

- 1. Section One will comprise introduction following agreement by PDG.**

2.2. Current position and future aspirations (overall)

2.1 Argyll and Bute area

The Argyll and Bute Council area covers the second largest geographical area of any Scottish local authority stretching for over 100 miles from Appin in the north to Campbeltown in the south and more than 90 miles across from the island of Tiree in the west to Helensburgh in the east. It has six main towns, Helensburgh (14,900), Dunoon (8,300), Oban (7,800), Campbeltown (5,450), Rothesay (5,150) and Lochgilphead (2,100), 26 inhabited islands with a population of 16,000 and over 3,000 kilometres of coastline – more than the entire coastline of France.

Although the Argyll and Bute covers 690,900 hectares – almost a tenth of the total area of Scotland – it has a population of 91,300, which is less than 2% of the population of Scotland. This gives Argyll and Bute the third lowest average population density with 0.13 persons per hectare. While the population is aging with almost one quarter of inhabitants over 60 years old, compared with just over a fifth for Scotland as a whole, Argyll and Bute is the place to live. The authority has the highest percentage of recent in-migrants from England and the second highest percentage of Welsh in-migrants.

In the 20th century, tourism became a vital part of the Argyll and Bute economy, growing up alongside the more traditional industries of forestry, fishing and agriculture. Whilst all of these remain key industries, the largest sectors for employment are public administration and defence, which accounts for 16% of jobs. The next biggest sector for employment is tourism (14.4% though of course a range of other sectors also contribute to this), vehicle trade (12%) and health and social work (12%) followed by hotels and catering (9%), and agriculture including forestry and fish farming (6%). The overall unemployment rate in Argyll and Bute is 4%, which is the same for Scotland as a whole. However, the percentage of unemployed 16-24 years olds is 21%. This compares with a Scottish average of 28% giving Argyll and Bute the second lowest figure in the whole of Scotland.

Physically, Argyll and Bute is stunning. The claim to have the 'best environment' is not exaggerated. With wild and rugged countryside, mountains and lochs the area supports the most extensive range of flora and fauna in the UK. With such a precious asset, sustainability and environmental protection lie at the very heart of all development.

Argyll and Bute Council delivers a full range of services to its inhabitants. Education, housing, social work, transport and planning, the environment and leisure all fall within the Council's remit. Educational attainments are consistently above the Scottish average and 36% of school leavers go on to higher education compared with 32% for Scotland. Argyll and Bute is the seventh highest of all the Scottish authorities to have residents with a first degree or higher degree or professional qualification. The 36 elected members who serve on Argyll and Bute Council, along with the Council's 5,000 plus FTE staff aim to deliver quality services to everyone, whether they live in the heart of one of its thriving towns or on a remote island croft.

2.2 Argyll and Bute – the national political context

Local Government has been subject to a process of continuous change; the pace and magnitude of which has accelerated in recent years. The drivers for change are a combination of political aspirations and public pressure.

As part of the political drive for change, the Local Government (Scotland) Act 2003 puts local authorities in a powerful position to lead their communities and secure the delivery of better, more responsive public services. The Act gives councils more flexibility and responsibility, and encouragement to work with communities and partners - public, private and voluntary - to plan and provide services. In addition to the statutory duties of Best Value and Community Planning, the new Power of Well-being (which is a general power to allow local authorities to incur expenditure on the promotion or improvement of the well-being of their area) will help local authorities to develop a broader and more innovative community leadership role.

Outside the current three year settlement for local government (to 2005/06) it is likely that, while the council will continue to campaign for a more equitable grant distribution, resources will continue to be a constraining factor upon the Council. The Council will therefore need to look at savings in the medium to long-term of £2.5M - £3.5M annually. Section 7 sets this out more fully. The Council will require to align its aspirations in line with the level of overall resources available. There will be a continuing drive to deliver services in a cost effective and innovative manner and striving, as an efficient Council, to deliver Best Value.

The abolition of Section 94 consent and the introduction of the prudential framework to control capital expenditure and borrowing will be a significant change to the way local government finance is managed. Whilst it will allow an element of freedom it will also place a heavy responsibility upon Councils to determine their own levels of capital expenditure and borrowing taking account of affordability and prudence in a clear and transparent manner in a way that is consistent with proper asset management planning and options appraisal.

All political parties acknowledge the need to invest in public services and link this to reform to drive up standards, to make them first class, responsive and efficient. Any investment would need to be matched by changed working practices and 21st century attitudes.

For Argyll and Bute Council this means reviewing the way services are delivered and our efficiency; improving our knowledge of service users and focusing on their needs; and providing flexibility in employment practice. The system of Best Value can be used to provide sustained improvement and help the council to achieve excellence in approach and excellence in delivery.

As part of the Scottish Executive drive to modernise government, local authorities must continue to make better use of technology for access to and delivery of services. Argyll and Bute Council has already taken this forward with its award-winning Three Islands Partnership and successful bid for Digital Communities which brought internet access to 2,000 households in north Argyll islands.

Partnership working is becoming well established in Argyll and Bute and the Council is ahead of many local authorities with the development and leadership of Argyll and Bute Community Planning Partnership. This partnership has brought together a wide variety of agencies to help promote the economic, health and social development across the area.

The delivery of Community Care through Joint Futures brings together the skills and resources of Argyll and Bute Council, NHS Argyll and Clyde, Communities Scotland and other agencies in the public, voluntary and private sectors. A similar partnership framework has been established to help deliver the Children's Service plan.

The drive towards establishing external partnerships coupled with the need to critically examine the quality and performance of services also challenges the traditional roles, responsibilities and organisational structures of, and relationships between, internal service and functional departments. The Community Care and Changing Children's Services agenda requires closer working between Social Work, Housing, Health, Education and Leisure.

A strategic directorate approach has been adopted by a number of local authorities, which recognises the need to move away from traditional departmental structures and enable better integration between services. The Council needs to be closer to its customers to focus on their needs and ensure equality of access to services.

To achieve the aim of being the best rural authority in Scotland, the Council's employees need to be supported, committed and motivated to provide excellent and inspiring public services. To enable this to happen the Council needs to celebrate and reward high levels of performance and tackle poor performance.

The current modernising agenda looks likely to continue and to meet the challenges of this the Council needs to have an appropriately skilled workforce. The Council will need to be able to deploy a new range of skills if it is to succeed in working in partnerships with other local authorities and private, public and voluntary sector organisations. The increasing need to consult and engage with communities places similar demands on the organisation. The effects of developments in ICT, globalisation, new types of social exclusion and citizens' expectations, to name but a few, will all impact on the working practices of the Council and the skills it will demand from its workforce.

2.3 Argyll and Bute Council

Argyll and Bute Council began on 1st April 1996 following local government reorganisation. It is the result of the amalgamation of the former Argyll and Bute District Council, part of the former Dumbarton District Council, the old Argyll and part of the old Dumbarton sub-regions of Strathclyde Regional Council. Since establishment there have been some developments in the political structures of the Council. Perhaps the most significant of these was in May 2001 when the Council redesigned the Committee structure from a functional committee structure to the present Area and Strategic Policy Committee as illustrated in diagram 1 below.

At the political level 36 Councillors serve the Council in the following political affiliations:

21 Members of the Group of Independent Councillors
 8 Members of the Scottish Liberal Democrat Group
 3 Members of the Scottish National Party Group
 2 Members of the Conservative Group
 2 Members of the Argyll and Bute Independents

Diagram 1 below indicated the political structure of the Council.

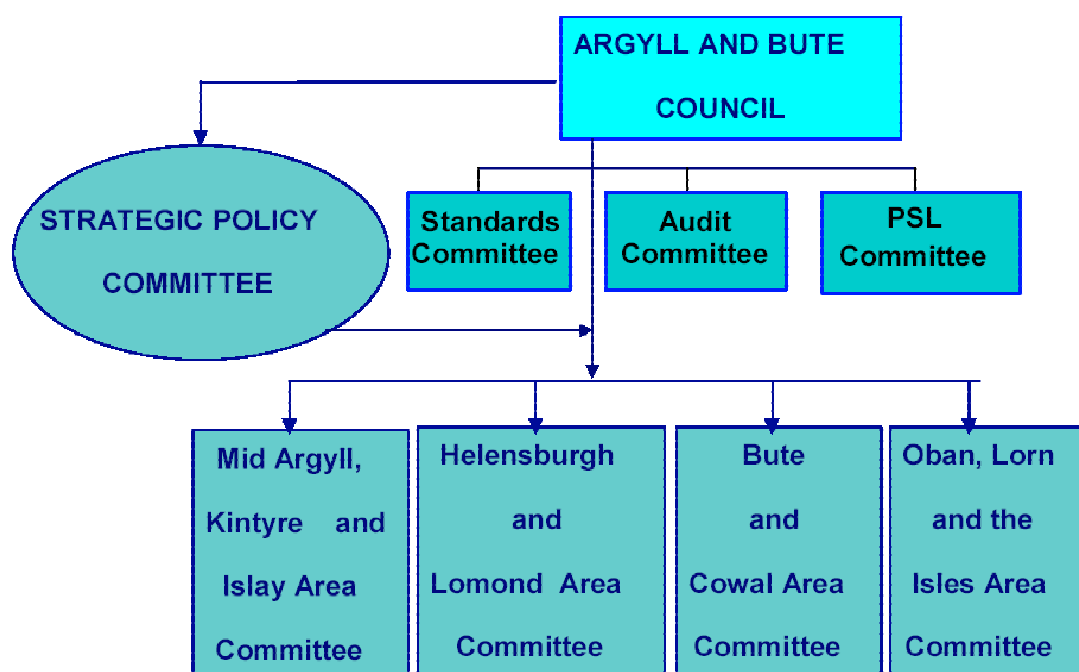


Diagram 1

Strategic management is undertaken through the Strategic Policy Committee (SPC). This operates on a two-phase cycle addressing Corporate, Environmental & Transportation, and Social & Educational issues. Four Area Committees have been established.

1. Bute and Cowal
2. Helensburgh and Lomond
3. Mid Argyll, Kintyre and Islay
4. Oban, Lorn and the Isles

The areas were established to:

- Reflect the geography of Argyll and Bute
- Acknowledge the diverse needs of the differing communities
- To provide focus for local political representation and service delivery

Diagram 2 illustrates the geographic coverage of each of the Area Committees.

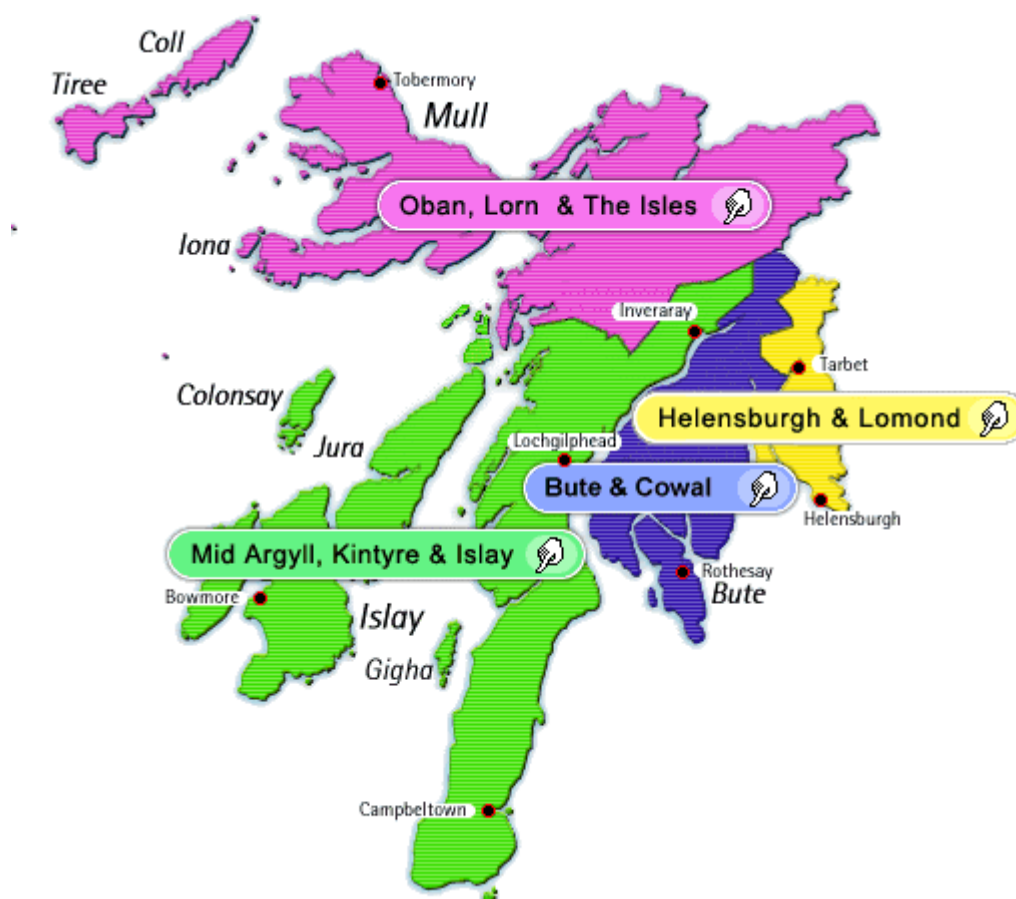


Diagram 2

Area Statistics

Area	Population	No. of Councillors
Mid Argyll, Kintyre & Islay	21,743	9
Oban, Lorn & the Isles	19,164	8
Bute & Cowal	22,590	9
Helensburgh & Lomond	27,809	10

The Area Committees have a wide range of delegated powers including for example agreeing local area strategic plans and monitoring the quality and performance of those services that are delivered locally.

At the organisational level the Council has gradually reduced its functional management. In 1996, for example, the Council senior management tiers included a Chief Executive, 12 Directors and 26 Heads of Service. By 2000 the structure consisted of Chief Executive, 6 Directors and 23 Heads of Service.

2.4 Aims, Objectives, Priorities, aspirations for Argyll and Bute Council (what does the best rural authority look like?)

The Council has set itself challenging aims and objectives as set out below.

The Council's overall aim is

- *To play a full part in improving the quality of life for the people and communities of Argyll and Bute.*

Working with others the Council's goals are to make Argyll and Bute:

- A good place to live, work and visit with a clean, safe and attractive environment, which we will protect and enhance.
- A place with a good range of jobs, in which we will help sustain and stimulate economic development and employment opportunities.
- A caring community, where people can live with dignity and where there is maximum opportunity of access to the Council's services for those who need them.
- A place where people have control and influence over their lives, where communities and citizens are valued and encouraged to develop and express their needs and aspirations and participate as partners of the Council.

The key values, which guide the Council in everything it does, are:

Getting closer to our Communities

- The Council will actively listen to and value the views of the communities.
- Establish good communications, which are open, frequent, clear and direct, will be everyone's responsibility.
- Decentralise services to bring them closer to communities and recognise the differing needs of those living in urban, rural, remote and island areas.

Valuing our Employees – the Council will:

- Listen to its employees and value their contribution, keeping them informed and consulting them on issues, which affect them.
- Treat everyone fairly and support them with the training tools and resources they need to ensure the objectives of the Council are met through their skills and commitment.
- Devolve decision making with trust and confidence in our employees and encourage co-operative working across organisational boundaries.
- Support the continued training and development of its employees, to build upon their commitment to customer service, and maximise and their skills and talents to allow them to compete on quality and price where services are exposed to competition.

Working with our Partners – the Council will:

- Foster partnerships and co-operation with organisations in the public, private and voluntary sector.

And Finally:

- The Council will ensure that the services it provides are delivered in a fair, consistent, efficient and effective way taking into account their social and environmental impact and the needs and aspirations of communities and individuals.

Our contention is that the people of Argyll and Bute deserve the best. And that Argyll and Bute Council should aspire to be the best rural authority in Scotland. But, if that is to be our vision then we need to be clear on what we mean by 'the best' and how we plan to measure our progress.

We suggest that we should aspire to the highest levels of customer satisfaction; of service performance; of responsiveness to the issues that matter in Argyll and Bute; and in making sure the public receive full information on our plans, actions and achievements.

We should have the most satisfied customers

Customer satisfaction should be measured on a regular basis taking into account:

- how responsive we are
- how approachable we are
- how fast we are
- how user friendly we are
- are we value for money

We should deliver quality services to everyone.

We should be seen to challenge distance, isolation and rural deprivation to deliver quality services to everyone

We should address the issues that matter and be SEEN to do so.

We need to be selective and focussed on the issues that matter to the people of Argyll and Bute and create a distinctive voice for the needs of this area. These should have wide ownership within the organisation, be supported and updated by appropriate background research and promoted at every appropriate opportunity.

We should send out clear and consistent messages and mean it.

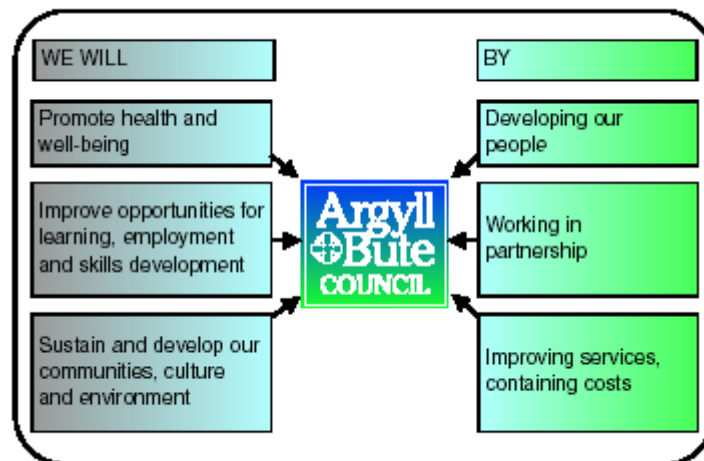
Where we can make a difference we will do it ourselves.
Where change is needed we'll fight for those changes
We'll keep you in touch and listen to what you have to say.

3. Corporate Plan 2003-2006

Introduction

The achievement of any plan depends on setting clear goals. This plan is no different to any other in that regard.

The overall statement of the council's goals is captured in the diagram below. These represent both policy objectives (on the left hand side) and key methods of working (on the right). The successful implementation of the corporate plan depends upon progress on all six aspects of the diagram being achieved.



The council's corporate and departmental plans are designed to enable elected members, staff and the public to understand clearly the links between the work of individual services and the overall goals of the organisation. But it is also designed to capture the whole picture – in recognition that the council as a whole represents more than the sum of its parts. The council is about service delivery, but it is also about democratic leadership for the community of Argyll and Bute: about setting ambitions to make the area a better place to live, work and play as well as to make the council a better organisation.

Context

In the next twelve months, a number of key challenges will be facing the council:

- Local government elections in May 2003;
- The passage of the Local Government Bill through the Scottish Parliament;
- And the carrying through of the results of the 'What and How' review to successful implementation of organisational, cultural and structural change within the council.

The **Local Government Bill** will place a statutory duty on councils to secure best value in service delivery; will require the council to lead all the public agencies operating in the area in a Community Planning partnership and will give councils a new 'power to advance the well-being' of the area. The Bill will also change the whole legal regime around councils' trading activities and may offer a number of opportunities to the council to change the way in which services are currently organised.

The Scottish Executive are pursuing a number of **national initiatives** which depend upon local authorities' ability to deliver if they are to succeed: perhaps the most significant among these is the social justice agenda which is to be taken forward through local partnerships.

There are also a number of major **service-based developments** underway:

- The schools estate public-private partnership project (NPDO);
- The large scale voluntary transfer of the housing stock;
- The developing joint futures agenda between the council and the health service in elderly care;
- The 'Fusions' project for integrated services to children in Argyll and Bute.
- The continued implementation of the McCrone agreement on teachers' terms and conditions;
- The implementation of the national single status agreement;

All of our plans – and each of these challenges – will need to be met in the context of **limited resources** and a poor overall financial position. The strategy over 2003-6 will need to incorporate an adjustment of organisational ambition and practice to enable a move to a sustainable use of resources.

In the last twelve months, a series of **strategic reviews** have been carried out on behalf of the management team. These were:

- Human resource management;
- Partnership working;
- Relations with the voluntary sector;
- Knowledge management.

The work of these reviews, and of earlier reviews into property and leisure management, has been supplemented by the overall 'What and How review' – but a key task for 2003-6 will be to resolve the findings and subsequent actions of these reviews into a programme for implementation. We will also need to take forward an examination of the council's approach to risk management, disaster recovery and business continuity planning as a key corporate issue in 2003-2004.

Financial Resources

A financial settlement covering the 3 year period from 2003-2004 to 2005-2006 was announced in December 2002. This covers both revenue and capital expenditure for councils.

Government support for revenue expenditure through aggregate external finance will be £149m, £158m, and £163m for the years 2003-04, 2004-05 and 2005-06 respectively. This compares to a figure of £136m for 2002-03. Within this additional funding there are a number of commitments to additional burdens or requirements placed on the Council by central government of the McCrone agreement on teachers pay and conditions, free personal care and increased police funding. In addition the increase also includes funding for quality of life projects and the cost of financing capital expenditure. The increase will require to fund inflation and pay awards.

A pay award of 4% has already been agreed for 2003-04. The impact of the McCrone agreement on teachers pay is estimated to add 4.5% to the pay bill for teachers. Increases in employers national insurance have added a further 0.5% to payroll costs.

Within the above envelope of resources council tax has been set at an increase of 2.9% for 2003-04 and indicative increases of 2.9% for both 2004-05 and 2005-06. For 2003-04 savings are required of £2.7m. However a number of additional budget provisions are currently being considered which would increase the savings required by £1.6m. in late years council tax at these levels can only be achieved after reducing service costs by £0.9m and £3.5m in 2004-05 and 2005-06.

The major point to note in respect of capital is the removal of capital consents in 2004-05 and their replacement with a prudential framework to control borrowing and capital expenditure. In addition capital grants will be introduced for private sector housing and the Public Transport Fund. For planning purposes the 3 year capital plan has been based on the consent issued in the settlement for 2003-04. The same level of spending power has been assumed for 2004-05 and 2005-06 based upon notional consents in the settlement. However the impact of the prudential code will eventually determine the level of capital expenditure the Council can afford. The capital plan has been set at a spending level of £14m.

Actions

The work of the council depends upon members, managers and staff working together both to secure reliable service delivery to all parts of Argyll and Bute and to pursue new initiatives for service improvement and community leadership. The Council will continue to develop services in a spirit of continuous improvement, and under the challenge of a rigorous best value regime. Departmental plans incorporate significant actions towards the achievement of the council's strategic goal. Some of the main actions of corporate significance are identified below.

Promoting Health and Well-Being;

The Community Planning Partnership will agree a Joint Health Improvement Plan in March 2003. This plan will form the basis for corporate and service actions in promoting health in Argyll and Bute.

All services will attain the Bronze level SHAW (Scotland's Health At Work) award by October 2003.

The Council will commence work on the Campbeltown Community Project during 2003 to provide swimming and fitness facilities to the people of South Kintyre. The projected opening date is late 2004.

The council's Homelessness Strategy is nearing completion: the implementation of that strategy will be taken forward from 2003-4 onwards.

There is an identified need for improved sports facilities in parts of Argyll – notably Mid Argyll – the delivery of such facilities will be supported in the context of a sports development strategy currently being prepared.

Improve opportunities for learning, employment and skills development;

The Council will continue to implement the Economic Development strategy in partnership with the local business community, the local enterprise companies, the local economic forums and the wider communities and partnership structures.

The work of the Employability Team will continue to support individuals in the transition to paid employment.

The council will continue to support the work of the Community Learning pilot schemes and to encourage and support the development of Argyll College, further education provision in general and the University of the Highlands and Islands.

The council has already established a programme for the improvement of standards in schools. Argyll and Bute schools already perform above the national average: we will continue to pursue that improvement agenda.

Sustain and develop our communities, culture and environment;

The Council will be developing local plans for each of its areas following the adoption of the revised structure plan. The target date for adoption of the local plans is January 2005.

Each of the four decentralised areas has developed a plan for the future development of services in the area. These projects have been incorporated into the appropriate heading within this plan.

The Council will continue to develop plans for improvement in local infrastructure and public transport, but achievement of these plans will be dependent on the availability of resources from council, national or European resources. Key projects in this area include:

- Port Askaig redevelopment;
- Dunoon Pier and breakwater;
- Oban Airport
- Renovation of Bruichladdich Pier

The council will also continue to campaign for improved ferry links for communities in Argyll – notably the need to preserve and improve services between Dunoon and Gourock and the re-establishment of a year-round service between Campbeltown and Ballycastle.

We will seek opportunities to develop the physical infrastructure and capital assets of our towns and communities: for example the redevelopment of the North Pier in Oban and associated improvements to Oban Bay. The development potential of Oban in particular has been identified as a priority in the structure plan.

The council has identified the growth of renewable energy sources as an opportunity to improve the economic and environmental sustainability of Argyll and Bute. We will continue to promote the sustainable development of renewables – such as wave and wind power – and will incorporate a preference for the use of renewable energy in the council's own operational buildings.

The council is a key participant in the pathfinder project for the development of a broadband communications infrastructure in the Highlands and Islands. We will continue to participate in this project, while continuing to examine other options for the delivery of broadband Internet services to our communities. We have also pursued successfully the opportunity to establish the islands of north Argyll as a 'digital community'. The achievement of 100% access to ICT and internet technology in the community allows us the opportunity to assess the opportunities, difficulties, challenges in the widespread provision of online information and services to all parts of the community.

Developing our people;

The Human Resources strategic review pointed to the need to ensure that the council's workforce was equipped to deal with the management and service challenges that the future will bring. The Council's Personnel Service will develop programmes to address these needs alongside service departments.

The implementation of the single status agreement offers an opportunity to the council to ensure that its employment policies fully meet current best practice. This opportunity will be taken.

Working in partnership;

The Council will continue to play a leading role in the Argyll and Bute Community Planning Partnership.

The Council will look to improve the integration of service delivery through working more closely with its partners on:

- Service delivery – for example, Joint Futures; the Three Islands Partnership; shared facilities with partner organisations (e.g. with the Tourist Board in Inveraray);
- Back-office services – where efficiencies might be achievable through sharing of resources;
- Policy development – through the community planning partnership and other partnerships to ensure that the work of public agencies in Argyll and Bute is consistent, based on a shared understanding of the social and economic context of Argyll and Bute and adds up to more than the sum of its parts in its impact.

Improving services, containing costs;

Council services will each adopt a target for performance improvement. Attainment against performance targets will be reported to members and to management team on a regular basis.

The council will have an overall target of doubling the number of performance indicators in which Argyll and Bute performs in the top quartile of authorities in Scotland and of halving the number of PIs where performance is in the bottom quartile.

The council will seek to gain the efficiencies available from the increased use of technology by providing more services electronically and by increasing the proportion of internal communication and processes, which are handled electronically.

And there is much more that happens on a day to day basis that contributes to these objectives.

Review, monitoring and accountability

We cannot simply assume that the actions outlined above are having the desired effect, so the council will be preparing ways in which progress can be monitored: in terms of the real impact our actions are having. This will build upon the system of quarterly service performance monitoring that is currently being implemented.

Similarly, we do not assume that objectives that have been developed alongside our community planning partners will remain unchanged: the Community Planning Partnership is intending to review progress and refine its objectives in June 2003. The Council – newly elected in May – will also be assessing its performance and objectives for the 2003-2007 term around the same time.

These revised objectives – taken alongside the departmental plans – will form the basis of the council's report to the public on its performance during the period of this plan.

4 New service model for Argyll and Bute Council

4.1 Context and vision for service delivery

“The customer is the most important person on our premises. He is not dependent on us, we are dependent on him. He is not an interruption of our work, he is the purpose of it. He is not an outsider on our business, he is part of it. We are not doing him a favour by serving him, He is doing us a favour by giving us the opportunity to do so” (MK Gandhi)

The core of the council's activities is the services it delivers. The context is one of declining (or pressurised) resources but rising expectations. The squaring of that circle will require a complete change of current practice.

Our aspiration is that our services should be:

- Excellent delivering a quality of service that exceeds the customer's expectations
- Customer-focussed addressing the needs of an individual as a whole at a time and place that suits them and through a medium that meets their needs
- Joined-up working on the basis of effective service not professional, agency or departmental boundaries
- Responsive that is flexible and adaptable to individual circumstances and moves beyond the one size fits all tradition of mass public service provision

Our relationship with the public should be one where we:

- Make clear what we are promising to do;
- Accept and promote our accountability for delivering on our promises
- Are seen as an organisation that 'follows-through' in terms of service standards, performance management and continuous improvement.

Unnecessary bureaucratic rules should not be allowed to stand in the way of customer service excellence. We will make clear to all our staff that they have the personal authority to deliver excellence.

4.3 Services

Chief Executive's Service

Within the overall role of the Chief Executive as head of paid service with overall responsibility for a substantial multi-million pound business, the Council have set down four key objectives:

- Develop, lead and deliver an extensive change programme with a continued improvement in service delivery while progressing to a conclusion the Housing Stock Transfer and Schools NPDO.
- Build on the existing Community Planning Partnership and develop with them objectives for the area and appropriate networks for the delivery of these.
- Develop the Council's relationship both within and outwith Argyll and Bute with leaders in the voluntary, business and political worlds.
- Give Strategic Directors guidance for the Council's finance, people management and other resources in accordance with modern business best practice.

To support the Council and the Chief Executive in this Strategic Directors were appointed with responsibility for sharing the leadership in improvement and change management and supporting the corporate development of the Council. The Strategic Directors are also responsible for setting key strategic direction for their services and for monitoring delivery against key performance targets (operational responsibility resting primarily with Heads of Service).

How it Will Work

In order to free the Chief Executive from operational and administrative tasks to concentrate on the four key objectives the Chief Executive will be supported by Heads of Service with responsibility for:

- Policy and Strategy
- Personnel
- Strategic Finance

The grouping of functions is as set out in Annexe 1.

The role of the Corporate Policy unit is broadly fivefold. Firstly to be responsible for the Council's corporate communications approach which includes press and media relations, internal communications with our workforce and public relations and event management. The second aspect is the development of the high level strategic plans, which are corporate to the whole of the Council and to feed in to this process political and legislative developments. The third strand is about the performance of the organisation as a whole – monitoring and reporting our performance information, overall management of the Best Value Review programme, leading on corporate Best Value Reviews. The fourth is in relation to the overall development of the Community Planning framework, priorities for action and rolling it out to area level. Finally the management of a small emergency planning and advisory team is located in this unit.

The three main functions executed with Personnel are – Personnel; Training; Organisational Development and Management Services; and Health and Safety. Personnel Services are provided on the basis of a mixed economy of provision – some of the large individual services have their own in house personnel support while others have this provided by the central resource. The service also develops the corporate policies and procedures for the full range of people management activities to encourage a high standard of consistency of approach. The section also provides a welfare service and operates a corporate Human Resources I.T. system.

The Training section implements a training programme for common themes across services – e.g. interviewing, customer care etc. Some work measurement is also carried out to assess the work required for bonus schemes measurement.

The main focus of the Health and Safety team is on the safety and welfare of the workforce. The Health and Safety Executive emphasis its very much on better management, better people skills and persuasion so the emphasis is on training and development of people. The section is responsible for leading on the development and monitoring of the Council's corporate health and safety plan.

The Strategic Finance/Accounting services role is a key one in the Council and carries the statutory remit of the Section 95 financial officer. The unit is responsible for directing and co-ordinating the complexities of the Council's capital and revenue programme and budgets with close links to corporate policy and the service planning process. Of critical importance is the budget monitoring process, which goes on through the year. At the end of the financial year a major task is the completion of the accounts by the end of June and their external audit by the end of September, which is usually accompanied by an action plan for ongoing improvements. The unit also operates the Council's Treasury Management Policy and organises the Council's borrowings, cash and debtors. With the increase in ring fenced funding and the different timing and reporting arrangements to secure central government grant this has grown in importance and activity. Finally the Council's audit section, operated on a partnership arrangement with KPMG, carries through a work programme looking at effective management arrangements, system of internal control of operation and at finance and also responds to the necessity when it arises to investigate suspected breaches.

With the disappearance of a separate post of Director of Finance the operation between the Section 95 officer and me will be one of ongoing review between us to develop a common understanding. The area of strategic finance continues to be a critical area and one where there are major challenges ahead with the new regime for prudential borrowing, trading accounts, the next comprehensive spending review and the resources required to prepare for the Euro should a Government decide to give a signal to press ahead.

Priorities 2003/2004

1. Government Led/Driven/Focussed

- Participation on Project Board Highlands and Islands Broadband Pathfinder.

- Local Government Actdeveloping our response to
 - Best Value
 - Community Planning
 - Power of Wellbeing
- Campaign for re-allocation of resources – Economies of Scale, Supersparsity (which were identified as aspects of SINA) and McCrone

2. Internal

- Induction of new Council
- Establishment of new Council Committee Structures and Member/Officer relationship.
- Clarification of new Council's priorities for 2003-2007 (pan authority and at area level – the Corporate Plan) and what the leading rural authority will look like in 5 years time.
- Approval of report on Future of Organisation and service delivery around
 - customer centred perspective
 - performance and quality
 - enterprise and innovation
 - a “can do” and co-operative approach
- Achieve vesting date for new organisation of 18 August 2003.
- Completion by 31 March 2004 of organisational review to 3rd tier (and of internal departmental support services).
- Build an effective Corporate Management Team and a shared set of objectives/values.
- Commence programme of change management – Members/Officers.
- Progressing Housing Stock Transfer and linking it to the economic development of the area.
- Progressing Education PPP, linking it to the economic and community development of the area.
- Bronze Shaw Award for all services.

3. Partnerships

- Community Planning Development Day
 - clarification of priorities
 - structure /organisation to deliver priorities
- Establish sound working relationship with the new Chief Executive and Divisional Manager of NHS Argyll and Clyde.
- Support Joint Futures and Fusions.
- Identify and pursue other areas of jointing working.
- Determine future involvement with CoSLA or (alternative partners).

4. Areas for Improvement

- Council's PIs – what?? [List of Targets overall for 2003/04].
- Completion of financial control action plan within Education.

- Capital programme.....improved programme management and profile of spend.
- Health & Safety – sustain raised awareness during change management.

Corporate Policy	Personnel	Strategic Finance/Accounting Services
<ul style="list-style-type: none"> • Internal and external communications • Policy and Strategy Development • Research and Information • Best Value and Service Improvement • Performance Management • Development of Community Planning • Emergency Planning 	<ul style="list-style-type: none"> • Personnel Services • Training and Organisational Development • Training and Management Services • Health and Safety 	<ul style="list-style-type: none"> • Section 95 officer • Capital and Revenue Budgets • Annual Accounts • Borrowings, cash and debtors • Financial returns • Internal Audit
Budget £893k Staff 18? to be checked	Budget £1.185m Staff 28	Budget £2.110m Staff 52

Community Services

The establishment of Community Services is part of an overall review through which the Council is reflecting the national modernising agenda while addressing its financial pressures. This report will describe the organisational structure for Community Services. The Community services portfolio incorporates education, social work, housing and cultural services. The essence of the re-structuring is to improve the efficiency and effectiveness of all of the service areas. This will be achieved through streamlining and developing strong intra departmental working and rationalising any pre-existing duplication of functions within former service sectors.

The revised organisational structure reflects the changing context within which local government services operate. The modernising government agenda places an expectation upon the Council to work more with external partners and to deliver services as efficiently as possible to frontline users. The existing structure had moved some way in the direction of “joined up” service delivery by situating housing and social work in one directorate. The current re-structuring seeks to take this principle much further by having common cross cutting infrastructural support and shared direction on service delivery outcomes.

Whilst achieving greater efficiency and effectiveness by breaking down traditional departmental demarcation, it is essential that clarity and accountability is delivered as an integral part of the package to service users, elected members and the council's community partners and stakeholders. This is particularly critical in respect of the statutory functions.

Aims and Objectives

In determining the structure consideration has been given to the following key issues:

- Delivery of the Council's Corporate Plan and Community Planning Objectives
- Sustainability
- Capacity to cope with future change
- National agenda
- Development of partnership arrangements
- Customer needs

Within the re-structured service, heads of service and their teams will be expected to develop and deliver services with a focus on outcomes. Programme planning will enable Community Services to direct council and other resources to agreed outcome priorities and strong frontline services. The essence of re-structuring is to focus on customer needs, effective integrated working and the delivery of services in as direct and straightforward a manner as possible.

How the Structure will Work

The grouping of functions at head of service level in Community Services is set out below. These can be summarised under the following themes.

Children's Services – There should be a strong group of heads of service, working across existing/traditional service boundaries to deliver high quality children's services, from pre-school, through mainstream education, to children with additional educational needs, and on to the duties currently carried out by children's services social work.

There should be three heads of service to cover this area and their responsibilities are shown below.

Community Regeneration – This will put in place a dynamic cross cutting service to provide the lead on a number of significant issues relative to the Council's operations. This new head of service post would integrate elements from the former education, housing and social work and DES departments as illustrated in table 1. These include community capacity building and learning; sports and leisure; the supporting people programme; housing and council tax benefits; and the social inclusion programme.

Planning and Performance - This post will ensure the efficient and effective operation of the various component parts, which make up the Community services whole. There will be an overall management/co-ordination of significant areas of operation, including responsibility for preparing all statutory plans, quality assurance and other associated issues. It will also ensure co-ordination of activities tying into statutory performance indicators and Best Value. The final main area of responsibility would be the merging of departmental support services into a cohesive whole.

Adult Services – These functions are principally concerned with the areas of work currently undertaken by the heads of service for community care and integrated care within the existing social work service. There will be two substantive head of service posts on the establishment, although discussions with colleagues in Health regarding the longer term funding of the Head of Integrated Care will take place. Proceeding on this basis, the development of the Joint Future agenda with Health would mean that these two posts would be combined into one, which would be the Council's primary interface with the NHS, as soon as circumstances permit.

Other posts

NPDO – One of the existing education heads of service has been seconded to oversee the development/implementation of the Education NPDO. Once that matter has been brought to a conclusion, within two to three years, then there would be no further need for the secondment, and the postholder's former position would no longer exist due to the outcome of this review. A detailed list of activities for this post is not included in table 1.

Housing – The Council has now agreed, as advised by its principal consultants on stock transfer, DTZ Pida, to an early separation of those functions within the overall housing remit which will remain with the Council after any stock transfer, and those which will transfer to a new landlord. It is clear that the "new landlord" side of the divide will be a position at head of service level, and it will be necessary, within the overall timescale we are working to for the appointment of heads of service, to divide out the Housing functions on that basis. Assuming a positive ballot, the person appointed to the head of service post taking the lead on the "new landlord" role will, in due course, transfer to that organisation in terms of the TUPE Regulations. It is envisaged that this process will take two to three years.

Third Tier Implications

An immediate priority for the heads of service once appointed would be to work closely with the Strategic Director in finalising the details of the departmental management structure for what is, over 70% of employees within the Council. The full benefits of the re-structuring will not accrue until such times, as teams are located in functional groupings.

Accordingly, early priority will be given to establishing the third tier management responsibilities to ensure the necessary balance between effective professional service management and seamless service delivery from Community Services as a whole. The third tier framework will comprise:-

a) Pan Authority Responsibilities

Professional support and development, for example, Quality Improvement Officer, Secondary Education; Benefits and Welfare Rights Manager; Service Officer, Integration Manager, Children's Services.

b) Area level responsibilities

It is proposed that there will be three professional third tier posts in Community Services in each area, excluding the nationally agreed role of head teachers, to reflect the scale and diversity of operations. These posts will relate to Children's services, Adult Services and their interface with Health, and Community Regeneration. In each area, one of those posts will be nominated to take the lead role for ensuring the delivery of a one-door approach to Community Services and for actively participating in corporate service management at area level.

The revised structure will be closely monitored and reviewed during and after implementation. It is recognised the Council's re-structuring is a complex process and therefore a period of settling down is to be expected to achieved the necessary stability for the future. During this period of adjustment the requirement for some fine-tuning is a possibility. Subject to appropriate consultation being undertaken and financial parameters being maintained it is proposed the, Strategic Director should have flexibility to proceed with fine tuning arrangements.

Strategic Director – Community Services – Table 1

Head of Primary Education	Head of Secondary Education	Head of Children & Families	Head of Community Regeneration	Head of Planning & Performance	Head of Integrated Care	Head of Community Support
Primary Education	Secondary Education	Children's Services Planning	Community Learning & Development	Statutory & Strategic Planning	Assessment & Care Management	Residential Homes for Older People
Pre School Education	Additional Educational Needs (2-18)	Child Care Strategy	Community Capacity Building	Research & Information	Adult Field Work	Day care/Older People
Primary Modern Languages	Education Psychology Service	Out of School Care	Arts, Culture & Museums	Quality Assurance	Older People with Dementia	Resource Centres
Gaelic (2-18)	Specialist Support Network	Child Protection	Sport & Leisure Strategy	Service Commissioning	Adults with Disabilities	Homecare incl. Rapid response
Learning & Teaching through ICT (2-18)	Alternative Education Provision	Looked after & Accommodated Children	Social Inclusion Programme	Performance Systems & Monitoring	Mental Health	Purchased Services – Residential, day and homecare
School Board Support	Links with business & Industry	Youth Strategy	Libraries	Best Value	Welfare Projects	Direct Payments
Partnerships with parents	Education Maintenance Allowances	FUSIONS/New Community Schools	Housing/Council Tax Benefit	Property Management	Social Work Standby Service	Carers Services
Instrumental Instruction	School Attendance & Inclusion	Partner Services & Voluntary Sector	Benefit Fraud	Housing Transfer Client	Substance Misuse	Homelessness
	Placing Requests	School Hostels	Supporting People	Finance	Equal Opportunities	Better Neighbourhood Services
Liaison with HMI		Children with disabilities	Welfare Rights	Personnel	Health Improvement	Supported Accommodation
Implementation of McCrone Agreement		Committed Protection	Debt Counselling & Advice	IT	Development of Single Management System with Health	Mental Health Support Projects
National Priorities		Children's Residential Units	Voluntary Sector Partnerships	Transport Services		
Personnel (Schools)		Social Work Criminal Justice Services	Out of School Learning	Risk Management/Health & Safety		
School liaison			Ethnic Minorities Liaison	Emergency Planning		
School Review			Other Housing Capital Programme			
Continuous Professional Development						
Curriculum Development						
QMIE/ Education Inspection						
Quality Improvement Officer & Co-ordinators						
Budget £34.9m	Budget £30.3m	Budget £5.4m	Budget £39.4m	Budget £8m	Budget £13.5m	Budget £17m
People 929	People 829	People 153	People 256	People 105	People 129	People 791

Priorities 2003/04

1. General

All of the Council's Strategic Directorates will be involved in delivering on the list of priorities set out by the Chief Executive for 2003/04 – I am treating this as a given, and not repeating at length areas where Community Services will be involved.

2. Government Led/Focussed/Drive

- Development of Joint Future agenda for Adult Services
- McCrone
- Education Service Inspection
- Implementation of new Social Work legislation (including Adults with Incapacity, Mental Health Act, Direct Payments, Health and Community Care Act etc.)
- Continuing implementation of Housing (Scotland) Act 2001

3. Internal

- Develop/implement Community Services structure (Heads of Service, third tier and beyond) while ensuring continuity of service delivery
- Re-establishing existing/making new contacts with MPs, MSPs post election
- Developing/re-establishing relationships with Council leadership/wider membership post election
- Resolve outstanding minor issues regarding structure of the Council through the Strategic Management Team/Members
- Get Community Services Departmental Management Team in place and operational as quickly as possible
- Maintain/develop/expand communication strategies for Community Services – ensure swift/accurate dissemination of information.
- Implementation of promoted posts structure within Education
- Taking forward Education NPDO
- Taking forward Housing Stock Transfer
- Development of strategy for recruitment/retention of Social Work staff, including student sponsorship
- Health and Safety
- Trade Union Liaison

4. Partnerships

- Community Planning
- Health (particularly when current Health restructuring completed)
- Voluntary Sector
- Service Users/Carers

5. Areas for Improvement

- Statutory Performance Indicators – remove, qualifications from those indicators qualified in 2002/03
- Education budget monitoring/control/financial systems

'Breaking down Silos' both within Community Services and the wider organisation

Corporate Services

Corporate Service embraces developing, maintaining and supporting a range of services at the centre of the organisation supporting virtually all aspects of the Council's work. As such the corporate and support services which it will provide will maintain and support the Council and its Members, the Council as an organisation, other Services and employees individually and collectively. Essential frontline services will be provided directly to local communities, businesses and members of the public. Finally and crucially the Service will lead the examination and development of integrated contact and access arrangements between the Council and its customers.

1. Aims and Objectives

Corporate Services aims and objectives are to provide leadership around and services in support of –

- The Democratic process, for the Council and its Members (and electors)
- Governance and ethics, compliance and assurance
- Legal services in support of the Council, and the work of its various Services.
- A range of public services in the fields of –
 - Licensing and Courts
 - Environmental health, food safety, animal health, trading standards and consumer advice
 - Local tax collection and benefits
 - Integrated contact and access arrangements
- Procurement, creditors and debtors
- IT Services
 - Policy and applications development, implementation and support
 - Infrastructure development and maintenance

The majority of these service areas already exist within the Council. The challenge and the opportunity is to set the right framework for these to be developed and evolve cohesively, identifying the firm links and positive benefits of integrated working with the relevant units in other Services. The separation of supporting financial services from strategic finance, the latter in the CE's Service, will free up the Chief Executive and those involved in strategic finance allowing them to concentrate their efforts strategically where they ought to be. The bringing together of Legal and Protective Services is partly predicated on the concept that the Council is a regulatory body of external activity by businesses and individuals much of which is currently undertaken in the two currently discrete areas. The opportunity exists to examine the possibility of better integrating those services we provide to businesses and individuals in a way which combines the strengths of support and advice with regulation.

A new area is the development of Contact and Access Centre arrangements which progressively ought to provide an integrated entrance for our customers to access the services they require in the way they wish to access them. This is an exciting and challenging opportunity that the Council ought to grasp, and a separate report to be brought forward in the near future will deal in more detail with the Contact and Access Centre concept.

2. How it will Work

The initial grouping of functions in Corporate Services is set out at Annexe 2.

Democratic Services leads on promoting local democracy and community leadership; supporting councillors, committees and the democratic process as well as contributing to a range of corporate policy/strategy/project initiatives at the centre and in areas; and the increasingly important area of governance. Services offered directly to the public include local office access points, registration of births marriages and deaths, and archives. The Service will “champion” the development of an integrated Contact and Access Centre.

Legal and Protective Services provide a range of advisory and regulatory services to the public including district courts, liquor and other licensing, and advice to businesses and members of the public as well as regulation and licensing in the fields of public/environmental health, food safety, consumer advice, animal health and trading standards. The Service also looks after the acquisition, disposal and factoring of our property and provides the full range of legal advice, litigation and representation, and all debt recovery.

Financial and Information Technology Services collects the money which is due to the Council, pays our bills and the salaries of Council employees and makes sure that the information systems and technology are there to support our work across all areas of the Council’s operations, developing better and more effective systems to ensure that the Council exploits the benefits of information technology. Services provided to the public include collecting council tax and business rates, council tax benefits. The Service will champion the development of integrated supply chain systems and will lead on the technology involved in 21st century government systems and projects.

Third Tier Implications

It is difficult to put numbers and costs on this element. The creation of one Strategic Director in place of, in effect 1.5 (and 2.5 if IT is included) operational Directors, together with a leaner structure at Head of Service level means that it will be essential to ensure that gaps are not created which will give rise to service failures. There are certain assumptions on which 3rd tier developments will require to be based and these include the overall financial resource position of the Council over the next coming years, but also the overall savings which may be achieved at Strategic Director/Head of Service level within Corporate Services. As an immediate priority there is a perceived gap which will be created within Financial and Information Technology Services Division and in Democratic Services and Governance Division which will require to be addressed at third tier level. Similarly, but distinctly, the necessity in Legal and Protective Services to maintain adequate management of Protective Services is an immediate priority. The priority for the Strategic Director and the Heads of Service when appointed will be to work closely on the development of structures at 3rd tier and below both at the centre and in areas, and the benefits of the current organisational review will come to fruition when these functional arrangements are put in place. The 3rd tier and below framework will include those with professional responsibilities, some on an authority wide basis and some on an area basis.

3. Priorities 2003/4

General

Delivering on the priorities for the Council as a whole that are set out in the Chief Executive's list.

Government Led or focussed or driven

Ensuring the implementation of relevant new legislation and government initiatives, eg on ethical standards and governance, Local Government in Scotland Act, Adults with Incapacity, Freedom of Information, 21st Century Government/Modernising Government/e-government and e-procurement, to name but a few.

Internal

Develop and implement new Corporate Services structures and processes, including associated change management

Lead, inform, motivate new teams and individuals

Develop new Corporate Services Management Team and departmental support arrangements and systems

Develop new models of partnership working with all Councillors and particularly political leadership

Re-establish/make contacts with MPs and MSPs

Develop and embed collegiate working with Strategic Management

External

Maintain and ensure the continuity of frontline service delivery during the period of restructuring.

Partnerships

Community Planning

Area Strategies and community liaison

Voluntary Sector

Service Users

Areas for Improvement

Statutory and other Performance Indicators

Taking forward existing Best Value reviews and developing new areas

BPR processes for review

<u>DEMOCRATIC SERVICES AND GOVERNANCE</u>	LEGAL AND PROTECTIVE SERVICES	FINANCIAL AND INFORMATION TECHNOLOGY SERVICES
<u>MEMBERS SERVICES</u> <ul style="list-style-type: none"> • Elections • Council Secretariat • Members Services • Area Committee Support <p>PUBLIC SERVICES</p> <ul style="list-style-type: none"> • Contact Centre Development • Reg of Births, Marriages, Deaths • Archives <p>CORPORATE/SUPPORT SERVICES</p> <ul style="list-style-type: none"> • Corporate Policy/Strategy/Project Initiatives at centre and area • Office Services Kilmory (Mail, Reception, Telephone) <p>COMPLIANCE AND ASSURANCE</p> <ul style="list-style-type: none"> • Corporate Governance and Ethics • Support for Monitoring Officer • FOI/Data Protection/RIPSA • Risk Management 	<p>CORPORATE/SUPPORT SERVICES</p> <ul style="list-style-type: none"> • Legal Services – advice, representation • Conveyancing and estates management and factoring • All Debt Recovery <p>PUBLIC SERVICES</p> <ul style="list-style-type: none"> • District Courts • Licensing Boards • Justices of the Peace • Public Services Licensing • Environmental/Public Health • Food Safety • Trading Standards and Consumer Advice • Animal Health and Welfare • Health and Safety (external) • Emergency/Contingency Planning and Response 	<p>PUBLIC SERVICES</p> <ul style="list-style-type: none"> • Local Tax Collection • CTB <p>SUPPORT SERVICES</p> <ul style="list-style-type: none"> • Payroll • Cash Collection/Receipting • Integrated Procurement/Purchase Ordering/Creditors <p>IT SERVICES</p> <p>- APPLICATIONS</p> <ul style="list-style-type: none"> • IS/IT Policy And Development • 21st Century Government • Project and Business Analysis • Applications Support <p>- INFRASTRUCTURE</p> <ul style="list-style-type: none"> • Security • Procurement • Networks (Data/Voice Etc) <p>Production (Help Desk, Application Servers, Operation and Print Services)</p>
<p>Budget £2.57m</p> <p>Staff 83</p>	<p>Budget £3.38m</p> <p>Staff 85</p>	<p>Budget £10.1m (inc Council Tax Benefit but excluding capital programme)</p> <p>Staff 113</p>

Development Services

Development Services is all aspects of the Council business covering Transportation, Land Use Planning, Economic Development, European Funding and overall strategic management of the Council's assets to be delivered in corresponding plans and programmes. The objectives of Central Government and the Council to be embedded in these documents.

Aims and Objectives

Every aspect of the work of this service relates to the economic issues facing Argyll and Bute – the Council area has a poorly performing economy and has the second lowest G.D.P. in Scotland. Accordingly the Aims and Objectives of this service must be focussed in promoting the economic prospects and opportunities of the area. This will require realignment and prioritising of the Council's economic, transport, land-use and asset management plans and programmes along with Capital and Revenue Budgets to achieve the key tasks. Development Services in order to achieve this will require to work closely with all Government funding agencies and economic partners.

How it will work

The Council's fundamental role in promoting the economic development of this area is beyond dispute. The Council;

- directly employs 13.5% of the working population of the area.
- is responsible for the degree of education and training of the workforce
- has a key role in attracting and supporting inward and indigenous investment
- is largely responsible for managing the physical infrastructure of the area through its statutory planning powers and crucially through the transportation network.

The broad range of economic, social, infrastructural and environmental services for which the Council is responsible must link with each other to promote the prosperity of our area in a truly corporate manner.

In this context the main challenge and responsibilities for the two Heads of Service in Development Services is to ensure the effective corporate working of their respective project teams and to meet the agreed delivery targets and ensure that one cohesive plan covers Economic, Land Use and Transportation Strategies.

The challenge for the Council and the Director of Development Services is to maintain focus on key tasks within the pressured financial environment of Local Government. This will involve continued promotion of Argyll and Bute through the Scottish, Westminster and European Parliaments.

The new Local Government (Scotland) Act 2003, gives Local Authorities the general **“Power to promote and improve the well-being of their area”**.

In the context of the above the Council must consider:

- Formalised working arrangements with other agencies in particular the two LEC's.
- Strategy Development
- Community Planning

A wide range of economic related issues are being developed which will work towards improving our overall economic performance they are;

- Maximisation of Asset Management
- Development of our primary industry of Forestry, Fishing, Agriculture and Aquaculture
- Use of Employability Team for related work experience and training
- Inward Investment - this is an area, which offers scope for development and fundamentally relies on the wider work of the Council and its partners in creating the right conditions for inward investment.
- European Funding

The Statutory Development Planning process is linked to the above and it is the intention that the approved plan will prioritise economic/investment/transport initiatives, projects and tasks for implementation.

The supporting Infrastructure of Transportation in terms of improving accessibility and access to Public Transport will significantly improve economic opportunity by: -

- Procurement of Capital Programme and elements of the Revenue Programme. (Roads, Structures, Coastal Protection, Flood Prevention, Piers and Harbours, Public Transport Infrastructure) undertaken by Design teams.
- Preparation and Implementation of Transportation Strategy that encompasses the Land Use and Economic Strategies.

The Management of the Council's assets are as yet an untapped economic resource that can be utilised in tandem with the ongoing exercises of Housing Stock Transfer and the Education N.P.D.O. (Non Profit Distributing Organisation).

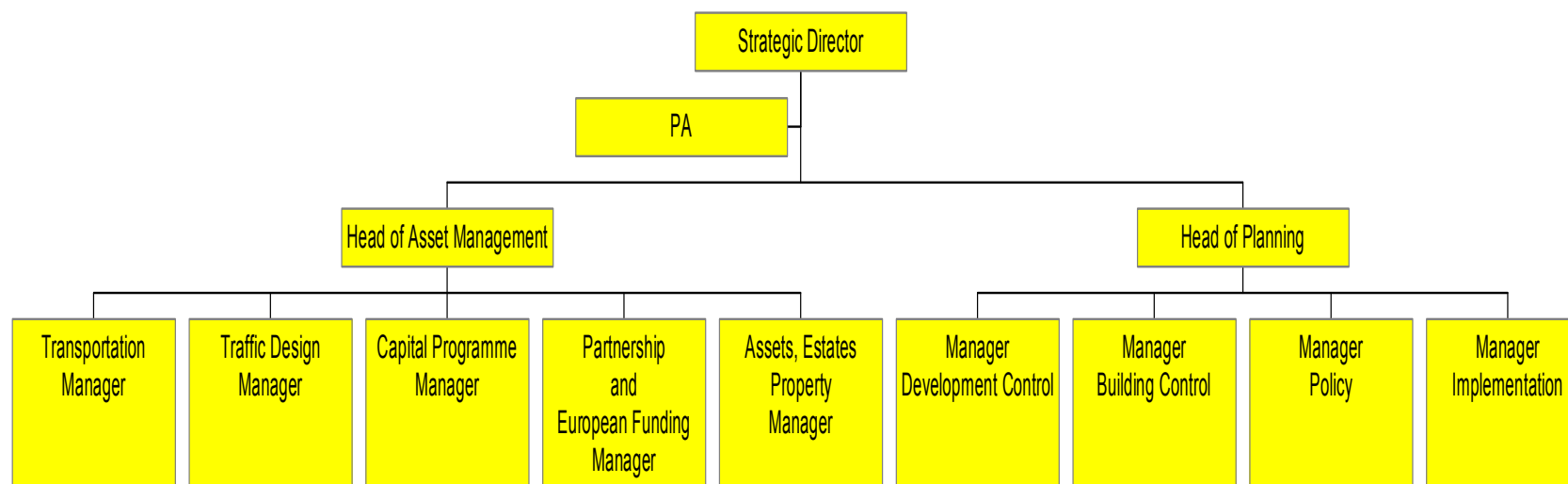
Assets are not an end in themselves, rather, they underpin service delivery; they have a critical influence on the quality of life of citizens; they support the local economy; and influence the experiences of employees and service customers. As such, they are a crucial tool in achieving the corporate and service goals of the Council (and the broader community planning partnership).

The main infrastructure assets include:

- Accommodation/buildings (for service delivery or administrative purposes)
- Parks and open spaces
- Transport networks
- Waste facilities

The Council's infrastructure assets are a key tool in supporting achievement of its stated goals and priorities in particular as they relate to Economic Prosperity and Social Inclusion. As a result, an asset management strategy will ideally be developed that states how the Council will use its assets most effectively in support of these goals and priorities. The strategy should inform, and be informed by, the both the corporate plan and the service plans of individual service areas. These in themselves are increasingly being developed with an emphasis on inter-departmental and inter-agency partnership working.

DEVELOPMENT SERVICES



1. The above 3rd TIER POSTS AND INDICATIVE AT THIS STAGE AND REQUIRE FURTHER DISCUSSION with Heads of Service when appointed.
2. Existing Head of Statutory Plans and his Manager be appointed on a contract basis under the Head of Planning. On completion of their contract the unit would be restructured accordingly.
3. The above structure assumes “outposting support” from Finance and Personnel.

Development and Transportation Priorities 2003-2004

1. Government Led, Drive, Focussed

- Maximise contact with MSP's, MEP's, and MP's – be aware of National and International issues that will impact on the Council.
- Be 'outward looking', - more dialogue with Private Sector and be pro-active in so doing.
- Develop more formalised "Project Partnerships, particularly with the 2 Local Enterprise Companies, the Tourist Board and other agencies – eg Chambers of Commerce, Small Businesses, Forestry, SERAD, Health Trusts etc.
- The umbrella of the Community Planning Partnership could facilitate the above eg "Business Days".
- Continued quest for Best Value.
- Continued support for campaigns for re-allocation of resources.

2. Internal

- Organise, Develop and implement the shape of the new service, construct the service on an "integration of skills" rather than a "separation of skills. This will be focused on service delivery related to Council Priorities, which will have a significant impact on the shape of the service. (That said, the service would require to be flexible in order to adjust to Council Priorities).
- Examine the support that the service requires: (- this will require consultation with other Directors, particularly Andy Law -) related to Administrative Support, I.T. Support, H.R. support "out posting", "sharing". Every effort will be made to maximise the economies of scale.
- Make every effort "corporately" to get the 'services' under one roof.
- Work with the Strategic Management Team to ensure that the Council defines its PRIORITIES – simply and clearly and ensure that they are incorporated in appropriate council strategy documentation and delivered.
- Work to coalesce strategy documents making them clear, concise and measurable.
- Develop with the Strategic Management Team a Full Business Case for the Structure of the new council and related service delivery.
- Continue to explain to all staff what is happening in terms of "change management" and related matters.
- Continue to inform, motivate and develop an enthusiastic attitude with all staff – this is a critical part of the exercise.
- The vesting date for Development and Transportation was 5th May 2003 –but the reality is this is an evolving process – Heads of Service not "in place" until summer. In terms of the Development and Transportation Services vesting day George Harper and Andy Law will work closely on this and deliver.
- Develop a new DTS Management Team. The main focus of this team will be Strategic Issues and Finance. The Administration/Running the "Services" will be a Head of Service/Managers Management Team.

3. Departmental Services Priorities

- The Capital Programme needs to be reconsidered in the context of Asset Management and of course the new Prudential Procedures required from 2004. This is a KEY PRIORITY for the service and also has significant implications for the Structure of the Service and other Council Services.

Assets are not an end in themselves, rather, they underpin service delivery; they have a critical influence on the quality of life of citizens; they support the local economy; and influence the experiences of employees and service customers. As such, they are a crucial tool in achieving the corporate and service goals of the Council (and the broader community planning partnership).

- To reconsider the Transportation Priorities – Piers, Harbours – Ferries – Air Services – Strategic and Local Road Networks – Bridge Assessment and Replacement – Flood Prevention/Protection – Public Transport – School Transport – Road Safety. The above matters need to be assessed and re-prioritise to reflect the Council's key priorities and developed accordingly.
- In similar fashion the work of the Employability Unit needs a more Strategic FOCUS on Council priorities across all services – this does have H.R. implications.
- The LAND USE – ECONOMIC AND TRANSPORTATION STRATEGIES require to be more integrated and simplified.
- THE LOCAL PLAN – which is a plan for investment and development opportunities needs prioritised and resourced –

IT IS KEY for all forms of INVESTMENT within ARGYLL AND BUTE – the service is OUTWARD LOOKING we must work to attract INWARD INVESTMENT – a KEY PRIORITY of the Council's CORPORATE STRATEGY.

This plan, in accordance with Scottish Executive Guidance must be simple, clear and concise.

This will involve the following projects:-

- The Town Plans for the remaining main towns within Argyll and Bute.
- Town Centre and Waterfront areas for action deriving from the Local Plan Coastal Framework plans.
- European Funding pre and post 2006 must be pursued – **BUT** in accordance with the Council's priorities the Capital Programme and if appropriate Revenue Funding must be in place for such European aided projects.
- All of the above Departmental Service Priorities must gel with Council's priorities and those of the Community Planning Partnership.
- Development and assistance to the areas primary industries of Agriculture, Forestry, Fishing and Aquaculture and for other major industries such as Tourism.
- Development of the Renewable Energy potential of the area.
- Improve Countryside Access.

4. **Partnerships**

- Work with the Strategic Management Team in focusing the shape and priorities of the Community Planning Partnership.
- As stated above develop a more formalised relationship with Development Partners eg Argyll and Islands Enterprise, Scottish Enterprise Dumbarton, Argyll, Islands, Loch Lomond, Stirling and Trossachs Tourist Board, and other Business Community.
- Maintain contact with Local Businesses small and large and Chambers of Commerce.
- Highlands and Islands Partnership – West of Scotland Economic Forum – again further develop relationships with these organisations.

5. Areas for Improvement

- Capital Programme Management/Delivery.
- Performance Indicators.
- Continuance of the Best Value regime.
- Revenue Budget Monitoring.
- Health and Safety Issues – review policy and risk assessments ensure that this does not refer to previous regime and is tailored to the new service.
- Consider Student Sponsorship
- Liaison with Trade Unions

HEAD OF ASSET MANAGEMENT	HEAD OF PLANNING
<p>TRANSPORTATION</p> <ul style="list-style-type: none"> • Procurement of Capital Programme and elements of the Revenue Programme (Roads, Structures, Coastal Protection, Flood Prevention, Piers and Harbours, Public Transport Infrastructure undertaken by the Design Teams) – undertaken by the Design Teams. • Inspection, Assessment and Maintenance of structures. • Provision of Specialist Technical Support to Area Managers. • Traffic Management. • Road Safety Education/ Strategy. • Public and School Transport Provision. • Joint Transportation Strategy Development with LA groupings, HITRANS/ WESTRANS/ Highland Rail Developments. • Air and Ferry Service Development. • Joint Agency working to develop transport services. <p>PARTNERSHIP DEVELOPMENT/EUROPEAN FUNDING</p> <p>European Funding representing a variety of European Programmes.</p> <ul style="list-style-type: none"> • <u>European Policy/Information</u> • Council Representation on European Groups. • Managing Partnership Funding eg Leader+ • Developing Policy in Partnership eg Aquaculture and Fisheries • Aquaculture, including major private sector consultation <p>ASSET MANAGEMENT</p> <ul style="list-style-type: none"> • Asset management strategy development and implementation (including the approaches to design, acquisition/leasing, management, maintenance and disposal). • Ensuring effective links with the asset management strategy and capital programme • Supporting services in developing their service plans (from an asset management perspective) • Establishing and maintaining the corporate asset register 	<p>DEVELOPMENT CONTROL</p> <ul style="list-style-type: none"> • Performance management review ref. Meeting performance standards and targets. • Dissemination and interpretation of Legislative change, National Policy Guidance etc. • IT development (in particular the development of UNIFORM planning processing system). <p>BUILDING CONTROL</p> <ul style="list-style-type: none"> • Performance management review ref. Meeting performance standards and targets. • Dissemination and interpretation of Legislative change, new Building Standards etc. • Unit Health and Safety advisor. • Responsibility for Units input into Section 23 Licensing Board matters. <p>STATUTORY PLANS/POLICY DEVELOPMENT</p> <ul style="list-style-type: none"> • Complete the mapping and digitising of the Settlement Plans (for 200 settlements). • Complete the revision of the draft local. <p>Plan Document 1 – Proposals, Recommendations, Monitoring and Review Plan Document 2 – Development Control Policies Plan Document 3 – Planning Guidance</p> <ul style="list-style-type: none"> • Obtain Council clearance for area/member consultation and for the preparation of the “Consultative Draft Local Plan” to go out to the Public late summer. • Prioritise economic/investment/transport/Structure Plan/Local Plan initiatives, projects and tasks for implementation.

<ul style="list-style-type: none"> Fulfilling an 'intelligent client' role in procuring design, delivery, maintenance and/or project management input in support of the asset management strategy and capital programme implementation. This will include procurement of services from within and outside the Council. The identification and informed application of criteria to inform asset procurement decisions (such as cost, responsiveness, track record, expertise, etc) 		DEVELOPMENT IMPLEMENTATION <ul style="list-style-type: none"> Economic Development Strategy Economic Policy Informing the development of joint economic strategies and the work of the Local Economic Forums. Leading on lobbying initiatives e.g. Aggregates tax, the Islands Case, Unemployment Statistics Agriculture Develop the needs of the agriculture industry locally and its relationship to the economic, social and environmental well being of Argyll and Bute. Forestry/Timber Processing/Biomass Develop the opportunities for timber processing in the area and take action accordingly to ensure Argyll and Bute is a competitive place for such inward investment. Fishing/Aquaculture/Coastal Zone Management/Marine Natura Renewable Energy Tourism Countryside Access Business/Community Development – Leader + Over the years the Unit has adapted and changed its areas of activity in business Inward Investment 	
BUDGET Budget - £7,708,932 (gross)	PEOPLE 91	BUDGET Budget - £4,673,104 (gross)	PEOPLE 71

Operational Services

Operational Services provides the functions of the Council, which maintain and develop basic infrastructure and services – Roads, Waste Management, Open Space, a wide range of Facilities Management and Support Services. These provide externally some of the most visible and immediate of the Council's services and to other Departments of the Council a range of services, e.g., Cleaning, Catering, Building Management and Fleet Management. In delivering these services there has to be focus on what is important and also on the way in which there needs to be an awareness of partnership processes and customer response.

1. Aims and Objectives

Operational Services' aims and objectives are to provide the services directly to the public and other Council users that maintain the quality of life for public areas in Argyll and Bute in particular:

- Roads Maintenance and Management;
- Piers and Harbours;
- Grounds Maintenance;
- Waste Management Services;
- School Crossing Patrols;
- Public Conveniences;
- Catering for Council and other public buildings;
- Cleaning for Council and other public buildings;
- Leisure Management;
- Vehicle Fleet Management;
- Building Management;
- Janitorial Services for schools and offices;

The bulk of these services are provided by staff employed directly by the Council, with a substantial amount of partnership working through sub-contracting and external community groups also playing an important role. In providing these services, the Council wishes to ensure that we:

- Keep Argyll & Bute moving safely.
- Provide an environment which is clean, attractive and has a range of services allowing residents and visitors of Argyll & Bute to enjoy the outstanding natural asset of our area.
- Provide, maintain and service the Council's buildings to a standard reflective of the Council's care for its staff and the community.

The actions for Operational Services to achieve these aims and objectives are illustrated in the priority list at the end of this section.

2. How it will Work

The initial grouping of functions in Operational Services is set out below.

In framing service provision in this way there is an interim view taken of services being operated for the next year in a way, which mainly shadows how this was done in previous years.

However, there is a proposed shift from a three Head of Service grouping to two over the medium term and the current post of Head of Roads has a specific responsibility to take forward Departmental integration of the Roads and Amenity Service functions outlined below, which reflects the longer term position.

Roads and Amenity Services fulfils those functions where there tends to be a direct relationship with the public. These services are some of the most immediately valuable and well regarded of work areas that the Council provides to the public and development of many of the functions within the Roads and Amenity remit is required to ensure the long term prosperity of the Argyll and Bute Community.

With regard to Facility Services, these tend to be the types of service which provide a support to other parts of the Council and other public bodies. The Facility Services role will lead a team that is faced with substantial structural change over the medium term as the NPDO for Education and Housing Stock Transfer process proceeds over the next two years.

The Heads of Service and the functions, which they run, will be supported by a Departmental team of Finance, Administration and Human Resource Personnel who will ensure that integration of systems currently in use in two separate Departments of the Council is taken forward in a structured manner. We will also seek to ensure that business processes are operated as efficiently as possible, with income maximisation for external work given priority.

OPERATIONAL SERVICES (YEAR 1)

ROADS SERVICES	AMENITY SERVICES	FACILITY SERVICES
<p>NETWORK MANAGEMENT</p> <ul style="list-style-type: none"> • Strategy & Policy • Inspection, & Assessment of Condition <p><u>Road Maintenance</u></p> <ul style="list-style-type: none"> • Materials, Treatments & Priorities • Programming & Procurement • Weather and other emergencies • Contract Supervision • Direct Service Organisation <p><u>Traffic Management</u></p> <ul style="list-style-type: none"> • Car Parking • Traffic Regulation Orders & Signage • Accident Investigation <p>Development</p> <ul style="list-style-type: none"> • Planning Approvals • Construction Consents <p>STREET LIGHTING</p> <ul style="list-style-type: none"> • Lighting Design, Improvement & Maintenance • Development Approval • Navigational Lighting <p>SCHOOL CROSSING PATROLS</p> <ul style="list-style-type: none"> • Crossing Assessment • Provision of patrollers & arranging for reserves • Training <p>PIERS AND HARBOURS</p> <ul style="list-style-type: none"> • Operational Management <ul style="list-style-type: none"> • Operations • Marine Safety Plan • Oil Pollution • Structural Maintenance <p>FERRIES</p> <ul style="list-style-type: none"> • Operational Management • Vessel Procurement & Maintenance • Slipway Maintenance <p>AIRFIELDS</p> <ul style="list-style-type: none"> • Operational Management • Infrastructure Maintenance 	<p>FLEET MANAGEMENT</p> <ul style="list-style-type: none"> • Vehicle Management • Vehicle Procurement & Disposal • Vehicle Maintenance • Driver Assessment <p>WASTE MANAGEMENT</p> <ul style="list-style-type: none"> • Refuse Collection • Refuse Diversion (Recycling) • Refuse Disposal • Civic Amenity Sites • Street Sweeping • Public Conveniences • Beach Cleaning • Skip Service <p>GROUND MAINTENANCE</p> <ul style="list-style-type: none"> • Parks • Gardens • Children's Play Areas • Sports Stadia/Special Events • Playing Fields Unit • Putting Greens/Tennis Courts <p>CEMETERIES & CREMATORIUM</p> <ul style="list-style-type: none"> • Burial Service and Records • Cardross Crematorium • Cemetery Maintenance • Headstone Repair Programme • Cemetery Extensions <p>LEISURE MANAGEMENT</p> <ul style="list-style-type: none"> • Swimming Pools • Halls <p>Sports Centre</p>	<p>BUILDING SERVICES</p> <ul style="list-style-type: none"> • Planned preventative maintenance • Statutory maintenance • Emergency maintenance • Emergency planning • Reactive maintenance • Major maintenance • Contract procurement • Condition surveys • Building design – alterations/extensions • Building investigations • Contract administration • Building operations • Energy & utilities management • Statutory consents • CDM regulations • Tender documentation • Inspection of site operations <p>FACILITIES MANAGEMENT</p> <p><u>Catering</u></p> <ul style="list-style-type: none"> • School meals • Management of fruit schemes • Functions and special catering • Domestic service in Education hostels and Outdoor Centre (Kilbowie) <p>BUILDING CLEANING</p> <ul style="list-style-type: none"> • Measurement of buildings and assessment of cleaning requirement • Daily and periodic cleaning • Supply and maintenance of cleaning equipment for Education <p>JANITORIAL SERVICES</p> <ul style="list-style-type: none"> • Provision of janitorial services • Provision of janitor/cleaner service

OPERATIONAL SERVICES (YEAR 1) (CONT)

ROADS SERVICES	AMENITY SERVICES	FACILITY SERVICES
Flood Prevention <ul style="list-style-type: none"> • Inspection • Maintenance • Reactive Works • Scheme Identification COASTAL PROTECTION <ul style="list-style-type: none"> • Inspection • Maintenance • Reactive Works • Scheme Identification FINANCIAL MANAGEMENT <ul style="list-style-type: none"> • Client Budget • Direct Services MONITORING, REVIEW AND REPORTING <ul style="list-style-type: none"> • Continuous Improvement • Sharing Best Practice • Performance Indicators • INTEGRATION OF ROADS AND AMENITY SERVICES		Central Purchasing <ul style="list-style-type: none"> • Hygiene supplies and services (janitorial) • Equipment supplies and services (janitorial) Food and other catering supplies, contract negotiation with local and general suppliers.

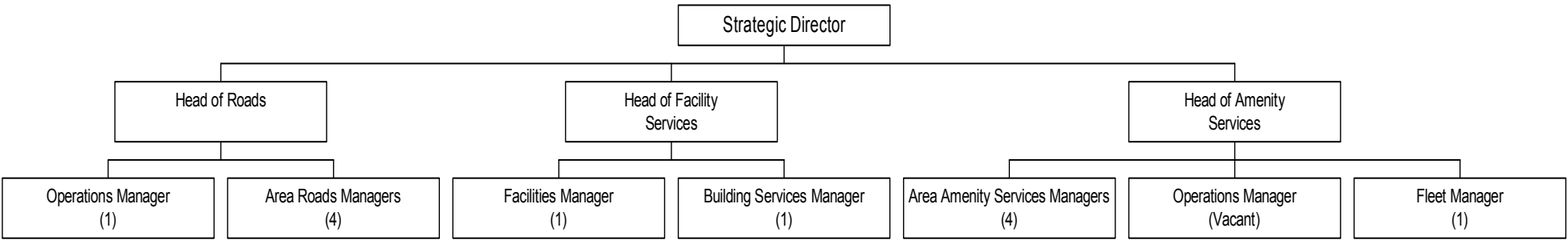
Budget	£21,281,000	£25,468,000	£13,207,000
People	266.5 (Full Time Equivalents)	394 (Full Time Equivalents)	482.5 (Full Time Equivalents)

OPERATIONAL SERVICES (YEAR 2)

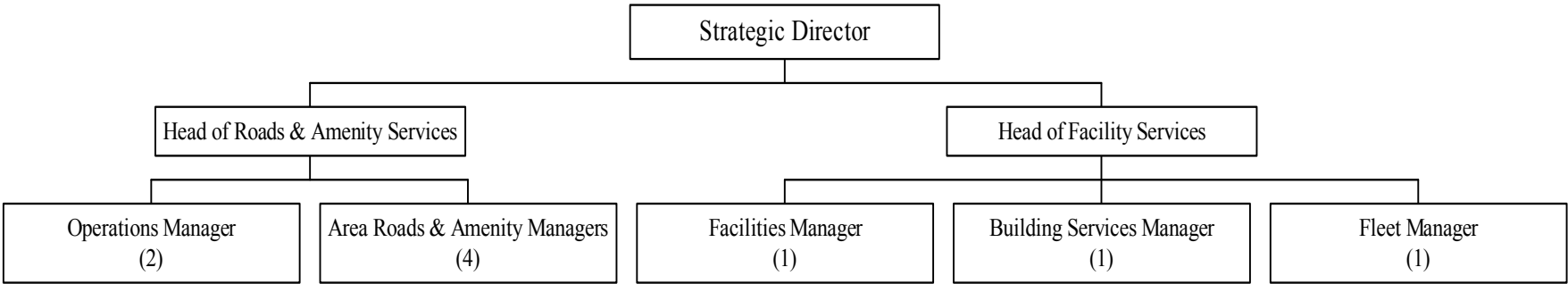
ROADS AND AMENITY SERVICES	FACILITY SERVICES
As year 1 for both services in this column with the exception of transfer of Leisure and Fleet Management from Amenity Services to Facility Services	See opposite

Budget	£38,928,000	£21,028,000
People	567.5 (Full Time Equivalents)	575.5 (Full Time Equivalents)

**OPERATIONAL SERVICES
(Year 1)**



(Year 2)



Support to Departmental Management Team

It is difficult, if not impossible, to put numbers and costs on this process at the current stage of the restructuring process. Where I am starting from is on assumption of certain givens in relation to the overall resource allocation in the budget, principally that there will be an ongoing savings agenda, irrespective of the political make up of the Council.

I think we will need to release 3% savings for the next two years to get to the position of being able to have the kind of flexibility needed to allow service changes to be taken forward with more ease than is currently the case.

Also, the Contact Centre model and location, if implemented, will be crucial to which Department/s transfer staff to it and thus by how much budgets change.

So, the following model is very much made up on the basis of an outcome based approach that will deliver savings in the long term, but in the short term give some certainty to staff that there is no agenda of large scale job losses.

1. Secretarial support will be provided by one Secretary to the Director. This will be a direct reporting line to me, but capable of augmentation from the Departmental pool.
2. Heads of Service will have the dedicated support of an Administrative Assistant, but that person will be attached to the Departmental pool. This is no different to the current practice.
3. A decision still has to be taken on whether to have a dedicated manager/principal officer for each of Admin, Finance and HR functions or whether to replicate the TPS function of a Support Services Manager in charge of all three. Discussions are continuing on the best model.
4. There are increased financial burdens on the team within Operational Services, the indicative gross budget total of £59,956,000 being made up by contributions of £25,468,000 from DES and £34,488,000 from TPS. This will involve a degree of complexity and scale of operation greater than previously encountered in either of the Departments and will require a corporate view to be taken of the size of the outposted Finance Team. The gross budgets arriving within Operational Services are shown on the following page at an illustrative level.

Operational Services – Indicative Budgets

(including capital charges, but excluding income)

Service	Gross budget £000s
Facility Services	
Property Management	661
Property Design	409
Contract Services	3,042
Shared Office Accommodation	1,540
Catering DSO	2,617
Cleaning DSO	1,398
Building DLO	1,819
Central Repairs	1,721
Sub-total	13,207
Roads Services	
Roads	15,733
Roads Design	1,363
Lighting	869
Traffic Management	310
Parking	259
Piers and Harbours	1,255
Airfields	443
Ferries	592
Coastal protection	204
School Crossing Patrols	253
Sub-total	21,281
Amenity Services	
Cemeteries, etc	827
Service Management	1,540
Street Cleaning, etc	1,348
Waste Collection	3,402
Waste Disposal	6,973
Fleet Management	4,437
Parks	2,751
Leisure Management	3,384
Public Conveniences	806
Sub-total	25,468
Total	59,956

5. Similarly the greater focus on public contact as the link of Amenity and Roads services takes place at the areas has a fairly major impact on us in delivering a one door approach for Departmental functions as far as possible, perhaps indicating a need for more focus on integration of payment systems, billing, customer complaints, etc.

For HR, there is a head count total of 1695, (FTE of 1143) made up of 1265 actual from TPS (749 FTE), and 430 actual from DES (394 FTE). The merging Departmental numbers are tabulated below by Head of Service function.

Service	Actual nos	Full time equivalents
Property & Facilities Management	914	482.5
Roads Services	351	266.5
Amenity Services	430	394
Totals	1695	1143

6. The intra-departmental support units will report to the Strategic Director at this stage, although a review on whether a Head of Service reporting role is more legitimate in the medium term will take place in due course.

Priorities 2003/2004

1. Government Led/Driven/Focused/External Bodies

- Response to new Waste Management Legislation-report on future of Island Waste Disposal sites by March 2004.
- Achieve clarity on Governments intentions for the road network and plan accordingly - December 2003.
- Access the Strategic Waste Fund for further support to Waste Management improvements- bid submission by July 2003 and, hopefully, implementation of new support from 2004 onwards.
- Continue with focus of improving outdoor recreation facilities through use of sports lottery funding-bring update to members of new Council on outcome of current bids and potential future support.
- Plan for the development of the healthy eating initiative in School Kitchens and report to Council on process - October 2003.
- Participation, as appropriate, in external professional bodies where there are Council or personal benefits to mutual advantage.

2. Internal

- Advice to members of Council on service priorities -July 2003.
- Briefing system for staff in place - August 2003.
- Consider service plans for Department with a view to integration-September 2003.
- Work with Heads of Service on 3rd tier structure and below to achieve an integrated service as far as possible - October 2003.
- Completion of 3rd tier initial post changes - December 2003.
- Set up new fora within the Department for Trade Union Consultation, for Health and Safety and Risk Assessment, combining what was done previously in DES with the JCC structure in TPS - November 2003.
- Ensure budget disaggregation and certainty of resource provision for services within Department - February 2004.
- To ensure budget position for the financial year 2003/04 is maintained as set by the Council in February 2003.
- Participate in Programme of Change Management and have other staff within Department included in this - ongoing.
- Have plans for common office accommodation, administration, finance systems and depot provision in place by March 2004.
- Ensure process within the Department for cross-charging etc., are as simple as possible-participation in business improvement processes with other departments where necessary - March 2004.
- Provide a simple statement of service to all internal and external customers - October 2003.
- Supply Strategic Management Team with report on future provision of Fleet Managements services and equitable basis for charging - September 2003.
- Come to a conclusion and make recommendation on future operation of Building DLO - October 2003.
- Have a clear position on work for potential new housing landlord & NPDO Contractor - February 2004.
- Ensure Capital Programme Spend in all areas either achieved or certain - December 2003.

- Establish from new Council the position they wish to take with regard to continuing in-house provision, or their policy on some form of externalisation.

3. Partnerships

- Ensure Department's participation in Community Planning Process.
- In submitting the Strategic Waste Fund Bid continue to develop the current partnership arrangements with many community waste management groups to mutual benefit.
- Ensure that the building maintenance contracts work well. Either with external contractors or the in-house DLO working with others as subcontractors.
- Ensure, in the development of any new playing fields that prior to physical works commencing the ongoing operating arrangements are entirely clear.

4. Areas for Improvement

- Have the Building DLO operation resolved-by March 2004, that is have it operate at a surplus, or have steps taken to ensure building work is otherwise completed and Council's position protected.
- Further develop area and centre interface to ensure Department is perceived as working as a unit and to put in place measures of success and regular reporting for this.
- Further increase the percentage of household waste recycling -implementation of a number of new schemes by March 2004 and a target of 12% of Household Waste recycling across area by then – up from 8.2% in 2001/02.
- Input to the Council's Capital Programme a clear picture of road improvement works to be carried out over the next 3 years and a certainty of what is going to be provided in house subject to best value tests - December 2003.

5. Culture of the Organisation

We have reiterated in Section 2.4 the values we consider to be important. We accept that we can and do on occasion fall short. They remain, nevertheless, important standards to aspire to and a benchmark against which we are judged.

We have set out the way we envisage service delivery developing and for this to be successful we need to have a culture which

- Is customer focussed throughout the organisation
- Is based on team work - acting together to find solution – a “can do” approach
- Encourages a degree of risk taking to deliver solutions
- Reflects the values of the organisation as more than just words on a page
- Is clear about their expectations for the whole workforce
- Publishes and promotes successful stories
- Is more outward looking

We are aware that job security is a key consideration for people and we recognise the particular sensitivity around this in Argyll and Bute – where the Council is a major employer, in some cases the only employer, of particular professions and that if the post holder was made redundant then not only would they lose their job but possibly require to move from the area. The Council have had to make a lot of difficult decisions in the last 8 years. None have resulted in compulsory redundancies. We are continually asked for a guarantee of no compulsory redundancies. While this cannot be guaranteed we ask that the track record be examined and that for the future people would see their security lying, not in trying to protect their post from any change – that is not realistic – but from the desire of the Council to see people expand their skills, increase their job satisfaction, improve their prospects of promotion – where they have ambition in this respect – and yes, to benefit the Council and the people we serve.

6. Finances

1. Introduction

The Council has set a budget for 2003/2004 as part of a 3 year settlement. While we will continue to seek recognition, in the distribution of grant, of issues such as economies of scale, supersparsity, distribution of McCrone funding the Scottish Executive are very reluctant to revisit issues of distribution – preferring the certainty for Councils of a 3 year settlement. (Appendix 1 sets out their views). While we will continue to argue our case for additional funding realistically we have to cut our suit according to the cloth we have. We have therefore accepted the following financial projections as the ones we will work within for 2004/05, 2005/06.

2. Finance Settlement

The 3 year settlement, announced in December 2002, gives Government grant funding for the years 2003/04, 2004/05 and 2005/06. Obviously, the figures for 2003/04 now form part of the Council's approved budget for 2003/04.

When the Government announce 3 year grant figures, it is to provide some certainty to Councils on the level of grant assistance for that period. The Government do not expect to make significant changes to the figures announced in December. Having said that, it has been our experience that the Government do make further grant announcements and more grant assistance is provided to the Council during the 3 year period. Usually, the further assistance is ring-fenced for specific purposes. Although we never refuse additional grant assistance, it does cause extra work for staff and it would be preferable if the Scottish Executive would build more into the basic grant settlement announced at the start of a 3 year period, rather than drip feed further grant assistance during the 3 year period.

For the second and third years of the 3 year period, Government grant figures are as follows –

2004/05	£158.074m (an increase of £9.012m)
2005/06	£163.427m (an increase of £5.353m)

3. Resource Allocation for Budgets

Utilising the Government grant figures and assuming a council tax increase of 2.9% in each of the years 2004/05 and 2005/06, the following estimated financial resources would be available to the Council –

	<u>2004/05</u> £m	<u>2005/06</u> £m
Government Grant	158.074	163.427
Waste Management Virement	0.600	0.600
Council Tax (@ 2.9% Increase)	37.798	39.096
	<u>£196.472</u>	<u>£203.123</u>

4. Estimated Savings Requirement

Rolling forward the 2003/04 budget and adding 4% for pay inflation and 2% for general inflation, produces estimated budgets for 2004/05 and 2005/06. When the budgets are compared with the estimated resources, the following estimated levels of savings would be required –

2004/05	£2.124m
2005/06	£3.172m

However, the savings would increase if the following net budgets were added –

Range of Estimated Costs	£000's	to	£000's
Digital Communities	100		100
IT Disaster Recovery	50		50
Argyll Islands Air Service	140		900
Campbeltown Community Project	300		475
Education NPDO	500		638
Housing Stock Transfer	500		500
	<u>£1,590</u>		<u>£2,663</u>

It can be seen therefore, that savings could increase in each year by a range from £1.59m to £2.663m i.e. estimated savings in 2004/05 could range from £3.714m to £4.787m and in 2005/06 from £4.762m to £5.835m.

Quality of Life monies of £952,000 have been utilised in 2003/04 to allow services to continue instead of cutting service delivery. If a decision were taken to change this approach in 2004/05, the savings requirement would increase still further. If the 2003/04 approach continues, the increase in Quality of Life monies would be available to offset savings i.e. a further £205,000 in 2004/05 and £185,000 in 2005/06 would be available to offset savings.

However, this issue must be carefully examined and a prudent approach would be to reduce the use of Quality of Life monies in anticipation of the amounts becoming no longer available – prepare for the worst but hope for the best.

5. Maximising Financial Resources

It is essential to remember and recognise that these financial projections have been prepared in February 2003, looking ahead to the years 2004/05 and 2005/06. They are broad estimates and should be regarded as such.

Nevertheless, they do confirm an ongoing situation of savings being required not just for the next 2 to 3 years but also beyond. It would be prudent to plan ahead on this basis.

This is not to say that effort should not be put into pressing the Council's case for a fairer distribution of Government grant. The following issues are worthy of consideration on how to make progress –

1. McCrone

The original distribution of Government funding for McCrone was not based on teacher numbers. As a result, we lost out considerably. This has been reviewed and while there is a need to argue for continuation beyond that the charges will help for 2004/5 and 2005/6.

2. Unresolved Issues from the Review of SINA

2.1 Economies of Scale

2.2 Super Sparsity

The SINA report, prepared by independent consultants, drew attention to the above. They pointed out that the Islands Councils currently receive recognition of these factors through SINA, whereas other councils similarly affected, do not.

The question arises on how best to progress these issues. In considering this we have to be aware of the amount of work required by Officers to prepare a case. If this is to be done, some confirmation is required before work starts on the likely chance of such a case receiving a favourable response from the Scottish Executive. This would require political activity and there is a recognition in both COSLA and the Executive that there are issues to be addressed in terms of supersparsity and economies of scale.

Assuming consideration will eventually reach a detailed level, the Council does not have in-house expertise to study, comment and contribute effectively. We have therefore secured the services of Dr Arthur Midwinter on a retainer basis. This would probably be on the basis of 10 days work per annum if required at a cost of £4,000 to £5,000.

6. Reserves and Balances

The Council has low reserves and balances – the lowest in Scotland at 31 March 2002. A copy of this table is attached. (Appendix 2) This does not reflect the year end position for 2002/2003 which, it is anticipated, will result in an improvement.

Provision for building up the balances was made in 2003/04. This will require to continue through 2004/2006 having regard to CIPFA guidance.

7. Scottish Comparison

The summary from CoSLA (appendix 3) shows the levels of Council Tax across Scotland for 2003/2004 – Argyll and Bute being 8th highest and the projections for 2004/05 and 2005/06, which would move us to 9th and then 10th place.