

**22 January 2015**

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**LEADER'S REPORT**

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**1 SUMMARY**

- 1.1** This report outlines key activities undertaken within the role of Council Leader since the 19<sup>th</sup> November 2014, including; a visit to Oban and the Lorn Arc, a visit to Moray, meetings at COSLA (Leaders, Strategic HR Executive, Convention) and a meeting with Highlands and Islands European Partnership. Also contained in the report are up-dates relating to; Council Tax, Scottish Welfare Fund, Discretionary Housing Payments, Benefits processing, Empty homes, IT and the Customer Service Centre.

**2 RECOMMENDATIONS**

- 2.1** It is recommended that the Council notes the report and also notes that additional documents are available in a Leaders Report Pack through the Leadership Support Officer. COSLA papers and briefings are available for viewing by members, shortly after each meeting, in the Leaders Office.

**3 19 November 2014, Visit to Oban and Lorn Arc**

- 3.1** Depute Leader, Councillor Ellen Morton and I made the above visit and received presentations with Chief Executive, Sally Loudon and other Council Officers.

The purpose of the visit was familiarisation with the Oban area Infrastructure development sites such as; Glenshellach / Oban South, the North Pier, Dunbeg, Oban Airport and Barcaldine. Included in the visit was an intensive look at the Business Case for the Lorn Arc Tax Incremental Financing (TIF) programme, which outlines the proposals for delivering a circa £20m package of infrastructure improvements including access to the SAMS / European Marine Science Park (EMS) at Dunbeg, measures to improve Port and Marine facilities within the Lorn Arc area and other business related infrastructure developments which will support the delivery of the Local Development Plan and assist population growth through inward investment and the generation of new employment opportunities.

**4 20 November 2014, Visit to Moray**

- 4.1** Depute Leader, Councillor Ellen Morton, Chief Executive, Sally Loudon and I embarked on a fact finding trip to Moray, with other Council Officers, to learn

from the successes of the Moray Economic Partnership (MEP) which was formed in response to the closure of military installations in the area. These closures were widely recognised as having the potential to adversely impact the local economy. We met the Leader and Chief Executive of the Council, members of the MEP and a number of successful local businesses and enterprise agents, primarily based at the new local business park. Whilst a much smaller geographical area, there are many commonalities with Argyll and Bute including; being a rural area, having a similar size of population as well as significant economic dependence on defence and rural jobs.

It was clear that a number of factors were contributing to the success of the MEP; I have listed some of these below:-

- Positive partnership working, supported by an effective Charter,
- Effective management of Public Relations, aided by a single point of contact for companies interested in doing business in Moray,
- Strong team-working with a constitution ensuring broad representation from a full range of public agencies
- A joined-up reporting structure connected to CPP (with the CPP acting as a challenging “critical friend”), with quarterly reporting providing focus,
- A sound structure for the board and its sub-groups which include; elected members and representation from a broad range of business types, all supported by flexible governance and targets which are responsive and proactive with emerging opportunities,
- Well promoted strategic transport service routes to the site.

In addition, to the above, Moray Council is working to promote its services and facilities, especially its education system, outwith the area to attract in-migration.

The very structure of the MEP ensures that links and relationships are maintained and this “joined-up” approach gives confidence to investors and supports inward investment.

Significant also to the MEP’s success has been that the RAF provided a unique selling point through the facilities provided and a legacy of skilled personnel. The local Chamber of Commerce provides additional knowhow, networking and experience into this successful mix.

The visit to Moray was a valuable experience and the delegation came away from it with a number of key messages and actions which can be applied to the Argyll and Bute Area, as we work together to deliver on the Single Outcome Agreement.

## **5 COSLA Leaders meeting. Friday 21<sup>st</sup> November 2014**

- 5.1** I attended the above meeting which was held at Verity House, Edinburgh. The agenda was as follows:-

### **Items taken in Public Session**

1. Distribution Issues
2. Scottish Safety Camera Review Programme

### **Items taken in Private Session**

3. Charging Guidance – Financial Assessment Template
4. Improving Delayed Discharge Performance in Scotland: Towards a Personal Outcomes Approach
5. Delivery of Living Wage in COSLA-negotiated Social Care Contracts
6. Improvement Support Arrangements for Health and Social Care
7. Commission for Developing Scotland's Young Workforce
8. Youth Employment Scotland Fund
9. Holiday Pay
10. Financial Compensation for Community Charge Legislation
11. Impact of Smith Commission on Welfare Changes
12. Regeneration Capital Grant Fund
13. Roads Collaboration
14. '.scot' Internet Domain

As usual, I am unable to report on the items taken in Private Session. However, I have reported below on the items taken in Public Session.

## **5.2 Distribution Issues**

The purpose of this report was to ask Leaders to consider and agree recommendations from the Settlement and Distribution Group (SDG).

Within the recommendations of the paper, Leaders were asked to agree the following:-

- i. 2015/16 capital funding for the Extension of Childcare to 2 Year Olds as set out within the paper
- ii. capital funding for Free School Meals as set out within the paper
- iii. revenue funding associated with four provisions in the Children and Young People (Scotland) Act
- iv. Discretionary Housing Payment funding for 2015/16
- v. Smarter Choices Smarter Places funding for 2015/16
- vi. Home Energy Efficiency Programme funding for 2015/16
- vii. Self-directed Support funding

### **Council Position**

The Council's position was to agree to the recommendations of the paper

### **Outcome**

Leaders agreed to the recommendations of the paper

## **5.3 Scottish Safety Camera Review Programme**

The purpose of the paper was to advise Leaders of the conclusions of a review of the Scottish Safety Camera Programme, undertaken by an Executive Board of officers, which sought to ensure a clear vision and purpose for the Programme going forward. The review made recommendations to Leaders for the future delivery of the Programme, its

governance and its funding structures.

Within the recommendations, Leaders were invited to:-

- i. agree to the proposal, developed by the Scottish Safety Camera Programme Review Executive Board,
- ii. to strengthen local oversight and scrutiny of safety camera deployment through Local Policing Plans, sharing capacity and services across three main command and control areas in Scotland under the operational control of the Police, but with national strategic oversight by the Road Safety Strategic Partnership Board, which will include Local Government representation.

### **Council Position**

The Council's position was to agree the recommendations of the paper

### **Outcome**

Leaders agreed to the recommendations of the paper.

## **6 24<sup>th</sup> November, Highlands and Islands European Partnership (HIEP) Board Meeting**

### **6.1** I attended the above meeting by Video Conference (VC).

It was agreed that the VC with MEPs (covered in the previous Leaders Report) had been beneficial but did not provide sufficient time for a full discussion of all the issues on the agenda. Future VCs, which will take place more regularly, will be more theme based.

The UK Partnership on the development of European Structural and Investment Funds (ESI Funds) has been approved and the next stage in this process will be approval of the Operational Programmes (OPs). This will then enable Strategic Intervention submissions to be approved. A provisional timetable was issued by the Scottish Government but HIEP partners felt that the timescales involved were very tight.

An update on the recent Highlands and Islands Territorial Committee (HITC) and Joint Programming Monitoring Committee (JPMC) was provided for partners. The most significant development of the HITC meeting was agreement that all HIEP partners will be represented on the Committee in future. For Local Authorities, this will either be elected members or officers depending on the items being discussed. The role of this committee has still to be clarified, although it is clear that it will not be a decision making body. A Scottish Smart Specialisation Strategy is currently being drafted with input from SE/HIE. It is important that regional differences are reflected in this document and HIEP are keen to have input.

Briefly discussed was the review of HIEP priorities although this item will be revisited at a later date. It was agreed, however that HIEP needs to be fit for purpose and its priorities would reflect this.

A study tour to Brussels was proposed to take place early in 2015 but it was acknowledged that it would be difficult to find a date which would suit all members. Our attendance will be dependent on the date chosen and the

relevance of the itinerary to Argyll and Bute Council's priorities.

## **7 COSLA Strategic Human Resources Management Executive Group**

**7.1** I attended the above meeting at Verity House, Edinburgh. The agenda was as follows:-

### **Items taken in Public Session**

1. Presentation by Julie McGahan, Living Wage Accreditation Adviser, The Poverty Alliance
2. General Update Paper- Wood Commission, Job Evaluation, Equally Safe, Zero Hours Contracts Survey

### **Items taken in Private Session**

3. Local Government Pay 2015/16
4. Holiday Pay
5. Pensions
6. Single Fraud Investigation Service (SFIS) – Staff Transfers
7. SNCT and Teachers

I am unable to report on the items taken in private session, however, I have reported on the items taken in public session below:-

## **7.2 Presentation by Julie McGahan, Living Wage Accreditation Adviser, The Poverty Alliance**

During the above presentation we were presented with a new publication entitled "Living Wage: A Guide for Employers" around which the structure and the content of the presentation was based.

The main items explained were; the living wage rates (what they are based on and how they are reviewed), the case for the living wage, Scottish Employers that have adopted the Living Wage and the process of accreditation to become a "Living Wage Employer".

### **Council Position**

The position of the Council was to note the information supplied

### **Outcome**

Members agreed to note the contents of the presentation.

## **7.3 General Update Report**

The purpose of this report was to provide information to the members of the Executive Group on a range of issues relating to the workforce of Scottish Councils.

It was recommended that the Executive Group note the information provided in the report.

### **Council Position**

The position of the Council was to note the paper.

## **Outcome**

Members agreed to note the contents of the report.

## **8 COSLA Convention on Friday 12<sup>th</sup> December**

**8.1** I attended the above meeting which took place at Verity House in Edinburgh. The agenda was as follows:-

### **Items taken in Public Session:-**

1. Strengthening Local Democracy in Scotland
2. Constitutional Protection for Local Government
3. Lord Smith Commission
4. COSLA Convention Strategic Programme

### **Items taken in Private Session:-**

5. COSLA Budget 15/16
6. Future Model for Community Justice in Scotland

I have reported on the items taken in public session below:-

## **8.2 Strengthening Local Democracy in Scotland**

The purpose of this report was to ask the Convention to consider the parameters of a lobbying and campaign strategy in pursuit of stronger local democracy in Scotland, building on the Convention's endorsement of the Commission on Strengthening Local Democracy's final report in October 2014.

Within the recommendations, the Convention was invited to:-

- i. Consider and agree the key priorities to be targeted through campaign and lobbying, as set out in the paper
- ii. Consider and agree the parameters of the activity required to make progress against reported priorities
- iii. Note the campaigning and promotion activity that has already taken place as part of that process, and identify any further specific actions that merit particular priority; and
- iv. Agree to receive regular monitoring reports in order to scrutinise the progress that is achieved in prosecuting this strategy across the work of COSLA.

### **Council Position**

The position of the Council is to agree to the aspirations as set out in the paper

### **Outcome**

Members agreed to the recommendations of the report.

## **8.3 Constitutional Protection for Local Government**

The purpose of this report was to propose a campaign of activities intended

to ensure that local government becomes a permanent feature in Scotland and that it is given powers to operate free from interference and direction from central government. The activities are intended to keep local democracy on the political agenda over the next few years until a satisfactory position is reached.

Within the recommendations, the Convention was asked to comment on and endorse a four strand approach as detailed within the report:-

- i. to seek advice from COSLA's solicitors over whether the failure to address the recommendations from the Congress Monitoring Committee on compliance with the Charter on Local Self-Government creates a case for judicial review
- ii. to lobby for the inclusion in the Community Empowerment (Scotland) Bill of a clause placing a duty on Ministers to observe the Charter
- iii. to campaign for a constitutional position for Scottish Local Government in the proposed Scotland Bill coming from the Smith Agreement and
- iv. to campaign for a Local Democracy Bill

#### **Council Position**

The position of the Council was to agree the recommendations of the paper

#### **Outcome**

Members agreed to the recommendations of the paper

### **8.4 The Smith Commission**

The purpose of this report was to update Convention on the recommendations of the Smith Commission and provide an initial assessment of the challenges and opportunities that these may present for Local Government in Scotland.

Within the recommendations, the Convention was asked to:-

- i. Note the key recommendations made by the Smith Commission and the initial assessment of how these relate to the lines of argument set out in COSLA's submission;
- ii. Agree the principles set out within the paper as the initial basis for guiding negotiations regarding the local considerations required to develop and implement the package of powers over the coming period; and
- iii. Mandate COSLA officers to initiate negotiations with both the UK and Scottish Governments, focused on ensuring that the Smith Commission's commitment to further devolution beyond the Scottish Parliament is strongly reflected in how the proposals are implemented.

#### **Council Position**

The position of the Council was to agree the recommendations of the report.

## **Outcome**

Members agreed to the recommendations of the report.

### **8.5 COSLA Convention Strategic Programme**

The purpose of this report was to allow the Convention to decide a programme of work in order to enable it to carry out its new constitutional responsibilities. This programme of work will drive the Convention's activities over this year in order to ensure that COSLA's strategic responsibilities are achieved.

It was recommended that Convention discuss and:-

- i. Note that the key principles outlined in the Constitution that form the first section of strategic work programme;
- ii. Agree the workstreams that form the second element of the programme;
- iii. Agree the activities that form the third element of the programme, the relative priority of these activities and any specific timing suggestions;
- iv. Approve the use of governance structures outlined in the final element of the programme, which recognises the broad timetable of reports to Convention meetings, and the relationship between Convention and Leaders; and
- v. Approve the inclusion in reports to our governance structures of the contribution their recommendations make to the achievement of our strategic agenda.

## **Council Position**

The position of the Council was to agree, in the main, with the recommendations of the paper.

## **Outcome**

Members agreed the recommendations of the report.

## **9 Up-dates in relation to Council Tax, Scottish Welfare Fund, Discretionary Housing Payments, Benefits processing, Empty homes, IT, Customer Service Centre**

### **9.1 Local Tax Collections**

Collections of Council Tax to the end of January stand at 84.66%, which is 0.32% down on last year at this time. As previously reported, at the end of December, the collection figure was down 0.75%, so there has been some improvement here. This is due to the "schedule accounts" (for large landlords), collections were down by £104k last month but these have nearly all been paid now. I have been informed that many more people this year have asked to pay over 12 instalments instead of the usual 10 instalments and this is slowing down collections. If anyone tells the department they are struggling to pay, they would always be permitted to spread their payments over 12 months instead of 10 in order to avoid the accrual of arrears.



Sheriff Officer collections for 2014/15 are down by £274k (0.48% on collections) because the first summary warrant was issued three weeks behind schedule this year, due to a delay in awarding the new Sheriff Officer contract, and because more of their collections are being allocated to 2013/14 where these are up by £197k.

In contrast, collections are going well on the 2013/14 year, where 97.33% have been collected, which is 0.27% up on last year at this time. This is better than at the end of December, when the figure was 0.22% up. Because of the handover from the previous Sheriff Officer contract, more of these collections are allocated to older years than in the past and this is affecting collections of the current council tax year. This will start to change during the course of this month when the migration from the previous sheriff officer is completed.

As previously reported, a contract has recently been awarded to Datatank to carry out a single person discount review. Approximately 1800 letters were issued and after reminders were sent out, there are now just under 400 non-responders where discounts will be removed back to 1 April 2014, in addition to c 75 cases where customers have confirmed that discounts should be removed. It is expected that the Council will receive complaints from many of the non-responders after removal of the discount. This is likely to adversely affect collections in the New Year, by as much as 0.15%.

Collections of non-domestic rates are 84.09% at end of December, which is down by 0.01% on this time last year. This is much better than the position at end of November which was 0.49% down. These figures are always somewhat volatile up to this point in the year.

## **9.2 Scottish Welfare Fund**

In December, £44,347 was spent from the Scottish Welfare Fund compared to the monthly profile of £36,796 including carry forward. Cumulatively £301,422 has been spent for this year's applications compared to £279,567 profiled spend excluding carry forward (108% of profiled spend). The Council also has a balance of £38,115 unused from last year's carried forward underspend which more than covers the overspend year to date. Low priority items were being funded since June, however support has been reduced from start of January to only cover medium and high priority items, in view of the increased levels of spend. 26 community care grants are currently awaiting processing and a further 53 were part paid at the end of December.

## **9.3 Discretionary Housing Payments**

£594,290 has now been either paid out or committed to the end of December. This has utilised all of the Department of Work and Pensions allocation of £409,580 and has used £184,710 of the Scottish Government allocation of £375,838. 95 cases still await processing or further information. An underspend of c £135k, at the year end, is expected, based on current spend levels. Medium and high hardship cases are still being supported for all other priority groups. It is expected that there will be a much reduced sum

from the Scottish Government next year as distribution will be based on spend only on the under-occupancy cases. This is likely to affect the ability of the Council to support other priority groups next year. A report will be issued recommending that any underspend this year should be carried forward to next year to enable the Council to support more of these cases in 2015/16.

#### **9.4 Benefits processing**

New claims processing, year to date to the end of December, has taken, on average, 21.27 days; which is well within the Scottish average of 27 days for 2013/14. Changes in circumstances in the year-to-date to the end of December have taken, on average, 8 days which is also below the Scottish average of 9 days for 2013/14. In 4 of the last 5 months the department has met its accuracy target of 95%, although year-to-date it stands at 93.2%.

#### **9.5 Empty Homes Policy**

I previously reported that there were two double council tax cases going to the Valuation Appeal Committee (VAC) in December. One outcome from these cases is a recommendation from VAC that the council make an amendment to its current policy. Where a double charge is currently applied after 12 months, it is recommended that this is extended to 24 months, where planning permission or building warrants are needed. As a result, a policy change will be proposed for Policy & Resources Committee to consider.

#### **9.6 IT Service Contract with ACHA**

I reported previously that the IT services contract with ACHA expires in November 2015. A tender has been submitted and a presentation was made to them on 17 December. ACHA have delayed their decision, so it is unlikely that an outcome will be announced until late February or early March.

#### **9.7 Public Service Network re-accreditation**

The council's current accreditation expires on 26 January 2015. The department's first attempt at a submission indicated that there are a few easy to rectify actions outstanding. The one remaining issue is that all staff with network access must have a basic Disclosure Scotland check and this is not yet 100% complete. Significant efforts are being made to receive the outstanding forms from our staff. If these are not received in time, we will have to remove access to GCSX email and PSN services for those remaining staff where this check hasn't been completed in order to maintain our accreditation. This has the potential for some impact on service levels to our customers. Efforts will continue to encourage staff to complete their forms.

#### **9.8 Customer Service Centre (CSC)**

A customer consultation was carried out as part of the work in developing a new Customer Services Strategy. These results and our outline proposals were presented to members at the seminar on 1 December. This included a summary of the council's business case for the replacement of the customer contact systems. The proposed new strategy is now going forward to the Policy & Resources Committee for approval.

The percentage of calls to CSC being abandoned for December was 8.9% - above the 7% target, but an improvement on October and November levels. However the number of calls answered is up compared to last year by nearly 15 % (8296 calls answered compared to 7249 last year). Volumes were up across a wide range of services.