
LEADER'S REPORT: 27th February to 2nd April 2012

ARGYLL AND BUTE COUNCIL EXECUTIVE MEETING: 19th April 2012

1.0 2nd March, Argyll and Bute Renewables Alliance (ABRA) Meeting

I was delighted to chair and provide the welcome to all partners who attended the ABRA meeting which was held at The Scottish Marine Institute, Dunstaffnage, at the beginning of March. This meeting was a significant milestone, marking the first anniversary of the formation of the alliance. I spoke about how encouraged I feel about the significant progress made by ABRA in the last year and took the opportunity to thank our partners for their ongoing support and effort which is leading to significant progress.

The agenda for the meeting was mainly concerned with the following :-

- Review of the Action Points from the 28th October 2011 Meeting
- Review of the Argyll and Bute Renewable Energy Action Plan, presented by *Argyll and Bute Council*
- 'Tiree Onshore Scenario Mapping' Study, presented by *Julian Farrar, Ironside Farrar*
- Skills Development, presented by *Robert Orr, Skills Development Scotland*
- Community Policy – Progress Report, presented by *Argyll and Bute Council*
- Encouraging Business Growth Opportunities, presentation by *Highlands and Islands Enterprise*.

Further details of this meeting are available in the Leaders Report Pack. The Seminar below was held after lunch.

2.0 2nd March, EU Wind and Marine Energy Seminar, held at the Scottish Marine Institute at Dunstaffnage.

I was delighted to welcome all the guests to the Scottish Marine Institute at Dunstaffnage for our EU Offshore Wind and Marine Energy Seminar. Guests included; Fergus Ewing, the Minister for Energy, Enterprise and Tourism, Jean-Didier Hache (Executive Secretary), of the Conference of Peripheral Maritime Regions (CPMR), Andrew Jamieson, Markets and Regulations Director of Scottish Power Renewables and chair of Renewables UK, Calum Davidson, Director of Energy for Highlands and Islands Enterprise, Karen Fraser, EU Funding Executive of Scotland Europa, Shane Rankin, Head of Structural Funds within the Scottish Government, and Tim Hurst (Marine Renewables Manager), from the Scottish European Green Energy Centre

I felt that it was extremely gratifying that the work that has been carried out, by our Council, on Marine and Renewable Energy is being recognised and, for this

reason, is being supported by such high profile Individuals as those above. The event was also well timed, as the Scottish Government recently set out what are currently the most ambitious targets in Europe, looking towards 2020 for the development of renewable energy in Scotland and it is imperative that we are in a position to capitalize on appropriate opportunities, connected to the Scottish Government's vision, as they arise.

3.0 7th March, COSLA Resources and Capacity Executive

I attended the above meeting in Verity House Edinburgh. The agenda was as follows:-

Items taken in Private Session

- Water Direct
- Affordable Housing Supply Programme

Items taken in Public Session

- Welfare Reform
- Capital and Infrastructure Investment Update
- Increase In Distribution Use of System (DUoS) Charges for unmetered Electrical Street Furniture
- EU public procurement and state aid reviews

Although I am unable to report on the items that were taken in "private session", I have summarised the "public session" items for you below. Further details of the meeting are available in the Leaders Report Pack.

3.1 Welfare Reform

The purpose of this report was to update the Executive Group on the most recent work in relation to the Welfare Reform Bill and to seek political direction in developing the work.

Within the recommendations of the paper, the Executive Group was asked to note the update on Welfare Reform and specifically to note that:

- i. Discussions were continuing both at ministerial and officer level with the Scottish Government on a replacement for Council Tax Benefit from April 2013;
- ii. Discussions were due to take place with Ministers on closer joint working on Welfare Reform more generally; and
- iii. The Spokesperson would be fully involved in these discussions.

The Executive agreed to accept the recommendations.

3.2 Capital and Infrastructure Investment

The purpose of this report was to provide an update on the work of the Strategic Infrastructure Group, as requested at the last Executive Group meeting.

The recommendations within the paper invited the Executive Group to:

- i. note that a workplan to support the remit was being developed and would be included as part of the next Executive Group update; and
- ii. note that officers would write to councils asking for details of capital plans to help map out areas for inclusion in the workplan.

The Executive agreed to accept the recommendations.

3.3 Increase In Distribution Use of System (DUoS) Charges for Unmetered Electrical Street Furniture

The purpose of this paper was to advise the Resources & Capacity and Regeneration and Sustainable Development Executive Groups of the recently proposed increase in pass through charges involved in the Distribution Use of System (DUoS) charges for unmetered electrical street furniture and to consider any actions members would consider appropriate to lobby the power companies involved; OFGEM and the relevant Ministers in the UK and Scottish Government.

The recommendations of the paper requested that the Executive Group:

- Note the significant increases in the proposed pass through charges for 2012/13 which show substantial rises in DUoS charges for all councils across Scotland; and
- Mandate the Resources and Capacity and the Regeneration and Sustainable Development Spokespersons to write to the chairs of Scottish Power, SSE and the regulator OFGEM to seek an explanation of the significant increases in DUoS charges for 2012/13.

The Executive Group agreed to accept the recommendations..

3.4 EU Public Procurement and State Aid review

The purpose of this report was to provide an update on COSLA's ongoing work on a range of important EU dossiers concerning this Executive Group. At the previous meeting, Members had agreed a set of broad priorities on EU public service rules. Since then, the European Commission has tabled a large package of measures on Public Procurement, Shared Services, Public Services, Concessions and the review of the State Aid Guidelines. It was reported that COSLA was working with Councils and the Government on these issues and were engaging with their opposite numbers within CEMR and that this had been proving essential to influence most of these negotiations at EU level.

In the recommendations of the paper, the Executive Group was invited to:

- i. Note the recent proposals on the review of EU public procurement, shared services and state aid; and
- ii. Note the COSLA activities on the ongoing negotiations.

The Executive Group agreed to note the above information.

4.0 12th March, Gourock Dunoon Ferry Service Steering Group Meeting, with Alex Neil.

I attended the above meeting which was held at Scottish Government Offices, Atlantic Quay, Glasgow.

The agenda included items as follow:-

1. Draft Project Plan – Scottish Government
2. Argyll Ferries Limited – Improvement Plan and Performance Monitoring
3. Shore side Infrastructure – Scottish Government
4. Possible replacement of the MV AliCat
5. Financial case for a future non-subsidised vehicle service
6. Risks
7. Next steps

The meeting was very encouraging and demonstrated that progress had been made with the partners around the table. Documentation in connection with the agenda items above provided further evidence that all of the issues that have been raised in previous meetings are now being given proper consideration, through the previously reported Three Point Plan, and we look forward to further meetings to continue the progress made so far. There was acknowledgement from Argyll Ferries Ltd that they were going to have to work hard to restore customer confidence even as work had begun with the Scottish Government to seek alternative vessels and arrangements for the route. Papers and briefings for the meeting are available in the Leaders Report Pack.

5.0 14th March, Duke of Edinburgh Argyll and Bute Award Group

I chaired the above meeting which took place at Dunoon Grammar School.

The main topic for discussion was about preparing for the Royal Visit by the Earl of Wessex which will mark and celebrate the 21st anniversary of the Duke of Edinburgh Award in Argyll and Bute. It is very much hoped that the event would also be an opportunity to recognise the involvement of volunteers as well as achievement of young people over the twenty one years of the scheme in Argyll and Bute. I hope to be able to report further on the plans for the day and subsequently on the day itself. The full agenda for the day is available in the Leaders Report Pack.

6.0 15th March, Customer Management Project Members Event.

I was delighted to welcome all colleagues to the above event during which Council Officers provided members with an up-date on the progress of the Customer Management Project, taking stock of the Customer Service Improvement Journey which began before 2010 and which continues up until the present.

There were two main strands to the event:-

- the Workforce Deployment project and
- Customer Management Project.

The event explained how an earlier consultation process had identified four key areas for improvement which had resulted in specific work streams being carried out:-

- Managing Customer enquiries and service requests
- Encouraging customers to use low cost access channels, such as web self service
- Customer Service Points
- Customer Service Standards and Training

Presentations on the day took each of these four areas in turn to explain what work has been carried out to date through the project and what this means for us here in the Council, and of course, as members working on behalf of our constituents. In addition to the improvements in customer experiences which have been brought about, the project has brought about financial savings for our council.

Probably the most important message of the event was that customer service is the responsibility of all of us in the council, not any one project or group in particular. The Customer Management Project simply provides structure and focus for our Corporate approach.

Full details of the event, including information on the improvements made and the savings achieved are available in the Leaders Report Pack.

7.0 Highlands and Islands Conveners Meeting, Edinburgh, Friday 29th March

I attended the above meeting which was held at the Apex International Hotel at the Grassmarket in Edinburgh. I have included the agenda, with some detail from the meeting below:-

1. The Convention of the Highlands and Islands

Members were reminded that the next meeting of the Convention of the Highlands and Islands will take place in Stornoway on Monday, 25 June 2012. John Swinney, Cabinet Secretary for Finance and Sustainable Growth had spoken at the previous Convention, making the point that there needed to be real progress

between Conventions with a greater focus on action and outcomes; this was agreed by members. Ministers are keen that the agenda for the next Convention focuses on the economy and sustainable growth, in particular three issues of key importance/challenge to the Highlands and Islands economy, which are:

- Digital Connectivity
- Renewable Energy
- Employment and Skills

Given that economic focus, HIE and a number of Chief Executives have been tasked with developing detailed proposition papers to inform action.

2. The Crown Estate in Scotland

Members received a verbal update on the latest developments in relation to the Crown Estate in Scotland. The implications for Highlands and Islands Communities and the Councils which serve them of the outcome from the Inquiry were discussed between members and they agreed to note the current position.

**Please note that Argyll and Bute Council, Development and Infrastructure services have produced, for this Council's Executive meeting, a paper which provides an up-date for members on the outcomes from the Inquiry into the Crown Estate in Scotland*.*

3. Coastal Communities Fund – Big Lottery Fund

The Leader of Highland Council introduced the previously circulated correspondence between him and the Big Lottery Fund in relation to the operation of the Coastal Communities Fund. Also circulated was a note of a telephone conversation which took place on 20 March, 2012 between the Leader and Jackie Killeen, Scotland Director of Big Lottery Fund which set out the concerns raised by the Highland Council's Leader.

Members took the opportunity to discuss the issues highlighted in the quoted correspondence.

4. Emergency Towing Vessels

Members discussed the latest developments in relation to the campaign to retain the Emergency Towing Vessels in the Highlands and Islands.

5. University of the Highlands and Islands

Members discussed a report submitted by Highland Council which examined recent developments in relation to the University of the Highlands and Islands.

6. Highlands and Islands European Partnership Board

Members were reminded that a meeting of the Highlands and Islands European Partnership Board was taking place on Monday 2 April, 2012 at the Highland Council Headquarters, Inverness to discuss EU Cohesion Policy.

In connection with this, a report was circulated by the Highland Council to outline

the purpose of this meeting; to focus on the identification of regional investment priorities for future socio-economic development via European funding during the 2014-20 programming period.

Further detail of all the above papers are available in the Leaders Report Pack.

8.0 COSLA Convention, Edinburgh, Friday 30th March 2012.

I attended the above Convention which was held at COSLA's Verity House. The Agenda was as follows:-

Items to be taken in Private Session

1. Review of Community Planning and Single Outcome Agreements
2. Health and Social Care Integration
3. Consequentials
4. Council Tax Benefit Replacement
5. Affordable Housing
6. National Secure Care Contract
7. National Care Home Contract Settlement
8. Self-Directed Support Bill
9. Devolved School Management (DSM) Guidelines
10. Funding for the Scottish Child Protection Hub
11. Consumer Protection Landscape
12. European Union (EU) Funds

Items to be taken in Public Session

13. myjobscotland.gov.uk – Re-procurement of Service
14. COSLA Budget 2012/13
15. Changes to the COSLA Constitution

Due to the first twelve items having been taken in private session, I am, unfortunately unable to report on them although details of all items are available for viewing in the Leaders Report Pack.

Items 13 – 15 were, however, taken in public session and I have reported on these below:-

8.1 Re-procurement of Service for “myjobscotland.gov.uk”

The Convention was advised at its December 2011 meeting that the re-procurement of the myjobscotland recruitment portal was at an advanced stage and would be completed in early 2012. The Convention agreed to support the principle of continued funding and to confirm this decision at a future meeting once the outcome of the re-procurement was known and the precise costs to councils established. This report provided that detail and invited confirmation of future funding.

It was recommended that the Convention:

- (i) approve the reprocurement exercise that has been carried out;
- (ii) agree to award the contract to Lumesse Ltd as the myjobscotland service provider for the period April 2012 to March 2016; and
- (iii) agree to meet the cost of delivering the myjobscotland service as per the individual allocation of costs to councils set out in the paper

Members agreed to the recommendations of the paper

8.2 COSLA Budget 2012/13

The purpose of this report was to provide the Convention with the detail of COSLA's Budget for 2012/13 and to seek Convention's approval.

The Convention agreed to approve the proposed budget for 2012/13 which had already been considered by Leaders and had been recommended for approval.

8.3 Changes to the COSLA Constitution

The purpose of this report was to inform and seek agreement from Convention of proposed changes to COSLA's Constitution.

The Convention noted and endorsed the suggested changes to the detailed wording of COSLA's Constitution which had arisen from changes to COSLA's political structures as already agreed by Leaders.

9.0 European Partnership Board Meeting, Inverness, 02 April 2012

I attended the above meeting on the 2nd April with Robert Pollock, Head of Economic Development and Strategic Transportation and Mary Louise Rooney, Senior Development Officer.

The agenda items for the day included; a VC presentation by Christian Saublens of EURADA on EU2020, a VC presentation by Kat Feldinger from the Scottish Government on Scottish Priorities, a facilitated session on Regional Background, and a presentation on Fund Integration.

Following these items, the main priority for the day was a workshop concerning the Identification of Regional Priorities. The main aim of this workshop was to identify regional priorities for investment via the EU funding programmes for the 2014-20 period, the outcomes for which will be used as the basis for lobbying at European, UK and Scottish levels over the next twelve months, as crucial decisions are taken, and to inform the development of the Single Scottish Plan for EU funding.

The main outcome from the workshop was that HIEP have committed to being an

active partner with the Scottish Government in developing the new European programmes. They will provide the Scottish Government with a Highlands and Islands plan, based on information received back from a circulated questionnaire and the points made during the workshop discussions.

The plan will comprise 4 key elements:

- Why? – what are the key socio-economic conditions that set the context for the plan
- What? – what investment and development activity should the Highland and Islands programme focus on
- How? – options for how the new plan can be delivered
- Outcomes? – what will be achieved

Officers will now commence work on this and plan to circulate an early draft during the week commencing 16th April, along with a note of the workshop discussions.

Further information on this event is available in the Leaders Report Pack.

10.0 Up-dates

10.1 Local Tax collection

Collections of Council Tax to 31 March 2012 are 95.84%, up by 0.23% on last year's at this time. Part of this increase (0.14%) is due to higher levels of overpaid accounts and this will be reversed out in the final figures. The remainder of the increase is due to better collections by our sheriff officers over the last few months. Collections of Council Tax for 2010/11 year are 97.06%, which is down by 0.02% on the previous year's at this time.

Collections of non-domestic rates to 31 March 2012 are 97.75%, up 1.79% on last year. You will recall that last year's were affected by late running roll entries from the Assessor, which artificially depressed collections. Collections for 2010/11 are 98.66%, down 0.24% on the previous year's.

It should be noted that the figures quoted above are cash figures as at 31 March and the year end outturn figures will differ as these will be adjusted for accruals and any cash in transit at the year end.

The Council has now formally received notice from the Oban BID project of its intention to go to ballot within the next 12 months.

10.2 Proposed changes to Council Tax and Non-Domestic Rates

On 26 March 2012 the Local Government Finance (Unoccupied Premises etc) (Scotland) Bill was introduced into the Scottish Parliament and has been referred to the Local Government and Regeneration Committee. A call for written evidence has been received from this committee and submissions are due by 9th May. The Bill would allow regulations to be laid to alter the level of empty property relief from April 2013 for certain empty commercial properties under non-domestic rates. The proposal is that empty relief is restricted to 10% after 3 months exemption, reduced from 50%, with an expected resultant saving to the Scottish Government of £18m p.a.

It would also allow for regulations to allow local authorities to increase Council Tax charges on long-term empty homes from the same date. The current 10% discount would reduce to 0% and charges could be increased by a maximum of 100% (i.e. paying double Council Tax). There would be provisions for exemptions in certain circumstances and local authorities would also have some discretion. This aims to incentivise owners to bring these properties back into use. There was an earlier consultation on this proposal between October 2011 and January 2012 which this council responded to. This change is expected to raise c £12m - £15m p.a. for local authorities, but it should be noted there is considerable uncertainty over this estimate.

The additional monies raised for Non-Domestic Rates would be used to help counter part of the shortfall in block grant, and the additional monies raised for Council Tax would go to local authorities to help meet the shortfall in funding for a replacement Council Tax Benefit Scheme from April 2013.

10.3 Benefits update

The Scottish Government has now offered £23m to assist in bridging the £40m shortfall in funding for the replacement Council Tax benefit scheme for the first year from April 2013. The intention is to create a scheme that, in the short term, largely mirrors the existing system. It is now appreciated that once there is a move to Universal Credit with a single payment including housing costs, that it will be very difficult to continue to calculate Council Tax support based on Universal Credit in a similar way to what we have been used to in calculating weekly entitlement to Housing and Council Tax benefit. The basis of the scheme will probably need more radical reform and completely new systems developed to support it.

Further clarification has now been received about the proposed cap on benefits under Universal Credit of c £350 per week for single adults with no children and c £500 per week for couples or single parents. This only applies to households of

working age where no-one is in work, and also does not apply if someone in the household is in receipt of War Widows or Widowers Pension, Disability Living Allowance (Personal Independence Payments from April 2013), Attendance Allowance, Constant Attendance Allowance or the Support Component of Employment Support Allowance. In the first instance the cap will be applied by local authorities making deductions from Housing Benefit from April 2013. In the longer term it will form part of Universal Credit. We are expecting to receive a list from the end of April of potential claimants affected.

The Welfare Reform (Further Provision) (Scotland) Bill was introduced to the Scottish Parliament on 22 March 2014. This is an enabling bill conferring powers on Scottish Ministers to make provisions via regulations in consequence of changes to the new Universal Credit and Personal Independence Payments being created under the Welfare Reform Act 2012. The main aim is to maintain the legislative basis that underpins devolved passported benefits in Scotland such as free school meals and blue badge permits. The Department for Work and Pensions (DWP) has recently published its response to the report by the Social Security Advisory Committee (SSAC) on its review of passported benefits. This states that the Scottish Government will bring the SSAC report to its newly created Welfare Reform Committee, and accepts that a gradual approach to revising arrangements for passported benefits is likely to be appropriate and that any options for greater integration with Universal Credit is a matter for long term consideration. The Finance Committee of the Scottish Parliament has issued a request on 28th March for comments about the financial implications of this bill by 11th April. This will be responded to only in very broad terms, which reflects the fact this is an enabling bill with no specific regulations as yet.

A survey of landlords whose tenants receive Housing Benefit is underway. The results will be used to inform proposals to design a new Landlords Portal to answer their commonest queries.

10.4 Customer Services

Just under 78% of enquiries were dealt with at first point of contact through the Customer Service Centre (CSC) in March, which is very similar to the level I reported for January. Excluding social work and planning, 91.7% of calls were dealt with at first point of contact. For social work, the figure was 63.4% and for planning the figure was 40.5%.

The percentage of abandoned calls was 5.3% which is a further small improvement on the January figures reported of 5.8%. This has been assisted by employing a temporary part-time member of staff, and a request is being made to continue this additional resource during 2012/13 whilst the service review is being

carried out (and funded from underspend in 2011/12).

The “Tell Us Once” service went live on 13th March. This allows customers, if they choose, to notify multiple agencies on the occasion of a birth or a death at the same time as doing the registration for these life events.

The new 24 hour payment line went live on 26 March and in the first week, 17 Council Tax payments were made in this way. Initially, it is just available for Council Tax payments. Close scrutiny is being paid to any reasons for customers hanging up or bailing out to an operator, in order to fine tune and improve the service.

Testing of the self service switchboard is well underway, both by our own staff internally and by members of the citizens panel. This is helping us fine tune this service before launching it to the public.

The new Customer Service toolkit for staff has been loaded onto the Hub. This brings together all customer service improvement resources into place, making it much easier for staff to find.

A survey is underway through the Citizens Panel to review customer satisfaction with the various channels offered, and this will be used to inform the Service Review which is just starting for Customer Services and Registration.

10.5 IT

There is a separate report to the Executive on developments with the HIE BDUK project and the implications for Pathfinder North re-procurement.

Microsoft has now published its case study based on our implementation of Lync which was supported by them under the Lighthouse Programme. This has been widely reported in the computing press.

The strategy for desktop virtualisation has been agreed and a decision made to deploy VMWare View and VMWare ThinApp to support the Workforce Deployment Project's requirements. This will allow people to use designated desktops in an office readily; they will be able to access the full range of applications which they need without these having to be configured specifically for each individual. Also it will enable certain applications to be deployed much more easily, without having to physically upgrade each device used to run that application.

IT has made significant progress with the Server Replacement Project to upgrade

the now ageing consolidated servers in Campbeltown and Kilmory, much of which was procured in 2005. The aim is to provide a more modern infrastructure that will meet predicted 20% p.a. growth requirements, both in servers and storage for the next 5 years and provide much enhanced resilience such that each site will have the capacity to run the critical applications for the other site in the event of a disaster. The Campbeltown site will be de-commissioned, with the new infrastructure being split between Helensburgh and Kilmory. The project should be completed by the end of 2012. Tenders have been issued and awarded for replacement Unix equipment for the Campbeltown site, to be deployed at Kilmory.

A separate tender has been issued to replace the Windows equipment with responses due on 25th April. These tenders followed an evaluation of Cloud Computing which concluded that Cloud was not yet a viable strategy for providing the range of IT infrastructure services required by the Council.