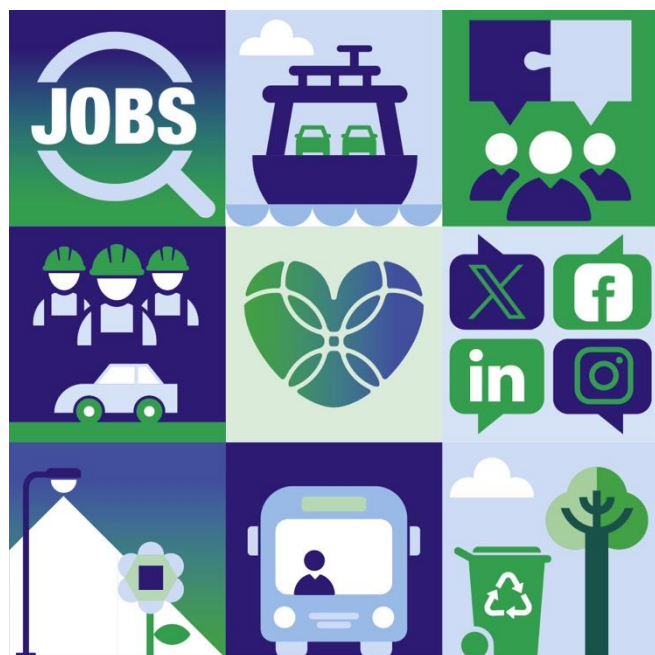


Council Annual Report 2025 - 2026



Contents

Council Annual Report 2025 - 2026	1
Forewords.....	4
Leader	4
Chief Executive	6
1. Introduction	7
2. Council priorities	8
3. Financial statement	10
4. Cross-cutting activities	12
Connect for Success	12
Performance Excellence Project	13
ICT and Digital.....	13
New ways of working with ICT and Data	13
Microsoft365.....	14
Capital Investment and central repairs delivered.....	15
5. Climate Change.....	16
Strategic Progress	16
Operational Achievements	16
6. Housing and the Housing Emergency	18
7. Our performance	20
Summary.....	20
Delivering on our priorities.....	23
Priority: Communities.....	23

Priority: Children and Young People	24
Priority: Housing, Economic Growth and Population	29
Priority: Transport, Infrastructure and Digital Connectivity	32
Priority: Environment	36
Priority: Sustainable Service Delivery	38
How We Compare – Local Government Benchmarking Framework (LGBF).....	41
Risks	43
Strategic Risk Register	43
Operational Risk Register	44
8. Consultations – we asked, you said, we did.....	45

Forewords

Leader

I'm very pleased to introduce Argyll and Bute Council's latest Annual Report.

These pages summarise the successes, challenges and progress that your council has made over the past year. Behind all of that sits a wealth of work, effort, commitment, dedication and, indeed, passion – from our employees, from your elected councillors, from the partners we work with across all sectors and of course from our communities themselves.

While we have so much to be proud of in Argyll and Bute, and while we can and should recognise all that the council does and delivers for the communities we serve, it must also be acknowledged that, like all local authorities across the country, we are operating in challenging times and circumstances. Local government's financial pressures are well documented and having to make tough choices is increasingly the norm. We have to navigate this alongside changing and often increasing needs for the services we provide. In addition, our geography requires us to do what we do in an environment that is unique in Scotland, with more inhabited islands than anywhere else plus a mix of rural and urban communities to serve – all of which means we deliver services that other councils don't have to.

However, we are rising to those challenges. We continue to adapt, to evolve, to improve what we do. We make the best of the resources that we have and are always looking to take that extra step where we can, actively seeking out new ways to work, to innovate and to deliver for our communities.

We know that people and communities value the services that our council provides for them.

We know that there are some things that all of us would like to see councils do, but that aren't always possible due to the changing local government climate and pressures on public sector funding.

We know that while we deliver successes, we must also continue to strive for improvement and there is more progress still to be made.

We know that all of this inevitably means that change is necessary.

In all that we do, we bear all of these elements in mind and strive to do the best that we can to keep delivering for communities today with an eye on tomorrow; ensuring that your council remains best placed to keep serving you in the future.

Everything you will read about in our latest Annual Report is the result of a team effort. Our council staff do tremendous work every single day. Some of that work is very visible; some of it is behind the scenes. All of it is important. Without them, without their commitment, our services would not exist, and I would like to thank all of our employees for all that they do.

Partnership is also important and, alongside our workforce, there are people in other organisations, local groups and communities who also make vital contributions. Thanks are due to all of them for helping to ensure that Argyll and Bute is a place with ambition, a place with prospects and, quite simply, a great place to be.

Councillor Jim Lynch

Leader, Argyll and Bute Council

Chief Executive

Over the past year, Argyll and Bute Council has continued to support our communities, deliver essential services and make progress on the priorities that matter most to the people we serve.

This has not been an easy year. Like councils across Scotland, we have faced increasing demand for services, ongoing financial pressures, and a range of longer-term challenges. We have had to make difficult decisions, balance competing priorities and look carefully at how we use our resources. Throughout this, our focus has remained clear, supporting our communities and delivering the services people rely on every day.

Despite these challenges, there is much to be proud of. Across Argyll and Bute, council teams have worked hard to maintain and improve services, invest in our infrastructure, support local businesses and communities, and work with partners to make a positive difference for local people.

We also know that the challenges facing local government mean we cannot stand still. To continue delivering effectively, we must be prepared to change and improve how we work. Over the past year we have continued to modernise services, make greater use of digital technology and data, strengthen planning and performance arrangements, and look for new ways of working that help us achieve better outcomes. This is not change for its own sake; it is about ensuring we remain able to meet the needs of our communities now and in the future.

None of what we achieve would be possible without the commitment and professionalism of our employees. Every day, colleagues across the council demonstrate dedication, resilience and a genuine commitment to public service. I would like to thank them for everything they do. I would also like to thank our partners, community organisations and local communities for the role they play in helping us shape and deliver services across Argyll and Bute.

While there remains much to do, I am confident that we are moving in the right direction. We have strong foundations, a clear sense of purpose and a shared commitment to improving outcomes for our communities. By continuing to work together, we can build on the progress made and ensure Argyll and Bute remains a great place to live, work, invest and visit.

This report highlights some of the achievements, progress and challenges from the year and reflects the collective efforts of employees, elected members, partners and communities across Argyll and Bute. I hope it gives a clear picture of the work that has been undertaken and the difference it is making for the people we serve.

Pippa Milne

Chief Executive, Argyll, and Bute Council

1. Introduction

Welcome to Argyll and Bute Council's annual report.

This report is our opportunity to share information about how the council has performed and to highlight some of the things we have done over the past year.

Argyll and Bute Council's vision and strategic direction is set in our Corporate Plan. Central to this plan is successful partnership working with partner agencies, stakeholders, and our local communities.

We aim to focus on three key priorities in order to fulfil our vision of a prosperous, inclusive, and sustainable Argyll and Bute. These are:

People and Places: this relates to our core business as a council.

Potential and Growth: this focuses on turning opportunities into reality.

Partnership and Action: this emphasises everyone has a part to play in Argyll and Bute's success.

The Council's Corporate Plan, published in 2024/25, sets out seven areas around which the councils work is organised (see section 2). We monitor our performance in these areas using our Corporate Outcome Indicators. These indicators are strategic in nature and are reported annually to the Audit and Scrutiny Committee and Full Council.

Detail on our performance against these Corporate Outcome Indicators, as well as further information on key activities, areas of focus, and successes and challenges are provided within this report (section 6).

2. Council priorities

In 2024 the administration announced the council's priorities for 2024-2027.

Our aim is clear: Argyll and Bute's economy and population need to grow, and our seven interconnected priorities are designed to enable that to happen.

More information about the themes underpinning these priorities and the actions to deliver these can be found on our website: [Priorities of Argyll and Bute Council](#).

Communities

Our communities are as diverse as our geography and have varying needs, challenges, and opportunities. We want to harness local knowledge and work together to develop shared priorities.

Children and young people

Giving young people the best start in life and ensuring we have the right skills for a prosperous future, are key elements of making Argyll and Bute an ideal choice for families to stay or to relocate.

Environment

The Council has already declared a climate emergency continues to keep this a primary consideration. Recognising the importance of climate change is a key factor when we consider how we do business.

Speaking up for Argyll and Bute

Collective, as well as collaborative, action is necessary to deliver growth on the scale that Argyll and Bute needs. No single agency alone can deliver on Argyll and Bute's overarching aim of significant, vital population and economic growth.

Sustainable service delivery

We want to provide the best services we can for the money and resources available—and make clear the standards that our communities can expect. We know that this is important to local people.



Transport, infrastructure and digital connectivity

Argyll and Bute's mix of rural and island communities means that transport, infrastructure, and digital connectivity are crucial in the drive for growth.

We need effective and reliable ways to bring people, goods and services to Argyll and Bute—and to carry our own products. Reliable, resilient digital links have a highly significant contribution to make to growing the population and the economy. They can add considerable value to Argyll and Bute's position as an ideal choice to locate to.

Housing, economic growth and population

Access to housing is a factor in almost every aspect of Argyll and Bute's crucial growth agenda. It contributes to the success of economic development, recruitment, employment opportunities, service delivery and much more. Population growth is crucial to our economic success as decline impacts on our ability to sustain and deliver services in the future. We value the impact and return on investment that effective, targeted economic development can have.

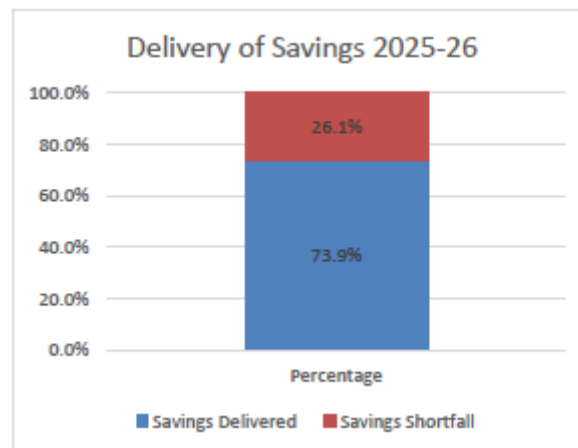
3. Financial statement

In 2025/26, before any measures were taken to balance the council's budget, our budget gap was £10.938m. This gap was projected to rise to almost £57m over a five-year period. Decisions have been made to bridge the 2025/26 gap, reduce future year pressures, and protect vital services.

Delivery of 2025-26 Agreed Savings The Council has been required to make significant budget savings for a number of years, in order to ensure it responds to continued funding reductions and rising cost pressures and complies with its statutory requirement to set a balanced budget, whilst meeting the needs of local residents.

New Budget savings of £2.762m (15 savings options) were agreed for 2025-26. 59.7% of these saving were recurring in nature and 40.3% were one-off. The chart shows the overall delivery of savings (figure 1), with any shortfall absorbed within the overall Council budget.

Figure 1



When agreeing the 2025/26 budget, the Council committed to provide funding for additional leisure, tourism, regeneration, and other initiatives totalling £0.210m which included funding for the following organisations:

- £0.075m for the Culture, Heritage, and Arts Assembly (CHARTS).
- £0.075m for the Argyll and the Isles Tourism Co-operative.
- £0.030m for the MacTaggart Leisure Centre on Islay.
- £0.010m for Loch Lomond and the Trossachs National Park.
- £0.020m for the Clipper Around the World Race.

Over the course of 2025/26 almost £592,267 in Scottish Welfare Fund grants were paid to support vulnerable people and £1,045,070 of Discretionary Housing Payments were distributed to households in need.

During the year, the Council also continued to pay grants to cover food and fuel for people in poverty and successfully referred them for support to advice agencies; this resulted in maximised benefit income and reduced fuel costs of over £147,260 by the end of the 2025/26.

4. Cross-cutting activities

Our priorities set out what the council does. This work is supported by a range of cross-cutting initiatives which set out how we do things and work together.

Connect for Success

We are continuing to embed our Connect for Success initiative across the organisation. This initiative, launched in 2022, is dedicated to encouraging and recognising new ways of working across the Council to make things better for everyone and focuses on advancing how we use technology, share resources, and collaborate.

Connect for Success focuses on seven key areas, or principles.

1. One Council One Place
2. Purpose and Mission Focus
3. Employee Empowerment
4. Data and Evidence Driven
5. Learning Council
6. Agile Mindset
7. Maximise Useful Technology

Through Connect for Success, we bring the 7 principles to life by sharing ideas and looking for new ways to innovate how our jobs and deliver services.

In 2025/6, across the council, we continued to embed these principles. To reinforce awareness, and to embed the Council's expectations around how we work, these have been highlighted to all employees using monthly updates in the employee newsletter, Cascade.

Performance Excellence Project

We continue to improve the way we measure and report on our performance as a Council, in line with Connect for Success. We aim to make performance information clearer for Councillors so they can more easily scrutinise our service performance as well as making it easier for the public to see what we deliver.

We are making full use of the technology available to us through M365 to design new planners and performance dashboards to show the data we hold in the effective and innovative ways. In turn, this work supports the review and evaluation of our performance so that we can identify areas for improvement.

We have aligned our strategies with the new council priorities, ensuring better strategic alignment across the organisation. We have also reviewed and updated our high-level Corporate Outcome Indicators, ensuring what we measure aligns with the council's priority areas.

Finally, we have also refreshed the council's Performance and Improvement Framework, which sets out our approaches to performance review, monitoring, and management, and associated governance arrangements.

ICT and Digital

The Council's ICT and Digital Strategy aims to position Argyll and Bute Council as a 'digital by default' authority. To support the strategy, we are delivering an action plan which containing almost 100 activities designed to lead to further efficiencies, savings, and improved services for Council staff and customers.

New ways of working with ICT and Data

In accordance with the council's 'Connect for Success' principles, data is at the heart of key decision-making and improving outcomes for Argyll and Bute's residents and communities. Our new Data Platform is now live, and the Data Advisory Group and the data programme are helping services tackle a variety of exciting new data challenges.

Examples of data challenges in 2025/26 include the following:

Local Tax and Small Business Grant Compliance on Holiday Lets: by combining data from the Revenues & Benefits systems with data collected on second homes, self-catering units and other properties registered as short term lets, the council has been able to:

- better ensure property owners are paying the correct local tax liability, such as the 100% second home council tax uplift where appropriate.

- operators of holiday accommodation businesses applying for the Small Business Bonus scheme meet the relevant licensing criteria for grant eligibility.

In 2025/26 this powerful combination of data was supported by the council's new data platform which is able to pull data in from multiple council systems and match records automatically.

CalMac Ferry Services: by obtaining and analysing a large set of data from the ferry operator Caledonian MacBrayne the data programme was able to provide new useful information to council services. We gained insights on:

- the demand for CalMac's ferry services
- the adverse impact on the council's own operations which results from the cancellation of ferry crossings, for example relating to the logistics of transporting waste from the islands to the mainland for disposal.

Headlines from the analysis showed, in the 12 months to 30/9/25, on the 18 Argyll and Bute routes CalMac operates, ferries carried 2.66 million passengers on 118,252 crossings. 5.1% of scheduled crossings were cancelled due to technical difficulties with the vessels, a significant increase from 2.2% cancelled in the previous year. The increase is believed in part to be due to CalMac's aging fleet.

Procurement: in support of improved performance reporting a new Procurement dashboard was deployed for the council's Procurement service and made accessible both to staff within the service and to senior leadership.

The dashboard includes important information about:

- metrics such as numbers of contracts awarded
- the council's spend with local suppliers
- revenue savings over time, and community benefits achieved
- risk and actions by council service and by contract category so that risks can be monitored and managed

For each metric year-on-year comparisons are given along with trends over time. The dashboard provides the service with the opportunity to add narrative to explain the trends observed.

Microsoft365

The M365 project has continued to deliver technical and business change, including the successful conclusion to the Teams Telephony rollout in 2025 to all office and school staff.

The Digital Champions' programme, and evolving training resources anchored in the AB365 online course, support users in all Services to make the most of the increasing range of apps and tools within M365. Specific support is also provided in the use of specialised reporting tools as part of the ICT Data Programme, with PowerBI reports now used daily in a wide range of services.

A Proof of Concept of the fully licenced Copilot AI tool ran for the first 5 months of 2026. A report setting out the findings of this exercise will be made in summer 2026 to the project board and senior management with recommendations about how best to resource and exploit this new and powerful tool.

Improvements in how we manage our M365 licences, in conjunction with the Digital Office's national project, ensure we continue to remain compliant with the complex licencing model while avoiding expensive over-licensing.

Capital Investment and central repairs delivered

Property Services successfully delivered a programme of investment in our property assets during 2025/26, with 36 projects completed and £7,208,478.06 paid through Concerto. This included a wide variety of investment projects supporting the ongoing improvement and sustainability of the Council's property estate.

As well as the capital investment programme, we successfully delivered emergency, planned and statutory maintenance programmes, resulting in improved customer satisfaction.

A separate, large-scale project has reviewed the water, wastewater and drainage charges for the Council. While no further refunds have been received this year, there remains approximately £460,000 in potential water charge refunds beyond the five-year statute of limitations. Argyll and Bute Council is currently engaging with Falkirk and West Lothian Councils to develop a joint strategy for a legal challenge with a view to recovering these funds. We anticipate this process will take several months before a resolution is reached.

5. Climate Change

The Council continues to meet its statutory duty to report on emissions and climate action through the annual Public Bodies Climate Change Duties Report, with strategic oversight provided by the council's Climate Change Board. Over the past year, the Council has strengthened how climate change is embedded in corporate decision-making, with climate considerations now integrated into the Senior Leadership Team's regular governance cycle alongside a programme of statutory duties awareness across service areas.

Strategic Progress

This has been a significant year for national climate policy in Scotland. The Scottish Government published its finalised Climate Change Plan 2026-2040 in March 2026, setting out the policies and proposals to meet Scotland's first three carbon budgets on the pathway to net zero by 2045. The Sustainable Scotland Network also published refreshed interim guidance for Public Bodies Climate Change Duties reporting in April 2026.

The Council's Senior Leadership Team has been briefed on the implications of both developments for Council operations and services, ensuring the organisation is well positioned to respond to the strengthened national policy framework.

The Council has achieved a 35.8% reduction in operational emissions from the 2015/16 baseline, and work is progressing on a revised Carbon Management Plan that will provide an honest and transparent assessment of the actions, investment, and pace of change required to meet the 2045 net zero target. This includes detailed trajectory modelling to ensure the Council's forward pathway is grounded in evidence rather than aspiration alone.

Operational Achievements

A notable achievement was the completion and commissioning of a 24 kWp roof-mounted solar PV system at Taynult Primary School. Careful project management ensured the school's legacy Feed-in Tariff registration was preserved throughout the installation, protecting a long-term revenue stream for the Council. The system brings the Council's solar PV portfolio to 28 installations across the area with a combined capacity of approximately 1.35 MWp, complementing 13 biomass heating systems delivering 3.2 MW of renewable heat across schools and public buildings.

The Council continues to invest in building energy efficiency and fleet decarbonisation as core elements of its operational emissions reduction programme, with individual projects assessed against both carbon impact and value for money to ensure that limited capital resources are directed where they deliver the greatest benefit.

6. Housing and the Housing Emergency

Since the declaration of the Housing Emergency in Argyll and Bute, the Council has granted planning consent for 1,640 residential units.

Officers continue to engage with Scottish Government, Convention of Scottish Local Authorities (COSLA) and the Association of Local Authority Chief Housing Officers (ALACHO) to discuss issues relating to the Housing Emergency. It is notable that Scottish Government has very recently carried out a consultation to consider options for accelerating housing delivery and is in the process of creating a new Housing Agency which will aim to deliver simplicity, scale and speed.

A key element of the housing emergency in Argyll and Bute is the significant proportion of ineffective housing stock not being used as places for people to live. At the Council meeting on 24th June 2026 officers presented a coordinated policy approach to tackling this issue in a holistic manner. This includes proposed consultations on Increased Second Homes Council Tax Surcharge, Short Term Let Control Zones, and the Visitor Levy. In addition, officers are developing a Community Regeneration Funded proposal to purchase and resell holiday homes in a manner that ensures they remain principal residences.

In January 2025, the Council engaged consultants to develop Strategic Development Frameworks for Oban and Helensburgh. These will set a long-term framework for 20-40 years and will be used to direct infrastructure investment and create a pipeline of deliverable development land, particularly housing supply. Engagement work is progressing well, and we anticipate both pieces of work will be complete before the end of 2026. In turn they will feed into the work we are doing to produce our next Local Development Plan (LDP3).

The Council has completed on-site infrastructure and servicing of the site for 12 worker housing units in Tobermory, Mull. An invitation to tender for construction of the buildings will be issued within the next few weeks and site work could start before the end of the year.

The Council fully utilised its £2.7million of Home Energy Programmes for Scotland: Area Based Schemes (HEEP:ABS) funding for 25/26. This has allowed homeowners and private rented tenants to install energy efficiency measures that will help avoid fuel poverty.

The Council's Settlement Officer is working to support Private Sector Landlords in a manner which helps to maintain the number of tenancies available, and to match new landlords to properties for sale thus avoiding unnecessary eviction processes.

Following significant officer engagement, SSEN has confirmed funding for upgrades to local electricity distribution networks to Islay and Jura. This will be critical in improving resilience of supply for future developments.

The Empty Homes Officer continues to work with partners to bring empty properties back in to use, notably NHS properties on Coll and in Bowmore.

The Council continues to work with Registered Social Landlords on a variety of housing projects across Argyll and Bute as well as working with other organisations to progress Community Housing Projects.

The Council approved planning consent for the demolition of the Lower Academy Building, Rothesay. Fyne Homes has selected a preferred contractor for the demolition and a Scottish Government grant award was made in March 2026.

In March 2026, LINK Housing Association was granted planning consent for 433 homes at Dunbeg and has acquired the site. In addition, a number of Community Housing trusts continue to pursue smaller housing projects.

7. Our performance

Summary

The table below summarises our progress with regard to our Corporate Outcome Indicators. As this is the first year for which these are being reported, 2025-26 is the baseline against which we will monitor progress in future years.

Priority	Outcome	Indicator
Communities	Maintain percentage of people saying Argyll and Bute is a good place to live.	99% of respondents rated their neighbourhood as a 'very' or 'fairly' good place to live, 2024
Children and Young People	Increase positive destinations: all areas	94.8% Argyll and Bute Average
	Increase positive destinations: within Argyll and Bute	Data not currently available
	Increase percentage of children reaching developmental milestones	76% of children moving into P1 (N5's) with no diagnosed additional support need. Expected levels of development across all domains are being achieved.
Housing, Economic Growth and Population	Increase number of primary homes and new builds	In 2024/25 this was increased by 134 new units and by a further 83 new units in 2025/26
	Increase number of economically active people	35,700 people (72.9% of working age population) (January to December 2025)
	Increase Gross Value Added (GVA)	£29,513 per capita (2023 figures; latest available).
Transport, Infrastructure and Digital Connectivity	Increase satisfaction with transport connectivity	Data under development.
	Increase level of investment in transport infrastructure	Data under development.
	Increase digital connectivity	96.9% of premises across A&B have access to a digital service. 31.25% have access to Gigabit Broadband and 59.33% have access to a Superfast Broadband.
Environment	Reduce carbon emissions: regional	-3.93 t CO ₂ e
	Reduce carbon emissions: council	4.35 t CO ₂ e
Sustainable Service Delivery	Reduce overall workforce planning risk	Risk score 13 (Green RAG)

Priority	Outcome	Indicator
	Financial sustainability	86/100 (Green RAG)

There is no quantitative indicator for our priority Speaking Up for Argyll and Bute; narrative is provided in the regular Leader's updates to Council to show progress and activity.

During 2025-26, the Leader's advocacy focused on securing investment, influencing government policy and funding decisions, maximising economic benefits from major national programmes, and ensuring that Argyll and Bute's distinct circumstances are recognised by decision-makers at Scottish and UK Government level.

Examples of the Leader's activities which have promoted the interests of Argyll and Bute included the following:

- Holding regular discussions with MSPs, the First Minister, Deputy First Minister and Cabinet Secretaries to raise Argyll and Bute's interests, including local government funding, Local Growth Funding allocations, and the area's unique opportunities and challenges.
- Highlighting to the Accounts Commission Argyll and Bute's unique circumstances and arguing for greater understanding of the area's challenges and opportunities. The Leader reiterated his commitment to pursuing additional funding opportunities and promoting Argyll and Bute as a worthwhile national investment.
- Lobbying relating to the Clyde 2070 programme. The Leader has corresponded with the Secretary of State for Scotland regarding HM Naval Base Clyde and the need to ensure that the benefits arising from the Clyde 2070 Defence Dividend are realised for local communities in Argyll and Bute. He represented Argyll and Bute during the launch of the Clyde 2070 programme, pressing ministers and partners to secure maximum local benefit from the £250 million long-term investment associated with the naval base.
- Seeking to maintain strong working relationships with the Scotland Office and ministers to support continued progress on both the Clyde 2070 programme and the Rural Growth Deal.
- Engaging with MSPs and UK Government representatives regarding the impact of the Petroineos closure at Glen Finnart, seeking support in presenting Argyll and Bute's case to national government.
- Engaging with Calmac and the Minister for Transport in relation to ferry capacity and timetabling and the impact on island communities who depend on these vital ferry links.
- Highlighting the scope for Argyll and Bute to contribute to Scotland's Space Strategy through the activity underway in Kintyre.
- Taking community calls for change to Islands Business Resilience Funding directly to Ministers, seeking greater access for affected communities
- Lobbying both the Scottish and UK Governments on greater flexibilities in relation to visitor levy legislation and VAT administration

We continue to report other indicators on a quarterly basis at each of our Area Committees. Quarterly Area Performance Reports present a suite of indicators at local, area level with complementary narrative. Where possible, council-wide performance data is also presented alongside these indicators. These reports can be found in the [Performance and Improvement section of the Council's website](#).

Delivering on our priorities

Below we provide more detail on our performance against each of our Corporate Outcome Indicators and further context on the activities that have taken place to support delivery in our priority areas.

Priority: Communities

Corporate Outcome	Indicator	Commentary
Maintain percentage of people saying Argyll and Bute is a good place to live	99% of respondents rated their neighbourhood as a 'very' or 'fairly' good place to live, 2024	This information is gathered through the annual Scottish Household Survey. The survey is carried out independently of the council for the Scottish Government.

Highlights and Successes

Local Place Plans: between November 2024 and March 2025, Council provided training and support to 29 community groups developing Local Place Plans. Since then, we have provided ongoing, centralised support via a [webpage dedicated to Local Place Plans](#) complemented by a programme of e-newsletters. Topics covered include community engagement, place plan development and validation, mapping tools, climate change, and resilience planning. Recordings of the masterclasses are also available.

Priority: Children and Young People

Corporate Outcome	Indicator	Commentary
Increase positive destinations: all areas	Argyll and Bute: 94.8% of pupils went into positive destinations (national average 95.67%) Within Argyll and Bute: • Mid-Argyll, Kintyre and Islay: 93.4% (Virtual Comparator area average 96.1%) • Bute and Cowal: 93.3% (Virtual Comparator area average 95.6%) • Helensburgh and Lomond: 98.7% (Virtual Comparator area average 96.32%) • Oban, Lorn and the Isles: 96.43% (Virtual Comparator area average 95.0%).	The target for initial post-school positive destinations in Argyll and Bute is 98%. Scottish Government data on initial leaver destinations for 2024-2025 across schools and individual areas in Argyll and Bute was published in February 2026. Education, DYW and SDS are working in partnership with schools in each area to track the progress of young people towards positive destinations, to identify obstacles to leavers entering and sustaining positive destinations in relation to each area's social context and labour market, and to plan and facilitate targeted interventions to support the most vulnerable young people into their preferred destinations post-school. DYW and Education are also ensuring the employability curriculum in each school is relevant and connected to labour market information in each individual area, through partnership with schools to increase work placements and provide appropriate work and skills inspiration events. Effective partnership working is in place between schools, Developing the Young Workforce (DYW) and Skills Development Scotland (SDS) in order to ensure coherent, targeted interventions for young people most at risk of a post-school negative destination, and those young people who have been unable to sustain a positive destination post-school. DYW, Education and other partners contribute significantly to the curriculum in schools through work inspiration events and other skill-building activities. Bespoke, personalised work placements for senior phase pupils have increased annually over the last four years, as has work-based vocational learning for the most disengaged/vulnerable young people in the form of Flexible Learning Plans which facilitate a unique, individualised curriculum, including work placement, for each targeted young person.

Corporate Outcome	Indicator	Commentary
		As a result, as measured in October 2025, school leaver initial positive destinations in Argyll and Bute have been maintained between 2023-2024 and 2024-2025, remaining at 94.8% despite economic challenges for employers, rising youth unemployment nationally and legacy issues stemming from COVID-19. Argyll and Bute Council's Annual Participation Measure (16–19-year-olds in education, employment or training) released by Skills development Scotland for 2024-2025 was 94.6%, an increase of 0.3% on 2023-2024, placing Argyll and Bute 9th of all Scottish local authorities. Argyll and Bute Council is on track to meet its 2025-2026 Scottish Government Stretch Aims of 95% Participation of 16-19 year-olds for the local authority, and reducing the gap between the most and least advantaged young people (SIMD quintiles 1 and 5 respectively) to 4.5 percentage points. Following an Initial 2024-2025 Positive Destinations figure for Argyll and Bute of 94.8% measured in October 2025, the Follow-Up Destinations figure, measured in April 2026, was 92.5%. This represents a 1.6% improvement on the 2024/25 follow-up figure. The gap of 2.3% between initial and follow-up positive destinations in 2024-2025 is 1.6% lower than in 2023-2024. School Leaver Initial Positive Destinations Data for 25/26 will be issued in February 27, we are on track to exceed the 24/25 figure.
Increase positive destinations: within Argyll and Bute	Data not currently available.	See above for commentary on positive destinations.
Increase percentage of children reaching developmental milestones	76% of children meet their developmental milestones.	Authority-wide, 76% of children moving into P1 (N5's) with no diagnosed additional support need are achieving expected levels of development across all domains. This figure breaks down as follows per developmental area, across the authority as a whole: • Speech and Language 86% • Social, Emotional and Behavioural 87% • Sensory 87% • Fine Motor 91% • Gross Motor 91%.

Corporate Outcome	Indicator	Commentary
		Developmental progress of all N5 children, inclusive of those with a diagnosed additional support across one or more domains, is 62%.

Highlights and Successes

School Meals: Catering services provided over 1.3m nutritious meals for children and young people assisting them in being prepared to learn across our School Estate.

Ardlui House: Ardlui House has been successfully repurposed to support the delivery of a Bairns' Hoose in Argyll and Bute, transforming a former children's respite facility into a functional, trauma-informed environment with minimal structural alteration. Early design work, carried out by the Council's Property Design Team, confirmed the suitability of the existing layout, enabling an efficient and cost-effective conversion. Initial works have already allowed the service to begin interviews and staff training, marking an important milestone in bringing the facility into early operation.

Figure 2: Phase 1, 3D concept of Ardlui House

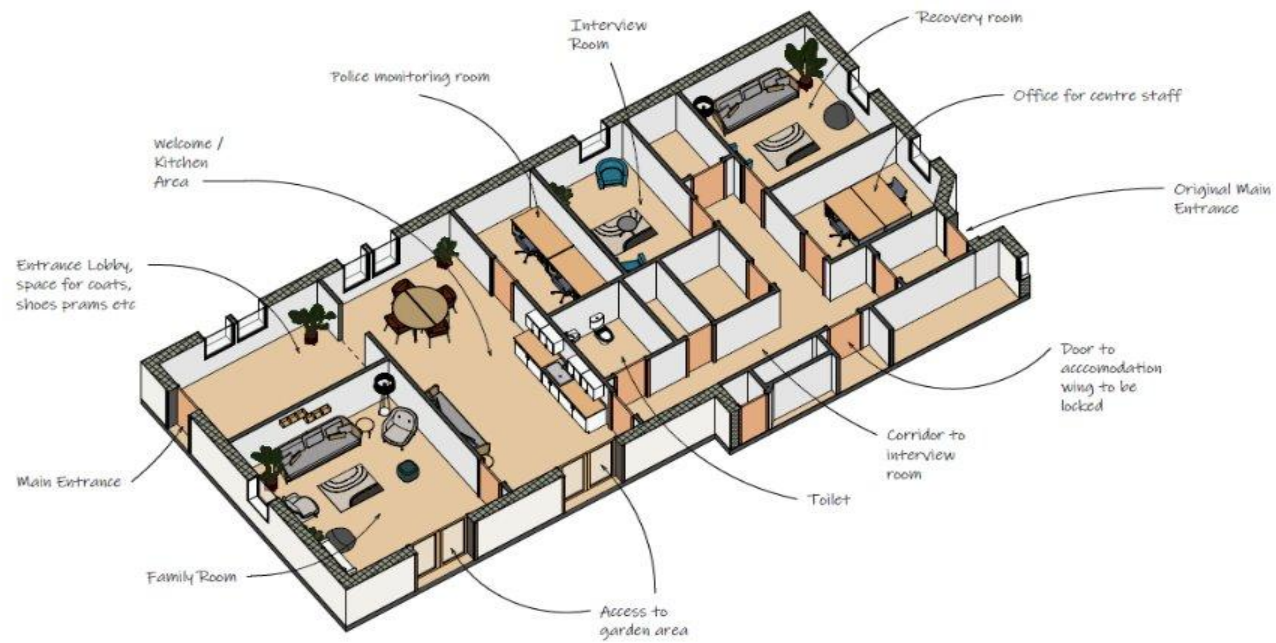


Figure 3: Location of Ardlui House in relation to Parklands School



Priority: Housing, Economic Growth and Population

Corporate Outcome	Indicator	Commentary
Increase number of primary homes and new builds	In 2024/25 this was increased by 134 new units and by a further 83 new units in 2025/26.	We have developed a case for the implementation of Short Term Let Control Area to go for public consultation in 2026/27. Helensburgh and Oban Strategic Development Frameworks are on track for completion 2026. We have progressed the replacement Housing Needs and Demand Assessment due for completion in 2026, supporting the revised Local Housing Strategy in 26/27 and future Local Development Plan (LDP)3. We have completed site servicing of Tobermory Worker Housing site prior to building construction commencing in 26/27.
Increase number of economically active people	35,700 people (72.9% of working age population) (January to December 2025)	For January to December 2025 the economic activity rate was 72.9%. This is down for 80.8% for the same period in 2024.
Increase Gross Value Added (GVA)	£29,513 per capita (2023 figures; latest available).	The latest GVA per capita for Argyll and Bute is for 2023, with a value of £29,513.

Highlights and Successes

Business Parks: two new Business Parks (Oban Airport and Kilmory Business Parks) broke ground in 2025/26. The investment (contract value) for Oban Airport Business Park is £11.37M for the current phase and the investment on Kilmory Business Park is £3M.

Worker Accommodation: Infrastructure works and servicing of Key Worker Housing site in Tobermory, Mull has been completed. This is a Key Rural and Island Infrastructure Funded project. The Council agreed use of the Strategic Housing Fund as cash flow allowing us to move directly to the appointment of contractors to begin housing construction during 2026. The invitation to tender will be issued during June 2026. Community Regeneration Partnership and Rural Growth Deal will ultimately fund this work.

Figure 4: Serviced key worker housing site in Tobermory, Mull



The Council's Estate Team has continued to deliver the One Council property approach. This has delivered in the first 8 years:

- over £429k in ongoing annual income / savings (£366k in additional annual rental income and £64k from saving external fees)
- a further £442k in one off sums, and
- £9.25m in capital receipts.

Additional annual income / savings of £180k together with one off sums of £538k has been generated for other ring-fenced accounts.

Savings in non-domestic rates generated by the team also total £469k per year. This enables continued investment into council priorities and makes the most efficient use of assets.

Rothsay Regeneration: Following a decade of Townscape Heritage Initiatives, and £7.5m investment in the town centre, regeneration effort continues to tackle dereliction in Rothsay. The Transformation Projects and Regeneration Team are actively supporting efforts to address key landmark buildings including:

- £9m of Rural Growth Deal (RGD) funding allocated to the final regeneration stages of Rothsay Pavilion.
- £250k of funding allocated via Place Based Investment Fund and Crown Estates for resurfacing and lining works on Albert Pier with a focus on enhanced parking for coaches.

- Up to £4.4m of funding via the UK Government's Community Regeneration Partnership programme (£4m) and a further £400k of funding via the Scottish Government's Islands Programme. This funding will support the regeneration of the Royal Hotel in Rothesay. This is a partnership project being delivered collaboratively with George Hanson, Highlands and Islands Enterprise, UK Government and Scottish Government. The owner of the building has also committed to private sector funding of at least £1m to support the regeneration of this grade B listed structure which occupies a prominent location within Rothesay Town Centre. Once complete, the refurbished building will include new commercial space on the ground floor and twelve lift accessible residential flats on the upper floors. Grant funding will support completion of phase 1 of these works, which will structurally restore the building and focus on the ground floor commercial units.

Lochgilphead CARS (2020 – Mar 2026): Lochgilphead CARS is a £2.2m partnership project with Historic Environment Scotland (HES) (£969,700) in its sixth year of delivery. All funding has been committed, with the project concluding on 31 March 2026. As part of this project six priority buildings have been regenerated in addition to a number of small repair grant/shopfront improvement projects having been carried out.

Local stakeholders have benefitted from a number of traditional skills training courses and educational activities funded and delivered via the scheme. This include:

- specialist training in Lochgilphead for local contractors and building professionals
- traditional skills Demo Days for local school pupils, and
- a Shop Window Art Project delivered in partnership with a local artist and Lochgilphead High School.

A highly successful celebration event was also held in Lochgilphead on Saturday 27th September 2025. This event was open to members of the public and included talks from the key funders, Council officers and local elected members.

Priority: Transport, Infrastructure and Digital Connectivity

Corporate Outcome	Indicator	Commentary
Increase satisfaction with transport connectivity	Data under development	Work continues across roads, ferry, public and community transport activity to improve how residents experience connectivity across Argyll and Bute. During 2025/26, transport infrastructure and service planning activity has focused on maintaining key links, progressing investment priorities and engaging with partners on connectivity issues affecting communities and businesses. Formal satisfaction data is not yet available; once the Council's resident survey timetable is confirmed, the result will provide the baseline and measure of progress against this indicator.
Increase level of investment in transport infrastructure	Data under development	During 2025/26, work has continued to progress investment in transport infrastructure through the Council's capital programme and engagement with external funding opportunities. Activity has focused on prioritising projects that maintain and improve the road network, support resilient connections and strengthen transport links for communities, businesses and visitors across Argyll and Bute. The level of investment will be assessed through the total value of approved capital commitments and external funding secured, providing the basis for measuring progress from the 2025/26 baseline. In February 2026, as part of its budget setting, the Council announced record investment of £24 million in the Roads Reconstruction Budget over the two years 2026-2028.

Corporate Outcome	Indicator	Commentary
Increase digital connectivity	96.9% of premises across A&B have access to a digital service. 31.25% have access to Gigabit Broadband and 59.33% have access to a Superfast Broadband.	We continue to lobby Government and industry to improve connectivity and investment. Through 2025/26 significant investment across Argyll and Bute is being made by Openreach through Government funded programmes (R100 and Project Gigabit) along with their own commercial investment. Openreach is actively building full fibre networks in ten local exchange areas, with more planned over the coming years.

Highlights and Successes

Roads Reconstruction and Resurfacing: Argyll and Bute Council delivered £10m investment in Roads Resurfacing during 2025-26. In response to demands from elected members, the roads transport industry and residents, this delivered improved network condition, safety and resilience. Particular focus was given to island networks, with targeted investment on Islay to address long-standing carriageway deterioration and support key economic routes serving communities, ferry connections and the whisky industry.

Works undertaken have enhanced journey reliability, reduced the need for reactive maintenance, and improved overall road quality for residents, businesses and visitors. This investment reflects a strategic shift towards planned, preventative maintenance and demonstrates the Council's commitment to sustaining critical infrastructure in remote and island areas.

The 2025/26 roads resurfacing programme has been successfully delivered through:

- A data-driven, asset management approach.
- Significant and sustained capital investment.
- Efficient in-house delivery.
- Integration of resurfacing, drainage and resilience works.
- Flexibility to respond to external pressures.

This approach has ensured that investment delivers maximum value, improves network condition, and supports the long-term sustainability of Argyll and Bute's road infrastructure.

Bridges:

During 2025-26, major works were undertaken to a number of bridges within Argyll and Bute often in response to storm damage. These works included repairs, clearance, flood-risk reduction works, bank protection, demolition and permanent new replacements.

Through the council's Bridge and Structures Programme, a number of key projects were delivered or reached completion. These projects have restored critical connectivity, improved network resilience, and addressed legacy structural risks. They include:

- A816 Cuilfail Hotel Bridge (Kilmelford).
- Final phase works including upstream embankment works and debris prevention measures (completed during 2025)
- B836 Balliimore Bridge Replacement. Major reconstruction progressed through 2025 and is forecast to complete October 2025, with demolition of the damaged bridge completed (Dec 2024) and new structure construction, deck works and installation substantially completed through 2025.

Figure 5: Newly constructed Balliimore Bridge, Glen Lean, Cowal

The newly constructed Balliimore Bridge in Glen Lean, Cowal opened in October 2025, marking a major milestone in Argyll and Bute Council's infrastructure efforts following severe weather incidents. The new bridge has an increased span length compared to the original bridge, and the foundations are protected by steel sheet piles to reduce the risk of further scour and undermining events from future storms.



Landslide Recovery Projects:

During 2025-26, major landslide related schemes were undertaken. These included:

- **A816 Kintraw/Bealach Mòr** – debris-flow management, catch pits, slope stabilisation and development of a permanent road solution.
- **C30 Kilmaha Ford–Dalavich Road** – slope stabilisation and vehicle restraint measures.
- **A815 landslide sites** – monitoring and remediation works.
- **U014 Scammadale** – landslide repair and stabilisation.
- **B828 Glenmore corridor** – road stabilisation following erosion and slope failures.

Digital Connectivity

As a more cost-effective solution to providing fast connectivity speeds to more remote schools in the area, the ICT and Digital Team installed Starlink in a number of locations. This also provides the council with resilience in the event of any disruption to normal connectivity and can be used flexibly if required.

Priority: Environment

Corporate Outcome	Indicator	Commentary
Reduce carbon emissions: regional	-3.93 t CO2e	Argyll & Bute is Scotland's only LA to have been net negative for CO2 emissions for the last 15 years. According to the Local Government Benchmarking Framework data, area wide carbon emissions in Argyll and Bute have been rising since 2021.
Reduce carbon emissions: Council	4.35 t CO2e	Continued reduction path - 35.8% reduction from 15/16 baseline.

Highlights and Successes

Landfill Waste: At the end of 2025, the council finalised the variation to the waste management PPP contract that allowed it to comply, on time, with the Scottish Government's ban on landfilling municipal waste. This has delivered significant environmental benefits, including a substantial reduction in greenhouse gas emissions—particularly methane—through the diversion of biodegradable waste away from landfill. The Council has effectively eliminated landfill for most municipal waste, instead increasing recycling, composting and energy recovery, with waste now processed into fuel for Energy from Waste facilities. This has reduced long-term risks of land and water pollution at our former landfill sites, supported Scotland's circular economy objectives, and, despite increased transport requirements, achieved a net positive environmental impact overall.

Climate adaptation: The Council has successfully delivered an innovative climate adaptation project to stabilise the A-listed Burnett Building in Campbeltown—demonstrating both leadership in sustainable engineering and a proactive response to the increasing impacts of climate change.

Land Manager's Network: In 2025-26, the Land Manager's Network continued to operate across all areas of Argyll and Bute, bringing together community-owned woodland and forest managers who may otherwise be working in isolation. The network provides a platform for collaboration, enabling participants to explore joint working opportunities and access funding collectively.

The network also facilitated knowledge-sharing through a series of themed inputs from partner organisations. The Community Woodland Association delivered sessions on temperate rainforest regeneration, including approaches to mapping invasive species, assessing herbivore impacts, and identifying the range of support available for community-led rainforest projects. Contributions from Holy Loch Nature Reserve highlighted emerging species activity, while Council officers provided an overview of ongoing 'Green Mapping' work to identify and understand temperate rainforest areas across Argyll and Bute.

These activities are strengthening local capacity to manage and protect valuable natural assets, while fostering a more connected and resilient network of community land managers. By supporting shared learning and collaborative approaches, the network plays an important role in enabling communities to take forward sustainable land management and biodiversity initiatives at a local level.

Priority: Sustainable Service Delivery

Corporate Outcome	Indicator	Commentary
Reduce overall workforce planning risk	Risk score 13 (Green RAG)	Risk remained unchanged at 13. The measure included the impact of absence, which was added as a risk category in the process. The Green RAG status suggests the overall risk of the workforce being unable to deliver services in the future is low. Nonetheless, Services must continue to monitor the workforce on a regular basis to ensure this continues. Workforce planning is a live process therefore comparisons may not be like for like as we adapt our areas of scrutiny in response to changes in internal and external factors relevant to the process.
Financial sustainability	86/100 (Green RAG)	A financial sustainability matrix has been developed to provide a high-level assessment of the Council's financial sustainability position using indicators linked to reserves, savings delivery, affordability and budget monitoring. The Financial Sustainability Matrix shows an overall score of 86 out of 100, indicating a strong level of financial sustainability based on the indicators assessed. The Council scored well across reserves, recurring savings and in year budget control. This should be viewed as a high-level summary tool and should be interpreted alongside detailed budget monitoring, reserves strategy, medium term financial planning and treasury management information. It should also be considered alongside wider risks such as future funding uncertainty, demand led pressures and delivery of future savings.

Highlights and Successes

Digital Services: Delivery of our digital services continues to be of the highest standard. In March 2026, based on the international Web Content Accessibility Guidelines standard for accessibility, our website ranked in the top ten of all UK websites and as the best in Scotland.

This incentivises customers to use our excellent online services. In 2025/26 79% of the 691,400 interactions through the council's Customer Engagement Team were via online self-service and automated services. New services such as AI virtual assistants, online wedding ceremony booking, school registration and Keep in the Loop subscription offerings meet our citizens' need for 24/7 access and convenience.

Registrars: In 2025/26, our Registrar service completed 2,721 birth, death and marriage registrations with a 100% customer satisfaction rating. They officiated at 526 civil marriage/partnership ceremonies, bringing in £327,000 income for the council and boosting the local wedding economy across Argyll and Bute.

The team was shortlisted for the Officiant of the Year at the national Confetti Awards and implemented a new online wedding planning system and online marriage brochure to increase efficiency and aid couples. They also helped other local authorities clear their backlogs of death registrations using remote working capabilities.

Our digital services continue to be of the highest standard, ranking in the top ten of all UK websites (best in Scotland) using the international WACG standard for accessibility in March 2026. This incentivises customers to use our excellent online services and in 2025/26 79% of all the 691.4k interactions through the council's Customer Engagement Team were via online self-service and automation. New services such as AI virtual assistants, online wedding ceremony booking, school registration and Keep in the Loop subscription offerings all meet our citizens' need for 24/7 convenient services.

Our Registrar service completed 2721 birth, death and marriage registrations with a 100% customer satisfaction rating in 2025/6. They officiated at 526 civil marriage/partnership ceremonies, bring in £327k income for the council and boosting the local wedding economy across Argyll and Bute. The team was shortlisted for the Officiant of the Year at the national Confetti Awards and implemented a new online wedding planning system and online marriage brochure to increase efficiency and aid couples. They also helped other local authorities clear their backlogs of death registrations using remote working capabilities.

How We Compare – Local Government Benchmarking Framework (LGBF)

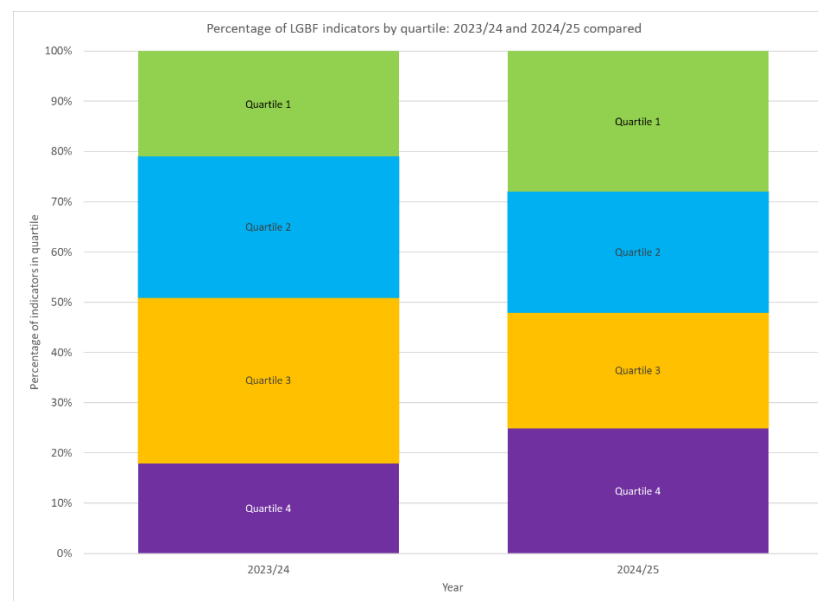
In addition to monitoring our corporate outcomes we use a variety of other improvement methods. One way we do this is by engaging with the Local Government Benchmarking Framework (LGBF).

All local authorities in Scotland participate in the [Local Government Benchmarking Framework](#) (LGBF). Data is collected and presented in ways to ensure consistency and to enable comparisons to be made between councils. As levels of performance are affected by differences in local circumstances and local priorities, we compare our performance both nationally and within ‘family groups’ of similar councils.

Data for 2025/6 is currently being collected and collated. The majority of the 2025/26 data will be published by the end of 2026. For this reason, the data present here relates to 2024/5.

The chart below shows how our performance compares relative to other Scottish local authorities (figure 6).

Figure 6: Percentage of LGBF indicators by quartile: 2023/24 and 2024/25 compared



The overall pattern of relative improvement we have noted in recent years has continued. However, while more than half of indicators fall in quartiles 1 and 2 (and so are above the Scottish average) for the most recent year, it is worth noting the increased concentration of indicators in quartiles 1 and 4, with a decrease in the numbers of indicators ranked in the middle quartiles. This suggests a polarisation of performance into the best and worst quartiles.

A comparison of the data for the years 2023/24 and 2024/5 shows that, for the 99 indicators for which comparison can be made:

- 14 indicators moved to a higher quartile, suggesting improved relative performance. (This compares to 23 moving to a higher quartile reported last year and 34 for year before).
- 66 indicators stayed within the same quartile (this compares to 65 last year and 34 the year before).
- 19 indicators moved to a lower quartile, suggesting worsening relative performance (this compares to 11 reported last year and 29 the year before).
- 0 indicators moved out of quartile four, compared to 8 moving in. 17 indicators were in quartile four for both the latest and the previous year.

More information about how councils are collectively performing across Scotland, and how challenges facing local authorities have impacted on performance, is available in the Improvement Service's [National Benchmarking Overview Report 2024-25](#). More information about performance for individual indicators and comparisons with our 'family groups' of councils is available using the Improvement Service's [Local Government Benchmarking Framework Dashboard](#).

Risks

Strategic Risk Register

The Strategic Risk Register (SRR) details significant risks faced by the Council and the agreed approaches to manage them in the context of risk mitigation.

Some strategic risks cut across all areas of the Council. Others relate specifically to particular service functions; these tend to be long-term in nature.

Specific interventions are put in place to manage each strategic risk. These are subject to scrutiny at Strategic Committees and are formally reviewed twice a year. The Strategic Risk Register can be reviewed at any time by the Strategic Management Team and items added if necessary. A formal report is prepared on an annual basis by the Chief Executive on risk management and is reported to the Council's Audit and Scrutiny Committee.

Further information can be found within the [Audit and Scrutiny Committee meeting area on the council website](#).

Currently the Strategic Risk Register has 14 risks in total, 5 are red, 8 are amber and the remaining 1 is green.

The red risks relate to:

- Population, external infrastructure and economic decline
- Health and Social Care Partnership
- Waste management
- Service delivery - cyber security
- Lack of housing availability.

The amber risks relate to:

- Condition and suitability of infrastructure & asset base
- Financial sustainability
- Governance and leadership
- Engagement and understanding the needs of the community
- Service delivery
- Anti-poverty and cost of living crisis

- Impact of climate change
- Compliance with 'Prevent'

The green risk relates to:

- Civil contingency and business continuity.

Operational Risk Register

In addition to considering strategic risks, the council also considers risk which affect the operations of the council. Red risks in the council's Operational Risk Register relate to:

1. **Failure to maintain the school estate.** The risk remains high due to ongoing pressures on capital funding, construction inflation and the gap between available resources and the investment required to maintain school buildings to the required standard.
2. **Failure to ensure that Council offices, depots and other properties are improved.** The continuing impact of construction cost inflation, contractor availability and supply chain pressures is affecting the Council's ability to deliver planned improvements and maintain assets.
3. **Failure to reduce the Council's carbon footprint.** Delivery of decarbonisation projects continues to face financial, resource and infrastructure challenges, with ongoing exposure to increasing utility costs and wider climate change obligations.
4. **Increasing utility costs.** Continued volatility in energy markets, alongside reliance on limited specialist capacity to manage utility data and monitoring, presents a significant financial pressure for the Council.
5. **Finance – unavailability of internal capital funding and wider affordability challenges.** Escalating project costs and pressure on capital resources may affect the Council's ability to deliver major capital projects to programme and agreed scope.
6. **Capital receipts targets not being met or revenue-generating projects not being delivered.** Delivery depends on achieving planned asset disposals and progressing major development projects, with any shortfall potentially affecting the Council's capital funding strategy and financial planning assumptions

8. Consultations – we asked, you said, we did

We want to ensure that proposed developments are what our citizens and communities want. We promote consultations in a number of ways, including through the council's [Keep in the Loop](#) service, via social media, and on our website, where we publish [information about open consultations as well as providing updates on consultations which have closed](#).