and Islands Enterprise)
- Broadband
- Community Planning Partnership Plans (Up-date)

Further detail from this meeting is available in the Leaders Report Pack

2.0 9th December 2011. Meeting re Gourock – Dunoon Ferry with Michael Russell and with Partners.

I met with Michael Russell MSP and a range of partners to discuss the current, unsatisfactory situation with the Gourock-Dunoon Ferry. The meeting seemed to strike a positive note; with our MSP agreeing to take a series of proposals back to his colleague, Alex Neil, Cabinet Secretary for Infrastructure and Capital Investment. Most significant was the proposal to consider the reinstatement of a combined vehicular and passenger service for the medium to longer term. I felt that this alone was a good step forward.

The three point plan proposal put in front of Mr Neil covers; short, medium and long term actions:-

In the short to medium term, a process would examine options for improving the current service provided by the Argyll Flyer and Alicat vessels, the potential utilisation of the Coruisk ferry on the Dunoon-Gourock route, improvements in embarkation / disembarkation arrangements which will include the provision of berthing pontoons and shore side passenger accommodation infrastructure, and any other potential short to medium term proposals which parties consider appropriate for consideration. This process would require options to be developed and examined in terms of technical and operational feasibility, deliverability and cost. The target timescale for this would be April 2012, but would be dependent upon the Project and Resource Plan developed by the

Scottish Government's Ferries Division.

In the medium to longer term, a confidential options appraisal process would look at options for the provision of a vehicular ferry service operating between Dunoon and Gourock. This process would look at all potential options which would include the existing service model, the provision of new vessels designed specifically for the Dunoon-Gourock route by the Scottish Government and the scope to develop an operating model which could allow a private sector operator to provide a vehicular ferry service on this route. The timescale and resources required to undertake this options appraisal would be identified by the Scottish Government's Ferries Division, with a target date to develop a Project Inception Document by February 2012.

I was delighted by what we agreed, and I am sure the communities of Cowal and Inverclyde will be equally pleased. I am not alone in feeling that this route requires a combined passenger and vehicle service it is what we pressed for before and during the tripartite arrangement; however there was always a feeling that we were not being listened to. I am grateful to Michael Russell MSP for recognising the gravity of the situation and agreeing to raise these very pressing matters with the Transport Secretary.

I very much look forward to hearing in the near future how the Cabinet Secretary for Infrastructure and Capital Investment plans to take this issue forward."

3.0 **COSLA Convention, Friday 16th December**

Chief Executive, Sally Loudon and I attended the COSLA Convention in Edinburgh on the 16th December 2011. The agenda Items were as follow:-

Items taken in Private Session

1. Health and Social Care Integration – Address by Nicola Sturgeon MSP, Deputy First Minister
2. Cities Strategy
3. Care Home Fees
4. Community Care Charging for Non-residential Care
5. Alcohol (Minimum Pricing) (Scotland) Bill
6. National Contract for Foster Care
7. Protocol on use of Police and Fire Reserves
8. COSLA EU Priorities 2012
9. Consumer Protection Landscape
10. Resilience Data Collection

Items taken in Public Session

11. Regeneration Strategy / Enterprise Areas
12. Consumer Protection and Transport Task Groups

- 13. Teacher Census Numbers
- 14. Re-procurement of myjobscotland.gov.uk

Minutes

15. Convention 21st October 2011

Items 11 to 14 were taken in public session and I have summarised these below:-

3.1 Regeneration Strategy / Enterprise Areas

The purpose of this paper was to provide the Convention with a summary of the ongoing lobbying work of COSLA regarding the Scottish Government's Regeneration Strategy, Urban Regeneration Company (URC) funding and Enterprise Areas.

Outcome

The two recommendations from the paper were accepted. The Convention:-

- i. noted the continuing work of COSLA regarding the Regeneration Strategy, URC Funding and Enterprise Areas; and
- ii. noted the conclusion of discussions on URC funding for 2012/13 and 2013/14 and the proposal for further discussions on the use of local government monies post 2013/14 with Scottish Government.

3.2 Consumer Protection and Transport Task Groups

The purpose of this report was to consider the suggestion from the relevant COSLA Executive Groups to establish a Consumer Protection Task Group and Transport Task Group respectively and to agree the overarching role and remits of each group.

Outcome

The two recommendations from the paper were accepted. The Convention:-

- i. noted the suggestion from the Community Well-Being & Safety and Regeneration & Sustainable Development Executive Groups for the establishment of Task Groups covering the remits of Consumer Protection and Transport; and
- ii. endorsed the establishment of these Task Groups and that Group Leaders will be approached for nominations.

3.3 Teacher Census Numbers

The purpose of this report was to advise the Convention that local authorities had collectively delivered their commitment to protect teacher numbers, and

have therefore completed a critical element of the teachers' agreement struck through the Scottish Negotiating Committee for Teachers (SNCT) in May 2011.

Outcome

The Convention agreed to the recommendation of the paper, as follows:-

The Convention noted that the Scottish Government published the results of the September census on 7 December 2011 and that the target figure of 51,131 was exceeded, thereby going beyond local government's commitment to the teacher's agreement struck by the parties to the SNCT in May 2011.

3.4 Re-procurement of myjobscotland.gov.uk

The purpose of this report was to invite the Convention to agree, in principal, future funding of the "myjobscotland" recruitment portal, which is presently the subject of a re-procurement exercise. Once completed, and precise operational costs are known, a further report will be submitted to a future Leaders meeting setting out the funding commitment required of individual councils.

Outcome

The two recommendations made in the paper, were agreed, as follow:-

- i) The Convention noted that a re-procurement exercise for the myjobscotland recruitment portal is currently underway with the results to be known early in January 2012, and
- ii) The Convention agreed in principle, future funding of the portal, subject to a further report to a future Leader's meeting setting out the precise contribution required from individual councils.

4. Updates

4.1 Local Tax collection

Collections of Council Tax to 31 December 2011 are 85.54%, down by 0.07% on last year's at this time. This is better than the position reported at end of November which was down by 0.12%. The decrease is due in mostly to poorer collections via Sheriff Officer (0.07%) as they are finding it much tougher this year to make collections compared to last year, although December Sheriff Officer collections were slightly improved. Collections of Council Tax for 2010/11 year are 96.87% which is down by 0.02% on the previous year's at this time; similar to the position at end of November.

British Gas has advised that they will no longer operate the Council Tax Energy Efficiency Rebate Scheme for us. Members will be aware that we had

considerable difficulties in securing adequate service from British Gas, particularly in the islands. Officers will now see if we can make a more formal arrangement through the Energy Savings Trust.

Collections of Non-Domestic Rates to 31 December 2011 are 86.33%; up 0.10% on last year. This is an improvement on the position at the end of November, where I reported that we were up 0.73%. Collections for 2010/11 are 98.62%, down 0.23% on the previous year's; similar to the position at end of November. This reflects considerable difficulties in collecting the remaining debt with our Sheriff Officers; there are very few current arrangements in place.

4.2 **Benefits Update**

Officers attended a workshop on the Single Fraud Investigation Service (SFIS) in early January and already it is clear that Department for Work and Pensions (DWP) are realising the disadvantages of their preferred option (of leaving local authority fraud staff employed with local authorities but working to SFIS policies and procedures and managed through SFIS for a temporary period). DWP staff were unable to comment on whether Transfer of Undertakings (Protection of Employment) (TUPE) will be applied, which is a continuing concern. We are pleased that there are now signs that they are starting to design what the future service will look like, but this is still at a very early stage.

The DWP's launch of their phase 2 Automated Transfers to Local Authority Systems (ATLAS) service, designed to update changes in benefit claimants details directly to local authority systems, has been delayed till 23 January, due to a number of issues being experienced in the pilot sites.

The new "under 35 rules" will start to apply from this month and the Local Housing Allowance (LHA) transitional protection rules will start to end shortly. With the proposed freeze on LHA rates starting this April and unemployment expected to continue to rise, a great deal of time will be used to explain to customers, landlords and stakeholders what to do.

Ahead of the introduction of Universal Credit the Communities and Local Government Select Committee has published its report into Localisation issues in Welfare Reform. This covered localisation of the Social Fund, and localisation of the support for Council Tax, as well as Housing Benefit changes. This highlights a number of concerns which we all share:

- We have seen little evidence to support the hope that new and better-paying jobs for individuals, to off-set the 10 per cent reduction in the benefit budget, will inevitably follow from these incentives; (Paragraph 44)
- We are concerned about the financial risk to local authorities from assuming responsibility, within a fixed budget, for a means-tested

benefit, for which demand could increase as well as decrease. Furthermore, a fixed grant will disincentivise efforts by local authorities to improve take-up among those groups who at present under-claim Council Tax Benefit. (Paragraph 48)

- We recommend that the Government delay the introduction of the new Council Tax support system by a year or more. (Paragraph 57)
- We understand and are sympathetic to the policy intention behind the Universal Credit, but believe that in the case of support for housing costs, councils should retain administrative responsibility. It is incongruous for a Government committed to decentralisation to plan to remove from local authorities a function which they administer well, in which they have irreplaceable expertise, and which greatly affects other areas of local policy-making and service delivery such as housing strategy and homelessness. Furthermore, while Universal Credit aims to make the system simpler, in splitting responsibility for Council Tax Benefit and Housing Benefit it may introduce unnecessary complexity for customers. (Paragraph 68)
- We are concerned about the potential negative impact of direct payment arrangements for the Universal Credit on social landlords. (Paragraph 72)

The Department for Communities and Local Government has published its response to this report, and, whilst acknowledging these concerns, does not appear to be planning any significant changes to its proposals.

However, a small number of local authorities and housing associations have been named as demonstration projects to run from June 2012 till June 2013 to test the direct payments of housing benefit to local authority and RSL tenants ahead of the introduction of Universal Credit from October 2013. This is to test concerns around whether claimants will manage to keep their rents up to date. None are in Scotland.

4.3 **Procurement and Commissioning update**

I previously reported that the Roads Capital Works contract won the Scottish Government Opportunities Award for the “Best Customer Engagement Initiative of the Year”. This project has also made the short list for the COSLA Excellence awards in the category of Achieving Better Outcomes.

The Tarbert and Oban Shred Pathways Projects contracts and the Housing Support contracts have now been awarded.

Officers have been trained on the Scottish Government’s new Bravo solution system which will allow for more control over evaluation and award of tenders. It will tie in seamlessly with the publiccontractsscotland website.

Meetings have been held with the administrators and the new operators for the two residential homes in our area which were part of the Argus Group.

4.4 **Customer Services**

Just under 88% of enquiries were dealt with at first point of contact through the Customer Service Centre (CSC) in November; a significant increase from the level in November (80%). This is mainly due to the improvement in the percentage for social work which is now 76.4%. The percentage of abandoned calls was 10.7%, which is down on the November figures reported of 8.6%. This was affected by staff using up their remaining annual leave in December. The Macfarlane server, which handles the telephony for the CSC, failed and had to be replaced. This took longer than expected, due to delays in deliveries due to Christmas business volumes. However calls were re-routed via Lync and this should not have been obvious to customers phoning in. Lync has added greatly to our resilience.

The new national Blue Badge Improvement Service went live on 4 January 2012 with very few issues so far.

Planning Enquiries are scheduled start being channelled through the CSC from 24 January.

Testing is under way on voice automation for taking payments which would allow this service to be available by phone 24/7.

The CSC was kept open till 10 p.m. on 5 January to assist members of the public who were continuing without electricity due to the stormy weather. On 6th January the CSC assisted with an outbound campaign to contact all households which were still without power to see if they needed further assistance.

4.5 **IT**

I reported previously on a concern over the funding of our network from 2014. A funding bid was submitted to the Scottish Government in relation to this funding gap in August and a full options appraisal and business case was presented to the Director Digital on 17 January for initial comment before going to the Cabinet Secretary for Infrastructure and Capital Investment. This takes into account the McClelland Review of Public Sector ICT Infrastructure and the developing strategy for the Scottish Public Sector Network (SPSN). The

continued investment and support from the Scottish Government has enabled a very effective network which enables strong public sector service delivery and supports connections from 145 schools, offices and other sites across Argyll and Bute. The current annual cost of this service is just under £1.5m but we only contribute £367,000 towards this because of funding from the Scottish Government. At present the availability of future funding is unknown. The Pathfinder North Options Appraisal and outline Business Case will be crucial in allowing the Scottish Government to make a decision on the future availability of funding. Officials within the Scottish Government have indicated that they will have developed a roll-out plan for SPSN with funding proposals by the end of March 2012, and that a decision on Pathfinder North will have been made within this context by then. The rationale applied by Scottish Government to support Pathfinder North 1 remains extant. Market failure remains in this most rural of areas resulting in disparity in telecoms pricing, compared to urban areas. The importance of a robust and reliable communications infrastructure cannot be over emphasised as it provides the bedrock to sustainable rural communities.

A new 3 year contract for telephone line rental and call charges has been awarded to Azzurri Communications which is expected to save c £54,000 on current costs of £340,000 p.a. The contract will commence at the start of February 2012.

The Oracle "Purchase to Pay" project has commenced. As a first step the Oracle Financials suite was upgraded to a later version of software in early December.

4.6 **Service review**

Revenues and Benefits, Procurement and Commissioning and ICT are all workstreams within the Support Services review. The Executive Summaries were presented to Members at the Executive on 15 December. All new and changed jobs have now been evaluated under the Gauge Job Evaluation System. The formal consultation with the trades unions began on 9 December and the trades unions have now confirmed that they are satisfied with the consultation that has taken place.